MEETING MINUTES

DATACENTER STRATEGY PLANNING

Opening:

The meeting of SICSA Datacenter and MHD management teams was duly called and held on Monday 12th December at Gallerie Marassa at 11:30 am

Present were:

Peter Frisch
Gregoire Fouchard
Gary Berridge
Alex Paton
John Irish

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1. Agenda

i. Status report on work being done at the datacenter
ii. Datacenter priorities
iii. Partnership with NATCOM
iv. Negotiation strategy for NATCOM
v. Haitel as alternative to NATCOM
vi. Communication License for Deschamps
vii. Meetings between Datacenter Management Team and MHD
viii. Status of negotiations with Smartmatic

2. Summary of discussions of Agenda Items

i. ITEM 1 – Status Report on work being done at the datacenter
   a) Gary reported that many of the items that were on an agreed list of things to be done by Fortuné at the datacenter were still undone. Gregoire responded that Fortuné requested a list of outstanding items. Gary indicated that he already prepared the list and forwarded it to Peter.
   b) Gregoire indicated that Fortuné was particularly concerned about having to repaint the entire datacenter. Peter and Gary clarified the issue by pointing out that the entire datacenter does not need to be repainted. Only areas that were high traffic areas and got dirty during ongoing work at the datacenter should be retouched
   c) Gary reported that a crane was scheduled to be at the datacenter on Sunday 18th in order to move the water tank to its right location.
   d) Gary reported that there were some items / equipment that were still at the warehouse and were scheduled to be moved to the datacenter on 12/13/11
   e) Peter enquired about the number of guards currently on duty at the datacenter. Gary informed him that there were three guards around the clock. Gregoire suggested that at the present there was no need to have three guards on duty at all times. He recommended that there should be just one guard during the day and two during the night.
ii. ITEM 2 – Datacenter Priorities
   a) Peter reiterated that the primary mission of the Datacenter was to support the E-Learning project and that central to that mission was

1) Getting an agreement with respect to the use of communication towers on which to hang the Proxim Radios
2) Obtaining a communication license that would enable SICSA to offer data services to the public
3) Ensuring that the datacenter has adequate bandwidth to support its potential clients. Currently, the 6 MB connection would be severely inadequate for that purpose.
4) Getting clients for the datacenter that would help to offset the cost of operations during the interim of preparing to launch the E-Learning project.

b) Gary indicated that the idea is that until we have an agreement for towers, clients of the datacenter will have to pay current costs for connecting to the datacenter.

c) Gregoire pointed out that such a requirement would make using the datacenter cost prohibitive for many clients. There was general agreement on that point.

d) Peter enquired about the Marketing Plan and Business Plan.
1) Alex informed him that we were working closely with Kathryne and that the Plan was near completion and that he should expect the final copy shortly.
2) With respect to the Business Plan Alex informed that [1]we were still awaiting some financial information from the accounting department and that we would proceed expeditiously to complete it as soon as the information is available.
3) Peter welcomed the update and stressed the importance of completing the documents.

e) Peter highlighted the importance of creating an information package about the services of the datacenter. This would very beneficial in;
1) Promoting consistency in the message we send to prospective clients
2) Enable Board Members to participate more effectively in marketing the services of the datacenter
3) Provide us with material that we can leave potential clients after every meeting

He lamented the absence of such documentation at present and instructed the Datacenter Management Team to undertake this task with minimum delay.

iii. ITEM 3 – Partnership with NATCOM

a) With respect to obtaining an agreement for the use of the towers, it was felt that the best option for Partnership would be NATCOM. John pointed out that there are some very important advantages to a partnership with NATCOM that do not exist with the other players:
1) Although NATCOM ranks among the three players in the market and has the national coverage with respect to its antennas, it lacks the dominance of the big two and does not have their network reliability and redundancy. Our solution provides both. ***Translation: we have something they need*****.**
2) Deschamps' connections and relationships with the Government and their ability to influence the current administration to utilize more of NATCOM's services is an asset that can be placed at NATCOM's disposal to significantly improve their bottom line. ***Translation: we have something else they need***.
3) The upside to this partnership for Deschamps is significant.
i. Deschamps will enter into this partnership with a very strong negotiating position and, as a result, will be able to extract more concessions from the deal to offer a wider range of services to the public. This is not the case with the other big players as their position in the market has been solidified and they have very little use, if any, for anything we have to offer.

[1] Gary is in contact with the Accounting Department on this matter

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ii. Deschamps will have access to all NATCOM's new clients and be able to offer data services that NATCOM is not (and has not contemplated) offering.
iii. With Government as a 40% owner of NATCOM and with Government using more of NATCOM services, Deschamps gains by default, the right of first refusal for most of Government technology contracts.
iv. Deschamps has relationships (Andre / Min of Interior / Max/Min of Finance) in key areas that can be called upon to influence the process from multiple angles.

Peter emphasized that, with respect to a negotiating strategy, it was very important for NATCOM not to feel that they were pressured into a deal with Deschamps. They have to see this as a mutually beneficial proposition. Alex added that there are also important benefits for Government to a NATCOM/Deschamps partnership. Government will be able to reduce its connectivity costs considerably using their "own" services as opposed to those of a competitor

iv. ITEM IV – Negotiating Strategy for NATCOM
a) Given the importance and urgency of getting an agreement for the use of towers it was decided that
1) A small group comprising Jackie, Peter and Chantal be charged with spearheading the negotiations
2) A negotiation strategy be agreed upon in advance to ensure that the engagement with NATCOM on the issue of a partnership is structured and focused
b) The Datacenter Management Team agreed to develop an outline of a negotiation strategy in order to facilitate this process.

v. ITEM V – Haitel as alternative to NATCOM
a) Gary informed the meeting that he was contacted by Haitel and that they were interested in doing a deal with Deschamps. Gregoire expressed his deep concerns about the prospect to such deal giving the company's history with Haitel and the public perception about the company's ownership.
b) Gary added that perhaps the cleaned up its image and pointed to the fact that a relative of the President is currently in senior management of the company.
c) Gregoire reiterated his strong opposition to any such partnership.
d) Alex warned the meeting that they were also other very important risks associated with such a partnership namely, risking the name and reputation of the company by entering into a partnership with a less than reputable partner. Everyone concurred.

vi. ITEM VI – Deschamps Communications License
a) With respect to obtaining a communication license Gregoire and Peter pointed out that it was in the company's long-term strategic interest to obtain its own communication license and that every effort should be made to proceed in that direction leveraging whatever relationships they have at their disposal to accomplish this.

vii. ITEM VII – Meetings between Datacenter Management Team and MHD
a) Peter indicated that given the fact that we are moving into a more crucial phase of the Datacenter project that it was import for there to be more regular meetings so that progress can be monitored more closely and corrective action, if and when necessary, can be taken in a timelier manner. Consequently, the decision was taken to reserve Tuesdays at 9:00 am for those meetings.
b) The first of these meetings will be on Tuesday 27th at 8:30 online given that the Datacenter Management Team will be on travel.

viii. ITEM VIII – Status of negotiations with Smartmatic
a) Peter reported that to date there is no agreement with Smartmatic and that the most recent conversations that had taken place on the subject of a partnership focused on

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Smartmatic's offer of 1.5% to 2% commission for the role in facilitating the process thus far. Everyone agreed that this was highly unacceptable and the general view was that Smartmatic was not interested in a partnership despite their posturing to the contrary.

b) John indicated that Deschamps needs to clearly articulate to Smartmatic the precise nature of their contribution which includes inter alia;
    1) Introducing Smartmatic to the opportunity
    2) Protecting them from of the pitfalls that many new companies in Haiti fall victim to
    3) Leveraging relationships to ensure access to the appropriate people
    4) Expending political capital to ensure that Smartmatic is the only viable contender for winning the RFP

    The importance of this contribution warrants a partnership position of between 40 to 50 percent of profits.

c) Peter reported further that a strong message would be delivered to Smartmatic from Government indicating that they needed to partner with Deschamps in order to ensure the smooth process to winning the RFP.

3. [2]Preliminary Agenda for Next Meeting

i. Status report on Datacenter completion – Gary
ii. Status report on Partnership with NATCOM – Peter
iii. Status report on Communication License – Gregoire
iv. Status report on Smartmatic Partnership – Peter
v. Status report on Info Package – John
vi. Status report on Marketing and Business Plans – Alex

4. **Adjournment**:

Meeting was adjourned at 1:30 pm by John Irish. The next meeting is scheduled for 12/27/11 at 8:30 am online. Any additional specific agenda items will be communicated in a subsequent correspondence

Minutes submitted by: John Irish

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[2] Final agenda to be submitted by Peter 24hrs before next meeting