

A portrait of Xavier Sunyer, a middle-aged man with short grey hair, wearing glasses, a dark suit jacket, a light blue shirt, and a dark patterned tie. He is looking directly at the camera with a neutral expression. The background is a blurred indoor setting with a window showing green foliage.

Interview

**Xavier
Sunyer**

**“TFO is
specialized in
FTTH network
solutions”**

By **TFO**

Interview:

Xavier Sunyer, TFO's CEO

“We connect people”

TFO - Barcelona

Tell us about TFO.

TFO is an international group of companies with headquarters in Barcelona; we are dedicated to optical fiber networks development, with a special focus on fiber to the home networks, also called FTTH networks.

What do you mean with “optical fiber networks development”?

TFO performs all the range of tasks from engineering projects, product design, manufacture, supply, installation, operation and fiber optic networks maintenance, carrying out projects in which we only supply passive fiber optic products, to turnkey projects, engineering, supply, installation and operation.

Why do you think that everybody should get fiber optics?

Fiber is the new highway, which connects people with anywhere in the world. Nowadays, you don't communicate only with other people physically, face to face, we also communicate to each other through the internet: we send information, photos, movies, buy, sell... and even fill further communication needs with the social networks. If we haven't fiber to the home, we don't exist, we're isolated from the world.

With the current government economic context, is telecommunications and fiber optics a priority?

It is a top priority issue and in many countries the development of next generation networks, which are fiber to the home networks, are being taken



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into account as a driver to leave the crisis behind. According to studies by the International Monetary Fund (IMF), there is a direct relationship between the GDP of the countries and broadband: greater broadband, higher GDP. The Optical fiber networks help in the economic development, lowering the digital division, balancing territories, improving productivity, establishing e-government projects and Smart-Cities development...

In what sense can they change people's life?

Optical fiber networks help to improve people's freedom; we can connect the world through the use of high-broadband connections, without limitation or control.

How did you start in fiber optics?

In 1986 I started working in the technical department of the company Condelec Ralocar designing special cables, including fiber optics. It was my first contact with optical fiber. In 1990 the company was sold, and Ramon Alòs, its owner, Toni Caminal and me, we created Optral, a company that manufactures fiber optic cables and transmission equipment. And after more than 20 years the company still continues manufacturing optical fiber cables, here, in Catalonia.

What about your entrepreneurial spirit?

In the year 1992, and after leaving the Optral project, I started my entrepreneurial side with the creation of Fiberopt, a company dedicated to designing and manufacturing passive components for fiber optics. We started an internationalization process, exporting

products to different countries. Then, in 2005, I focused in the internationalization with the establishment of TFO international, a group specialized in Fiber Optic Technology. TFO from its inception is not intended as a Spanish company, but as an international group based in Barcelona, now in the 22@ technology district of Barcelona.

Where does the internationalization come from?

The first time we worked in being international was in Fiberopt. At that time Spain was negotiating to enter into the

“Optical fiber to the home networks were taken in many countries as a way to exit the crisis”

European common market and our concern was what would happen when multinationals come to Spain, would Fiberopt disappear? Our approach was that if we, already in TFO, were able to go abroad to sell in their countries, they never could take us out, and so we started exporting to Portugal, France, Morocco...

So TFO was born from its inception as an international group...

That's right. After the telecommunications sector crisis, in the year 2000,

we perceived that we couldn't survive only with the local market; that's why TFO wasn't created as a Spanish company with subsidiaries, but as a group of companies headquartered in Barcelona, and each one is responsible for a number of countries and markets. Today and after some adjustments we had to do due to the crisis, the group is made of 5 companies, TFO Spain, Fiberfos (TFO Portugal), Morocco TFO, TFO Costa Rica and TFO Panamá.

How was TFO incorporated?

In year 2002 and still in Fiberopt, TFO born in Morocco and in December 2004 I bought 100% the company. It was the first stone to create the group, and until the year 2010 it has been the first TFO group company positioning itself as a leader market in Morocco. I also remember when we started the FTTH network products development, on a visit to TVTEL in Portugal, the first company to develop a fiber to the home network, with Mario Santos, manager of TFO Portugal, we sat in a bar to draw in a napkin the box solution for fiber optic splices and from those drawings we came out with our SMT Slots. Nowadays, it is one of the most successful products we have, and they are being used in companies like Portugal Telecom, Maroc Telecom, ICE among other ones. So after Morocco, in January 2005, in Spain we created TFO and then the other group companies, TFO Cyprus (2005), TFO Portugal (2005), TFO Costa Rica (2006), TFO Panamá (2007) and TFO Middle Dubai-based East (2007).

You're talking about companies that no longer exist.

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Yes, indeed, as in every business process, there are hits and misses and during this rapid expansion we've had some failures. When we consider the TFO process establishment, we didn't measure our forces and thought that we could do everything we intended. Then, we have seen that financial resources are limited, resources of trained personnel to perform an internationalization process are scarce and difficult to find. You have to prepare it well, in depth, and that can take several years. We also overestimated our forces to enter in some markets like in the Middle East project. In order to position in a market you have to know it well and know which resources you need in terms of staff (skills, training), which financial needs are needed, etc. A typical process to enter in a market lasts 3-5 years and you must be prepared to hold it.

And if we talk generally?

Overall we've had great success and exponential growth. In the countries where we are, we have managed to enter in the market quickly, for example in Morocco TFO is the leader in fiber optic installations and projects having some large customers such as Maroc Telecom, Meditel or Inwi. In Portugal, TFO is the only company that works exclusively with fiber optics and with clients such as Portugal Telecom, Zon, Refer, and exporting to countries like Angola or Mozambique. In Costa Rica we are leading the first project in Latin America of a neutral fiber to the home network and in Spain we are participating in several FTTH projects.

What projects are nowadays being developed by TFO?



El proyecto en la localidad de Viladecans (Barcelona) de momento conecta 2.000 hogares

“In any business process there are trials and errors, and more with the expansion we have been living in TFO”

We are currently developing a project in Costa Rica to deploy a fiber optic network to the home FTTH in the province of Cartago, for the electric company JASEC. The project consists of cabling up to 80,000 homes and connecting this year 2011 the first 4200 homes. The TFO tasks are the design of the strategic plan, the engineering, the supply of all components, both passive and active, the installation and the implementation; and we're also one of two finalists for the operation and maintenance of this network for the

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“We have several years of delay in the development of FTTH networks in Spain, and as a result we have one of the lowest speed connection and higher prices”

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next 5 years.

Is this project being developed only by TFO?

No, in this project TFO is the leading company and we are working with a local installation company, AMD, and we have also involved several Catalan companies, such as Aggaros, in the development of the strategic plan, Ap-futura, in engineering and integration, or Optral, to manufacture optical fiber cables.

How do you see from your perspective, the market in Spain?

In Spain we have a problem, the incumbent telecommunications operator is one of the most successful companies in the telecommunications world, Telefónica, and for that company the Spanish market is not a priority. We have several years of delay in the development of fiber optic networks in Spain and this has meant that we have one of the lowest connection speeds in Europe and we pay some of the highest prices. This year it seems that Telefónica is seriously focusing in the deployment of optical fiber networks to the home and if this process continues we will see that in the coming years our

telecommunications will improve and we'll get the level of other European countries.

With Telefónica is enough?

No, Telefónica and other network operators develop networks in cost-effective areas with high population density such as Barcelona, Madrid and big cities but we have parts of the country without FTTH connection. To prevent this, we must promote public-private initiatives that allow the development in areas that at a first glance seem to be unprofitable, but in reality it's not like

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that. Today we have some examples that can guide us towards where we should go. Projects such as Riba-Roja d'Ebre, where the council has wired all the town, projects like Viladecans or the Principality of Asturias are some of them.

How is the Catalonia situation?

Catalonia doesn't appear well positioned in the picture: it is one of the Spanish areas where fewer projects are being developed; nevertheless, we have some good points, like Xarxa Oberta, developed by the Generalitat de Catalunya, which intends to connect all the towns of Catalonia with optical fiber network, and then open it to different operators. This is a good project, but it's a pity, because it has not relied on Catalan companies to carry it out. This is an unsolved issue, how do we involve companies like TFO, which is developing similar projects in other countries, in projects that are being done here?

With this crisis situation and the infrastructure backlog that Spain and Catalonia have, how do you see TFO's future?

TFO went through a very critical step in 2009, but once we overcome it, and because of its diversification in the international markets, I think our future is well secured. This year 2011 we will double our turnover and reach 14 million Euros, and with the ongoing projects we have right now in Costa Rica, Morocco, Portugal and even here in Spain, we have work guaranteed for the next 5 years. On the other hand, we're starting to work up in new markets and projects which will also help TFO to go ahead and expand internationally in the next 5 years.



El proyecto de Cartago (Costa Rica) conectará un total de más de 80.000 hogares

**“Fiber optics are the new roads!
Those that connect people
anywhere else in the world. Today
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