



The Fibreoptic Industry Association

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RECESSION – TIME TO RE-BUILD OUR FOUNDATIONS

by

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for Networking+ (January 2009)**

The New Year is upon us and it would appear that the future for many is uncertain. Of course we all know the basic problem - banks are not keen to extend loans which makes us unable to buy goods thus reducing output thereby causing a recession - or do we?

The real problem is that for a number of years it has, in reality, been too easy to obtain loans without substantial security. Five years ago, if not more, I was on my way to a meeting in Warrington (jet-setting I know) and I called into a Sainsbury's store for a sandwich and walked out with a credit card with a £14500 credit limit - in whose wildest imaginings could such a freely proffered line of credit be right?.

We hear that we are subject to a "credit crunch" but maybe we are simply experiencing a re-balancing of what it is realistic to borrow against. Banks are certainly guilty of incompetent lending. They depended on increasing asset values to bail them out if loans were defaulted. However, in the telecommunications arena we have to stay focussed on a key factor - the growth of telecommunications infrastructures and associated applications to support evolving life-styles will not stop because of this recession. Recessions come and go, making life difficult for some while they exist, but the bigger problems faced by the world continue to grow unabated.

At the moment, and if we have some spare cash, it is tempting to delay purchasing a new gadget to see if the price drops a little further. In the world of telecommunications infrastructure, we are seeing a combination of project deferment and downward price pressure. It is the downward pressure on pricing that represents the greatest risk since reducing costs for installation generally means "cutting corners" in the hidden overheads, typically affecting the aspects that govern long-term reliability i.e. quality assurance and workmanship. By putting pressure on infrastructure costs, the customer is complicit in increasing the operational risk - reducing Capex but increasing Opex.

The Fibreoptic Industry Association has always maintained that the best suppliers are those that operate with minimum risk to themselves and, by implication, to their customers. In this period of recession, the principle stands stronger than ever. With this in mind the FIA has re-focussed its Approved Installer Scheme (AIS) to simultaneously accelerating its uptake by FIA members and improving its recognition amongst the customer community.

The FIA is not sacrificing the 300-point risk-management topics which are fundamental to the application of the Approved installer Scheme. Indeed with the publication of the new BS EN 50174-1 and -2 standards in Q1, 2009, the value of the AIS will be emphasised and extended. The approval system will be harmonised with the other major scheme in this area operated by the ECA-ITEC and the underpinning details of the scheme will be made available to a wider audience through the other co-hosts of the Telecommunications Infrastructure Advisory Board (TIA-B) - to the client and consultancy community. Moreover, the technology-agnostic nature of the FIA AIS (being applicable to the installation of all type of telecommunications cabling) is being made available to the CMA and ECA-ITEC to support activities in their fields of membership.

Some readers may think that increasing the focus on quality assurance and risk avoidance is madness in the current climate. Having survived two previous recessions and many other short-lived market downturns, I can confidently say that those that build foundations for the upturn will be very much stronger thereafter.

If you would like to have your say on this topic and would like to join the FIA in order to do so, e-mail jane@fiasec.demon.co.uk or, alternatively, you can contact the FIA Secretariat in 01763 273039.