
Frans Dreyer

INNOVATOR – VASTECH

Intelligence gatherer

No longer a start-up, VASTech is on the brink of expanding the reach of its network-based recording solution beyond the realm of government into the lucrative telecoms sector

BY LAURA FRANZ

PERHAPS THE BIGGEST success story of the maxum incubator, The Innovation Hub's high-tech business incubation programme, is VASTech, a company that designs, manufactures and distributes network-based recording solutions for the government and commercial markets.

Frans Dreyer launched the company in October 1999, in the month he turned forty. VASTech's R570 turnover in its first financial year must have made him seriously question whether he'd made the right move to leave the comfort of a steady income as head of Spescom DataVoice. Fast forward to 2005/6 where VASTech's turnover is now in excess of R30 million, and one suspects he feels pretty vindicated at this point.

After a slow start, the company bought a discontinued product suite from Spescom DataVoice and shortly afterwards, in 2002, concluded its first major contract worth R2.4 million with an international client, and became an original equipment manufacturing supplier to Siemens, in Germany.

At that time it also signed an international distributor agreement with Spescom DataVoice to resell products, bundled with its own, into call centres the world over, in Africa, Europe, the Middle East and Asia Pacific.

Although commercial business has been profitable, government and law enforcement agency business was the single most important contributor to growth for the young company as a result of these products and, much more significantly, its proprietary technology.

It was around 2002 when the company began development of what would become known as its Zebra monitoring centre system – an ultra-high capacity recording and filtering platform for communications from voice and data networks. Just to give you an idea of how ultra-high its capacity is, the platform can store and index as many as 100 000 concurrent calls in a central repository with up to 400 million entries, all in real time.

Dreyer explains the system as a so-called third-generation recording technology, superseding first-generation tape-based systems and second-generation digital systems, which employ an interface card to convert sounds to wave files and then store them on a computer hard disk.

DRAMATICALLY INCREASED CAPACITY

VASTech's technology consists of a gateway which converts all audio inputs into a 'standard format' and then into software, increasing the system's capacity dramatically in comparison with second-generation recording solutions, which have a larger footprint and require thousands of autonomous recorders linked together to achieve the same capacity. From a practical perspective it is simply impossible to build systems with this capacity on second-generation technology, says Dreyer.

Crucial data can then be extracted, processed and analysed with software tools.

Moreover, the platform's design significantly reduces infrastructure requirements to run and maintain an intelligence-gathering platform. A Zebra system configured to record 30 000 concurrent intercepts and demodulate all fax and modem sessions, for example, takes up less than three 19-inch IT equipment racks.

"We believe this could be the best technology of its kind in the world. We've exhibited our product at shows around the world, and our competitors have nothing like it," maintains Dreyer.

The company has been selling its Zebra solution to governments as far afield, once again, as Africa, the Middle East and Asia Pacific. Last year it even concluded a significant three-year contract for a recording solution with the SA government.

THE WAY FORWARD

"We now need to finalise development of the recording solution for commercial application, aimed at telecommunications network providers in particular," he indicates.

Within the next three to six months, it will produce a demonstration model with which it will begin its marketing effort to launch network-based recording services in earnest. In this respect, it will either sell the equipment to clients, or will outsource itself as a trusted third party vendor, offering its service on a subscription basis.

Although the local market is not its focus in this regard, Dreyer does anticipate some significant business locally.

"We have no competitors locally, but face competition from about thirty companies internationally, although I must say, we seldom bump into each other, probably because we focus on servicing the less-developed world, while they don't," he explains.

In the coming financial year, he expects the company to generate revenue of between R40 million and R50 million. Quite a feat for a company with only 30 staff members, which includes a team of some 22 developers based in Somerset West.

It's interesting to note that its biggest customer for DataVoice products in Africa is Zimbabwe, while Malaysia accounts for most of its revenue outside of the continent.

"Our challenge now is to grow our market reach before our competition catches up with us. We're not a big company and the world is a big place," remarks Dreyer.

His intention, though, is for VASTech to remain small by world standards, that is, with 60 employees at most, and never to become a cumbersome corporate entity.

"If the commercial application of our Zebra product takes off, we have the potential to grow substantially in the next three to five years, perhaps even generating some R150 to R250 million in revenue," hopes Dreyer.