

AZBOX's Quick Ascent

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AZBOX, founded in 2005, really came out running right from the gate. The truth is, it's actually faster than that since AZBOX has only been a manufacturer of satellite receivers since 2007; for 2010 they expect sales of 100,000 HD receivers. We wanted to get a better understanding of this success story so we decided to make our way to northern Portugal in Mazedo's industrial zone in the Monção district. One kilometer further north and we would be in Spain.

Hugo Condessa is the company's CEO. We met up with him in one of the street cafes in Mazedo's old city where he explained how it all began over a cup of coffee. Hugo is a satellite enthusiast. "I started as a satellite DXer when digital TV appeared", remembers Hugo as he thinks back to when it all started 10 years ago. Back then he only spent money on receivers.

"I bought a new receiver
roughly every
t h r e e

■ OPENSAT, manufacturer of the AZBOX line of receivers, only moved into this building two years ago. It can be found in Mazedo in northern Portugal and is 1100 Sq-m in size.

A7BOX

■ Hugo Condessa, OPENSAT Limitada's CEO, in his office. He is manager and technical chief.

■ Jose-Luis Condesa, OPENSAT Limitada's CFO, with his wife Teresa. They are responsible for the business side of things. He explains how the number of employees expanded: "In 2005 it was just the two of us. In 2006 our first employee joined us and in 2007 we had five employees. In 2008 there were eight and in 2009 we had 22 employees."

■ Marlen Condesa is Manager of logistics. AZBOX uses the shipping company Schenker for product shipments and as their warehouse. She explains to us a little about the sales office in Miami: "We only sell SD boxes in America. In 2009 it was roughly 250,000 boxes of which 35% went to Paraguay, 25% to Uruguay, 20% to Brazil and 20% to the rest of South America." For HD receivers, the situation looks completely different: "HD sales first started in 2009 with 30,000 boxes but for 2010 we are expecting to reach sales of 100,000 receivers. 45% of those HD receiver sales will be in the USA, 20% will go to Brazil with the remaining 35% going to the rest of South America."



■ In AZBOX's office: in the foreground is Alejandra Ortiz, in charge of marketing, and in the background is Rita Reis, responsible for design.



■ Are there any AZBOX software questions? AZBOX's customer service can be reached via the forum at www.azbox.com/forum where questions or problems are answered by Luis Filipe (foreground) and Francis Martin (background). They also look for AZBOX contributions through other Internet forums and thereby gain valuable tips on improving the software.



■ Leandro Gonçalves is in charge of nine software engineers. He keeps an eye on their work and progress with the improvement of AZBOX's software. "We are always open to new applications from experienced software engineers with good DVB knowledge." Readers interested in a position with AZBOX can contact him or Hugo directly.



months; eventually I had about 40 receivers at home."

Someone who is so intensively involved with a hobby at some point will make a business out of it. That was 2005. Together with Jose-Luis Condesa ("only one 's'" comments Hugo Condesa) they used €uro 5000.00 in capital to start the company OPENSAT Limitada. At first it was a satellite dealer: they bought and sold various receiver brands along with all the necessary accessories such as LNBS and dishes. The first two years were actually quite successful for the newly formed company. "We had sales of a half a million Euros in 2005 and this increased to 800,000 Euros in our second year", remembers Hugo.

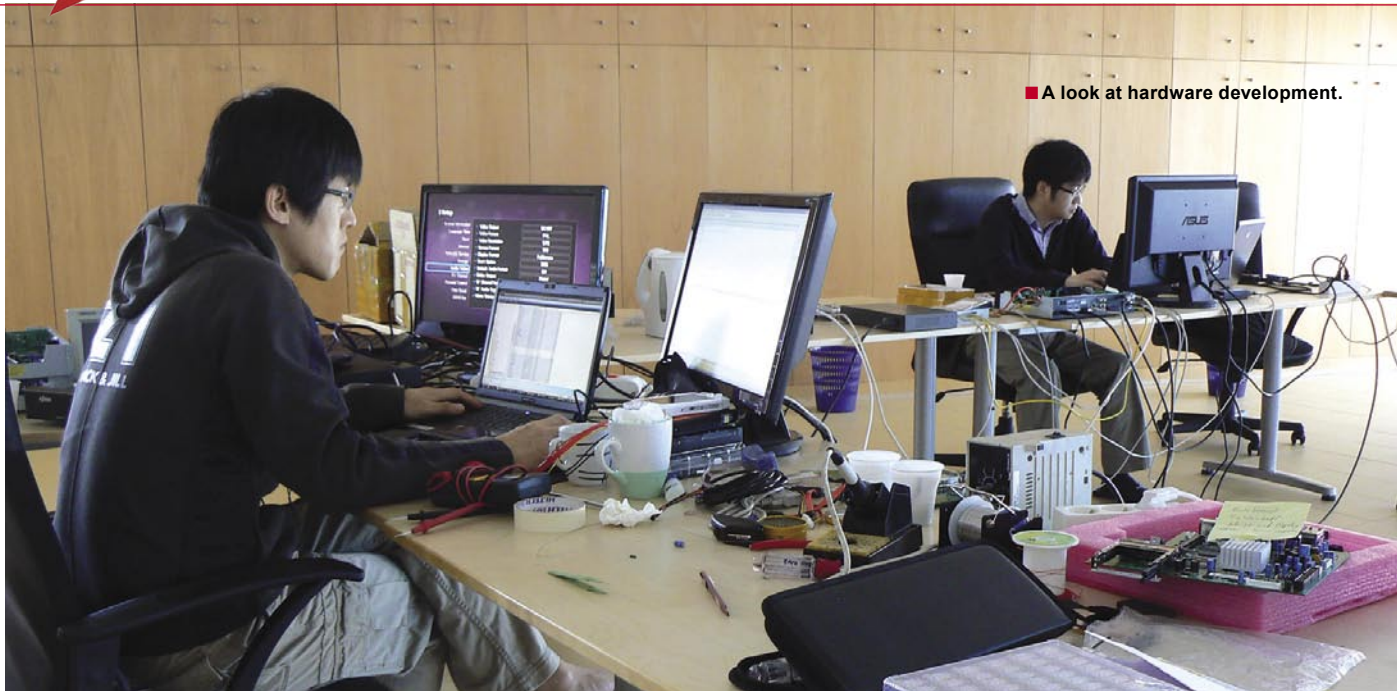
Soon Hugo began to realize that receiverwise he could do it better all by himself. Thanks to his experience with many different receiver models, he had already identified all the advantages and disadvantages of these models and was also quite familiar with all the different receiver menus. He also thought about it from a commercial point of view: instead of being dependant on manufacturers and their software revisions - or lack thereof, he decided to manufacture receivers himself.

He found the right manufacturer in South Korea - no, not a receiver manufacturer - but rather a fabricator of PCs. "A receiver is nothing more than a PC", explains Hugo. The secret was to find the

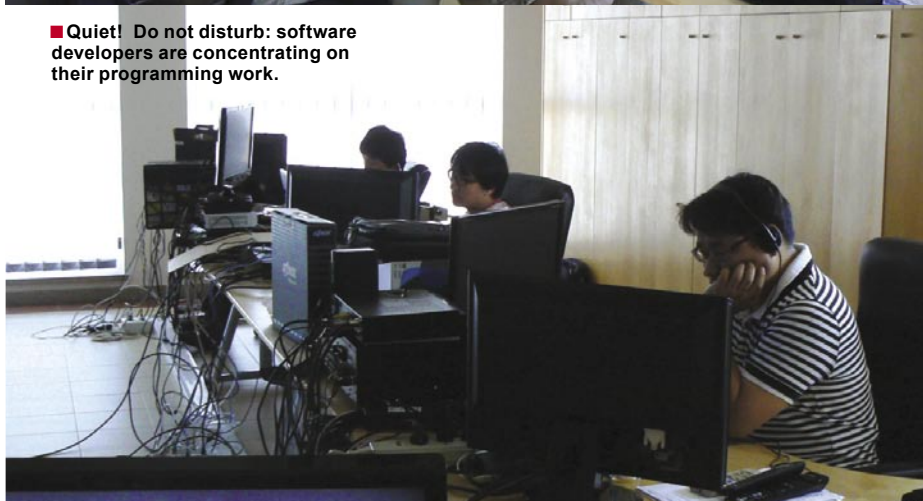
right components and above all the right software.

Hugo chose a chipset from Sigma to make up the heart of his AZBOX receivers. "The documentation for this chipset is not exactly overwhelming", explains Hugo, "but this chip does everything I need it to do." Regarding chipsets from other manufacturers, Hugo says that although they might be easier to use because of fully developed software, they don't have all the features that he feels are necessary.

Proof that he was right can be seen in the sales figures: in the first year 2007 in which he began selling his own receiver brand, sales climbed to 1.3 million Euros.



■ A look at hardware development.



■ Quiet! Do not disturb: software developers are concentrating on their programming work.



In 2008, a year in which he reorganized production, sales slipped only slightly to 1.2 million Euros. But in 2009 sales skyrocketed to 8.0 million Euros thanks to the sale of roughly 55,000 receivers. Hugo is even more optimistic for 2010: "We expect sales to be between 12 and 15 million Euros with a total sale of about 100,000 receivers."

Those are some high-flying numbers but Hugo has come prepared with a simple explanation: "We are dealing here with HD receiver models that are naturally more expensive than SD models." Sure enough, AZBOX only ships HD boxes to Europe. Is it even possible to get SD boxes from AZBOX? "Absolutely", says Hugo referring to the branch office in

Miami, Florida, "We opened an office there in 2008 with four employees that handle sales in North, Central and South America." Hugo, who enjoys visiting America and travels there three or four times a year for several weeks at a time to visit customers, points out that "there is still a market for SD receivers in Latin America." Together with his partner Jose-Luis, they are mulling over whether to continue with business as usual there or to concentrate completely on HD models. This is one of those business decisions that doesn't have an easy answer.

So what does the future look like? Are there any plans for future receiver models in the works? Hugo is quite convinced: "Internet TV is on the way!" AZBOX's software development team is extremely focused on integrating Web-TV in the AZBOX receivers. The customer can then enjoy content from everywhere since the tuners for DVB-C, DVB-T (including the American ATSC version) and of course DVB-S as well as DVB-S2 are already

available. "We are also working on improving our own AZBOX GoGo programming system", comments Hugo about his future plans, "this will make it even easier to update the internal channel list."

Another AZBOX box highlight would be the DVB-S2 blind scan feature although Hugo concedes that this would be more of a brute-force blind scan method. "A real blind-scan feature for DVB-S2 will probably never exist", says Hugo who has spoken to many tuner manufacturers on this subject, "the market is simply too small." A blind scan compatible receiver must not only handle Auto FEC and Auto SR, it must also be able to deal with Auto-Pilot signal and Auto-modulation. The relatively few satellite DXers that are out there make it too expensive to develop this full blind scan feature. TELE-satellite plans to test the new AZBOX receiver with IP-TV, Arabic menu and soft blind scan in the next issue.

While the technicians are constantly at work improving the software, AZBOX is expanding into new markets. "Currently we are well established in Europe and America", explains Hugo, "but now we want to get our feet wet in the Middle East and in Africa." An important building block for this endeavor will be the completion of the Arabic menu control; it should be completed by the time this issue hits the newsstands. "We are happy when any distributor from these regions gets in touch with us", says Hugo, "Right now we are working together with 20 distributors in Europe, 10 in North America and another 20 in Central and South America."

■ AZBOX has more than enough satellite antennas. Hugo Condessa explains to us where each LNB is pointed to. His hand is gesturing to the LNB for 7° east, alongside are the LNBs for 10° east, 13° east and 19.2° east. The dishes are 1.8 meters in diameter. The mast that carries a DVB-T antenna at the top has a 90cm dish pointed to 30° west, below that another 90cm antenna for 9° east and under that a 100cm dish with motor for USALS testing. To the right are two 1.8-meter antennas for 12.5° west and 15° west, as well as 7° west and 5° west plus a 1.5-meter antenna for 1° west. The large 2.4-meter dish to the left is pointing to 28.2° east, 23.5° east and 26° east. In the storeroom Hugo shows us antenna stands for two more 3.0-meter dishes: "One for the Ku-band and the other for the C-band, both will have motors." These dishes will be installed in place by the time this issue is published.





■ All LNBs are quatro LNBs with high-quality cable used to route the satellite signals to multiswitch distributors inside the building. Every technician's work station is fed with two lines that allows every satellite antenna to be independently accessed at any time. The employees can be seen here marking the individual cable lines with a sticker.

Hugo reveals to us a very critical point: "Since the start of our company, we haven't lost one single distributor." This sentence translates into this: when there are problems, they are solved and in such a way that both sides are satisfied. That is not only a good, but rather the best prerequisite for truly long-term cooperation!

The vigor that is displayed by Hugo Condessa, his partner Jose-Luis Condessa and the entire AZBOX team has shown in just a few years how fast it is possible to grow. Continued growth at AZBOX is guaranteed!

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