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Telecom Transformed: How Telenor's Move into Bangladesh Unlocked the Company's Future

It was August 15, 2004, and Telenor executive Tore Johnsen was 35,000 feet high, soaring toward Pakistan. Just four months earlier, Telenor had won the license to build and operate a mobile network in Pakistan, the latest Southeast Asian market it had chosen to enter. In May the company tapped Johnsen, a 30-year veteran of Telenor and the CEO of DiGi in Malaysia, to be its first CEO in Pakistan. With a population over 150 million people and just 5.2% mobile penetration (and half as much fixed-line penetration), Pakistan was a promising market for the majority-state-owned Norwegian telecommunications company.

For 147 years Telenor had operated solely in Norway, first with telegraph and then with telephone. In the early 1990s, the promise of an open market for telecommunications changed the company's strategy, and it began expanding internationally, beginning with a move into Russia in 1992.

In 1995, an unlikely opportunity to transform access to telecommunications for the Bangladeshi population presented itself. Amid an era of international expansion and with decades of foreign aid and development commitments between Norway and Bangladesh, Telenor made the decision to invest in the idea of Grameenphone, which featured a vision to connect the rural poor in Bangladesh.

The move into Bangladesh, part social mission and part market probe, enabled Telenor to apply a "social enterprise" mindset to its business. Grameenphone, of which Telenor was 51% owner, was created to bring mobile telecommunications to a country of 120 million mostly-rural people that would leapfrog the country's mere 300,000 fixed-line phones. Only a quarter of one percent of the population had a landline phone in the mid-'90s, and Bangladeshis often waited five to ten years for fixed-line service.[1]

Thanks in part to the social-enterprise element of Grameenphone, Telenor was able to adopt a "go slow to go fast" mentality. By this, Telenor meant "go slow" if the opportunity turned out to be only a social endeavor and "go fast" if it turned out to have commercial potential. While Grameenphone's growth would not look like a hockey stick chart in the way that metaphor is often used in business (rapid growth curve),

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