Total Enterprise Reinvention in Communications

Navigating to a New Performance Frontier

Dr. Kyriacos Sabatakakis | 14.12.2023

accenture

Comms and Media companies are focusing on transforming several parts of their business within their network and IT in silos but only 6% are really adopting a Total Enterprise Reinvention strategy

92%

Transformers:
Focus on transforming parts of their business rather than the whole and tend to treat transformation as a finite program rather than a continuous process.

Global Result: 86%
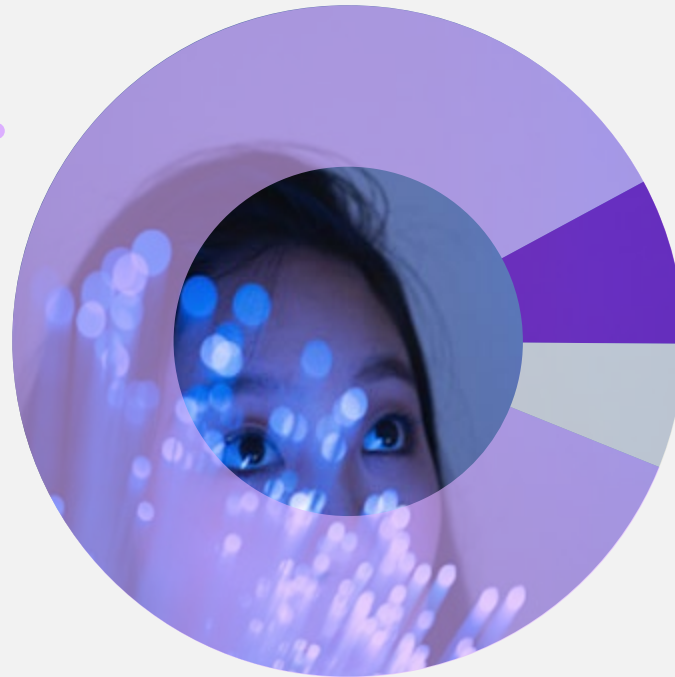
6%

Total Enterprise Reinventors: Are moving to adopt a strategy of Total Enterprise Reinvention
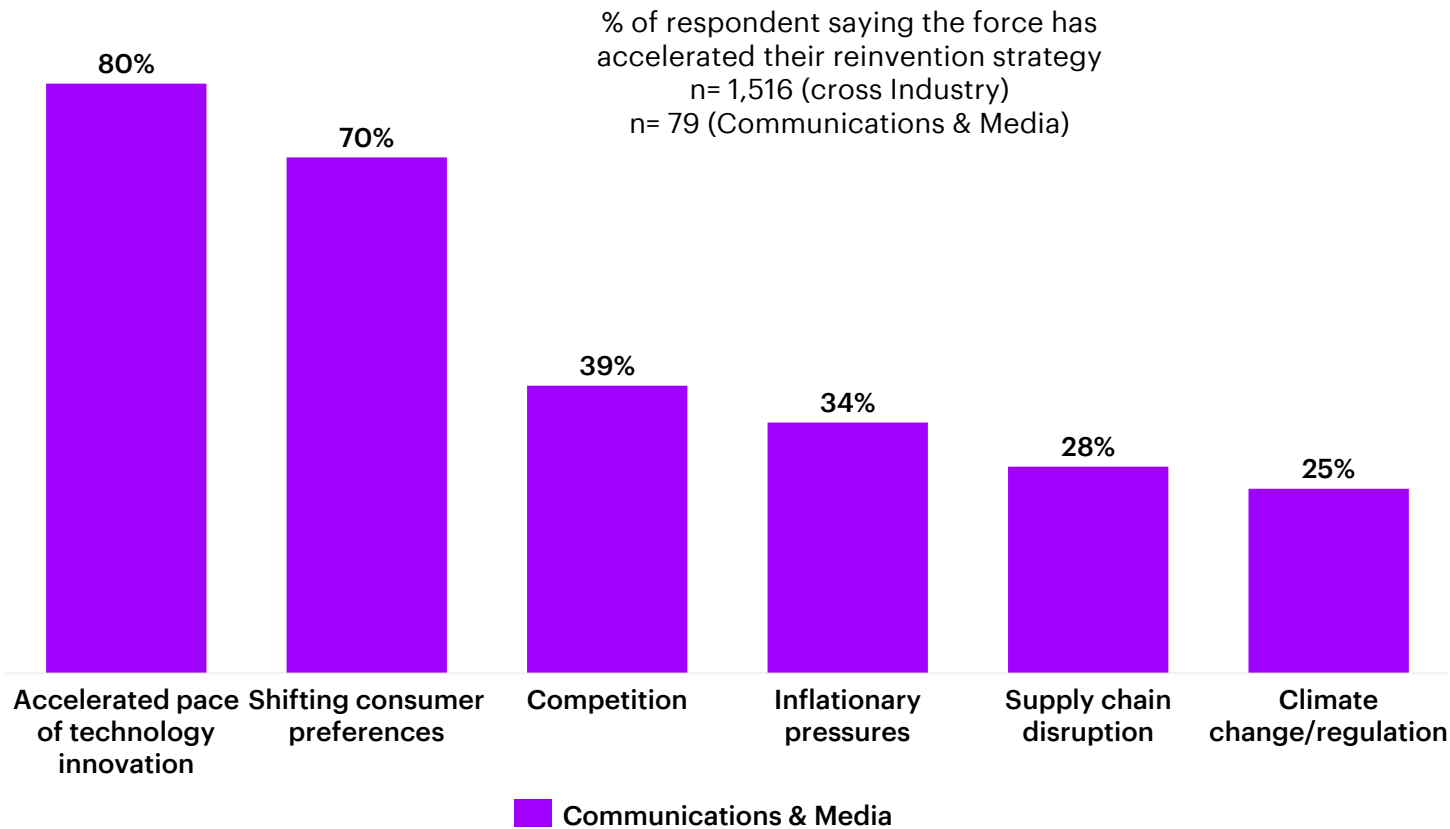
Global Sample: 8%

1%

Optimizers:
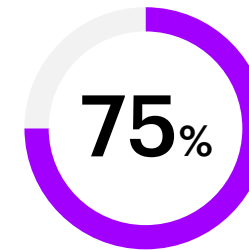Focus on functional transformations limited in scope and ambition

Global Sample: 6%

Comms and Media companies recognize the need to respond quickly to a changing world in order to get back into the growth curve

Top 6 external forces accelerating organizations' reinvention strategy for Communications and Media industry

% of respondent saying the force has accelerated their reinvention strategy
n= 1,516 (cross Industry)
n= 79 (Communications & Media)

Force	%
Accelerated pace of technology innovation	80%
Shifting consumer preferences	70%
Competition	39%
Inflationary pressures	34%
Supply chain disruption	28%
Climate change/regulation	25%

■ Communications & Media

Companies agree on the need to transform more than ever

75% of executives say that the pace of their organizations' reinvention could accelerate
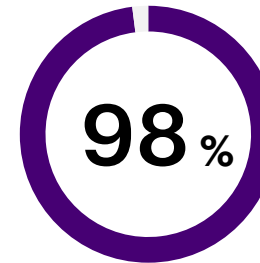
98% 98% of Comms and Media executives believe that their customers' lives are changing faster than they can change their businesses
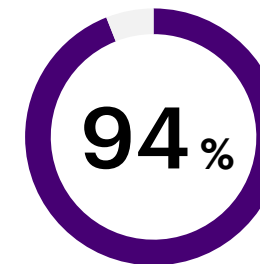
94% 94% of Comms and Media executives say they have accelerated their digital transformation

Source: Accenture Total Enterprise Reinvention CxO Survey fielded in November 2022. Asia Pacific includes respondents from Australia, China, India and Japan.

There are key questions that the C-suite is trying to answer to manage the new competitive pressures

1

Improving CX & the Digital Experience

How can we create simple, delightful experiences to sell & support our customers like those they have with digital natives?

2

Cost Structure & Margins

What are the opportunities to rationalize and transform existing cost structure through both operational and structural means?

3

Growth

Where are the opportunities for revenue growth and margin expansion? Where are the opportunities on consumer, SMB and enterprise?

4

Monetizing the Network

Is there an ROI on the substantial network investments that are underway? Are there any telecoms that have cracked the code on how to monetize the investment?

5

Networks & Telecoms of the Future

How do we transform our business model so that we're able to compete with nimble new competitors who don't carry the technical debt and embedded cost structures?

Improving CX and the Digital Experience

Customer journeys can be reimagined and rapidly transformed by harnessing the growth in channels and the power of Cloud, data, AI, while rejuvenating the workforce

Marketing to Sales to Services

Reimagine Experience

- Omni-channel expansion including metaverse
- Rapid journey innovation
- Proactive, personalized, automated, and augmented human interactions
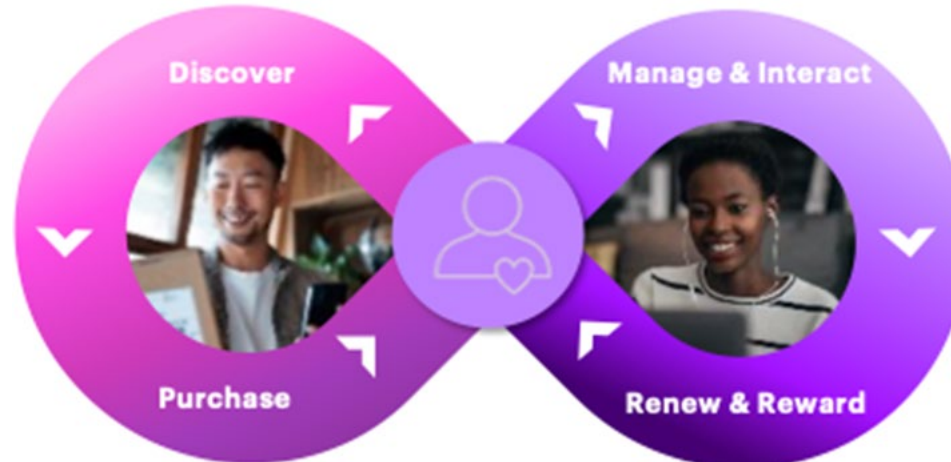
Reimagine Workforce

- New and enriched career paths
- Dynamic & multi-skilling
- Gig economy

(infinity diagram)

Discover

Manage & Interact

Purchase

Renew & Reward

Reimagine Platforms

- Innovate with AI (Generative AI) and automation
- Open, extensible & adaptable platforms

Cost Structure & Margins

The new context needs a radical mindset change for telcos in mature markets. They need excellence in execution & transform the current cost structure, through the following key levers

BUCKETS	TRANSFORMATION PROGRAMS			EBIT contribution
Sales & Marketing	Portfolio Decomplexing & Segment Targetization			>2pp
	UX – E2E Digital Customer Journeys			
	Digital Sales acceleration			
Care	Smart Care (self-care and root-cause resolution)			>1.5pp
	Seamless Customer Experience & Streamlined Processes			
IT	Demand reduction (offer simplification)		Platforms Consolidation	>0.3pp
	Processes Simplification			
Network	Structural Separation & Asset Disposal		Wholesale Business Boost (challengers, 5G new players)	>0.3pp
Support functions	BO-Automation (RPA/Process Mining)	Data-driven approach for Bad Debt & Collections	New Devices Financing Model	>1pp

Value oriented management (focus on profitable customers)

>5pp

Growth

Meeting customers where their needs—and business—resides requires a reinvented perspective on how to address the unique markets individually

Evolving customer expectations

- Individual consumers are demanding a "connected life" from home, to work, to play
  - B2C home service revenue is expected to grow at 18.5% CAGR
- SMBs want partners they can trust to help them grow their businesses, not just products & services
  - SMBs buy 18% more products and services from enterprises they trust
- Large enterprises are searching for ways to respond to their customers better, faster, cheaper while innovating for new connected industry offerings
  - 88% said that they are investing in technologies that would enable their organizations to create virtual environments and enhance customers interactions

36% **of consumers expect to work more from home in the future than they have in the past** (Accenture Research)

Monetizing the Network

Focus on higher asset utilization, through new revenue streams and reduced weight of low performing and under-invested assets

Maximizing Infrastructure Monetization

Investing in and adopting software and cloud in network infrastructure to enable use cases, ecosystem partnerships, product offerings and revenue streams that rely on next gen network technologies and capabilities

- Design and launch advanced network solutions to support new use cases leveraging tailored SLAs

- Intelligent network deployment with analytics-based acceleration & RoI optimization; automation to lower TCO and TTM

- Build ecosystems on standardized API frameworks to expose critical network functions and data - encourage third-party developers to build solutions on top of your network and leverage new channels; build CSP alliances to scale

Client Case: Leading NA Telecom Company

The client is positioning itself as a platform for developers to build innovative solutions that can take advantage of the company's network resources. This can create new revenue streams for the client by enabling the company to monetize its network infrastructure beyond traditional services:

- Opened up its network resources to outside developers by implementing a Network Gateway API platform, providing access to capabilities and data which allows developers to build innovative applications and services

- Put in place tools / processes to monitor and manage the usage of Network APIs to ensure efficacy and efficiency

- By providing access to network resources through APIs the client reduces time-to-market to develop new products, enhance CX and network performance and unlock new revenue opportunities not possible otherwise

Networks & Telecoms of the Future

Increase network value and efficiency by establishing the tech & innovation foundation, fit-for-purpose in a new era of connectivity

Network of the Future

- Embrace software-defined, cloud-based, automated, open network architecture to build purpose-designed networks that are future-ready

- Drive new growth opportunities including fixed wireless, private networks, NaaS, 5G acceleration, edge services, and metaverse-enabled experiential models

- Enable the workforce with modern network engineering expertise

- Pursue open, shared infrastructure models to create sustainable network cost models offering integration

Telecom of the Future

- Leverage technologies such as cloud, AI, advanced networks to optimize internal operations, enabling more flexible & agile services for the customers while reducing the cost to operate & increasing innovation

- Establish new go-to-market strategies to drive growth beyond connectivity, propelled by partnership, shifting from vertical integration to open ecosystems

- Spin-off capabilities, infrastructure (e.g. passive network assets) and markets (e.g. long tail, unscaled markets) deemed non-core to the business to release resources

- Increase management focus by simplifying the operational complexity of the traditionally integrated CSP

The Comms New Performance Frontier

Seek and scale new growth

Sustainable & Responsible Business

Outside-In Growth Scanning & Sensing
Crowdsourcing and combine internal/external data capturing intelligence and anticipate market changes, to identify new markets beyond connectivity such as connected consumer and SMB growth opportunities.

Evolved product Incubation & scale
Provide Cloud-native open platform and resources to third-parties application developers for fast ideation, prototyping of innovative products, services, and offers to market, test and scale with telco B2C/B2B customer base

Create and deliver winning consumer and customer experiences

Omnichannel AI-Powered Customer journeys
Seamless experience through BSS/OSS backend systems integration across all touchpoints; highly automated self-service options, guided and hyper-personalized journey monitoring and optimize customer experience in real time

Customer transparency and trust
Full transparency about customer data collection and consumption within the network/IT as well as their protection against potential data breaches improving trust, brand image and reputation

Portable digital Identity
Leverage a portable digital identity based on decentralized standards. Traverse the physical-digital divide creating consistent and streamlined way of interacting across different entities in the ecosystem. Access to customer data that go beyond specific service offerings.

Unlock value

Intelligent operations
Zero touch across IT/ Network/Infrastructure operations through automation, efficiency and effectiveness unlocked by increased usage of Human + AIOps

Dynamic network evolution
Accelerated analytics-driven Network Deployment and ROI optimization; virtualized network and orchestration strategies towards a fully SDN able to meet the needs of different industries and customer segments.

Ecosystem Design & Management
Actively create and participate ecosystems with seamlessly partner onboarding and management in a decoupled microservices architecture. Extended collaboration with regulatory and Industry bodies to create standardization

Continuous asset Optimization
Continuously Identify or divest on non-core or underperforming assets such as real estate, redundant network infrastructure or unprofitable business units'

Power Your People

Boundaryless organization structure
Establish new governance & horizontal hierarchy that support quick decision-making and communication breaking down silos across departments. Product-centric operating model and processes with Business & IT co-creation

Empowered Culture, People & talents
Drive cultural change and align talents, skills, and workforce with the new way of working and modern network engineering. Adopt continuous upskilling while establishing partnerships with academic institutions to access new talents pools

Digital Core
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ODA/APIs powered by APIs Data and AI

Total Enterprise Reinvention

Thank you!

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