A TELECOMS EVENT 24TH JANUARY 2023

OPTIMISING OUR DIGITAL EXPERIENCE

IN TODAY'S MULTI-CLOUD WORLD

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Optimising our digital experience in today's multi-cloud world

A discussion dinner was held on the 24th January, sponsored by [Dynatrace](#) and attended by senior executives from the telecommunications (Telco) sector. The title of the event was 'optimising the digital experience in today's multi-cloud world' and was moderated by Fotis Karonis, Executive Vice President, Capgemini, former head of 5G at BT and CTIO of EE.

Telecommunications companies operate complex and capital-intensive network and computer assets that must function 24/7. Only by detecting and addressing failures in a proactive fashion can they provide a seamless service to customers, employees and regulators. Technology-led innovations such as AI and Machine Learning enable such companies to transform quality of operations.

According to the Dynatrace 2022 Global CIO survey, telecommunications businesses like other large organisations are under pressure to find better ways of managing such complex environments. In this discussion event delegates from BT, Vodafone, EE, Sky, Three and Virgin Media/O2 examined key issues such as:

- How to gain end-to-end visibility of the entire operating environment, from data centres and network hubs to cloud-based deployments.
- How artificial intelligence can simplify operations through techniques such as automated root cause analysis.
- How customer and employee experience can be improved by integrating 'intelligent observability' across multiple cloud platforms.
- How IT and network operations can collaborate to share best practices and ensure interoperability.

Managing within a fast-moving environment

Unlike most sectors, Telcos experience a fundamental upgrade of network technologies and associated services every few years with the latest being a move to 5G mobile. Also, the upgrade of business services to include software defined networks (SD) has been a game changer in recent years. Prospects for the future may lean heavily on low orbit satellites which will complement terrestrial networks.

These seismic technical transformations have constantly challenged the assembled delegates. The consequences include squeezing money out of earlier stage technologies such as 4G in parallel with the new offers such as 5G. They also include the inevitable consolidations of players that we have seen in recent times such as BT and EE, all seeking to optimise investment in new platforms together.

Reducing costs, increasing margins

Delegates expressed the view that improvements in IT and operational efficiencies are needed constantly to ensure a favourable return on current network investments and customer experience. These include consolidation of platform technologies (often through mergers) and the updating of legacy systems that sit behind historic network services. According to delegates, the mechanisms to achieve such efficiencies have included:

- Introducing full visibility of IT and operating networks through tools that Dynatrace provides to the sector.
- Adopting automation tools such as ServiceNow that enables a common and effective approach to infrastructure management, functional systems and customer interfaces.
- Aligning the internal culture of the organisation with the desired customer experience to avoid churn.

The delegates are progressing their IT platforms and applications rapidly into the cloud to achieve agility and speed. According to BT, this can be a key differentiator in the business-to-business segment due to the flexibility of cloud platforms. Most of the delegates are approaching 90% conversion to cloud, with just a few core systems remaining on-premise.

The other barrier to efficiency is the organisational silos that exist today in large telcos. Functional separations date back over the decades and have not been fully addressed due to a mix of culture, technology and architectural impediments. The delegates saw IT innovation and cloud as a key driver in helping to break down functional walls and institute end to end processes that deliver speed and efficiency to the customer.

Growing the top line is critical, too

Hyper-scalers such as AWS, Microsoft and Google have continued to generate exceptional revenue growth and equity value over the last decade far more than the telcos. SaaS providers and media companies such as Salesforce and Netflix also fall into this category. Telcos have been slow to respond to this challenge even though they continue to hold a near monopoly on network infrastructure. Many have ventured into content, but this has not shifted the revenue or profit dial in comparison to their connectivity activities.

Delegates admitted that revenue growth depended on two factors – closer partnerships and monetization of data assets. Being able to share strategies with favoured partners can help to generate new service revenues with higher margins. Telcos also hold valuable data about traffic flows and related commercial transactions that should help to increase revenue sources. Fotis emphasized the importance of eco-systems to drive innovation in the Telco world as boundaries become blurred and collaboration increases.

What the customer really cares about

Business customers search for speed and agility from their network providers. Software defined networks bring a new era of service in this respect and are replacing traditional private arrangements. Operational stability is also crucial, especially in a 24/7 world. Dynatrace is offering exceptional competence in this area and is keen to see the IT and OT teams cooperate more closely to achieve straight through visibility. This also brings into play the key partners such as Amdocs, Pegasystems and Salesforce.

In the consumer space, pioneering telcos are offering broader maintenance contracts that cover all in-home devices such as TVs, alarms and computers. This has strengthened the relationship between customer and supplier.

What are the take-aways?

Fotis agreed with delegates that there were four main areas of management focus to assist Telcos in achieving better returns for customers, employees and shareholders:

- Continue to automate operations with an emphasis on consolidating IT and OT for cloud observability under single tools sets such as those provided by Dynatrace.
- Leverage modern techniques such as AI for operations and machine learning to enhance the customer experience, detect and remediate incidents before detected and ensure breath and longevity of relationships.
- Accelerate structural transformation by knocking down functional barriers using common tooling.
- Ensure strategic alignment with key partners and related ecosystems to drive innovation and new sources of revenue.

Learn more about how BT Digital have transformed service operations with Dynatrace, to drive improved customer experience

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A pioneer of today's Internet as an ARPA research fellow at MIT in the seventies, Roger has spent over forty five years helping corporations harness the power of new technologies such as cloud, mobile communications, e-commerce, voice recognition and satellite. He was a partner at EY responsible for e-commerce during the dot.com boom. He is a graduate of Cambridge University and MIT, and a visiting professor at the University of Surrey.

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