



How Modern Commerce Technology is Transforming the Telecommunications Industry

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Management Summary

There is probably no industry that has had a greater impact on human communications, nor one that has been affected as significantly by it as telecommunications. Throughout history, innovation and ingenious business models have been conceived within this massive industry. But as you'll see, innovations do not always appear as a new handset, onboard camera or wireless speed. Innovation is happening within the organizations themselves. How the telecom giants connect people is one thing – but how they keep up with the demand for faster, better service is an architectural and organizational lesson for those telcos that are struggling with outdated systems.

Introduction

Around the globe, telecommunications companies have undergone significant change, and the disruption is far from over. From the first land lines to fast 5G mobile networks, innovations such as streaming content, the Internet of Things (IoT), and autonomous cars, are driving top companies such as AT&T, Verizon, and Deutsche Telekom, while both regulation and deregulation are opening the market up for increased competition. The main challenge across the telecommunications sector – which includes telecom equipment manufacturers, telecom services and wireless communication providers - is to continuously meet the demands of consumers and business users for faster, more reliable data and voice connections, more applications and a better customer experience. Not surprisingly, “Communication Services Providers (CSPs) worldwide will spend over \$166 billion in current currency (up 2.4% from 2018) on their network infrastructure, software and services, while also seeking to transform into digital service providers”, reports Gartner¹. According to the analysts, investment in cloud-based solutions will be a major trend in the next few years: “By 2023, 50% of the network infrastructure software will be based on cloud-native technologies.”

In this white paper we will trace the development of major telecommunication providers, how they position themselves in today's fast-moving world of communication and which technological and organizational changes to make to deliver a state-of-the-art customer experience and develop new revenue streams.

¹Gartner Predicts 2019: 5 CSP Technology Trends to Plan for 5G, Open Source, Virtualization and Private Networks

