

Case Study: A Telecom CTO's Strategy in the 5G Era

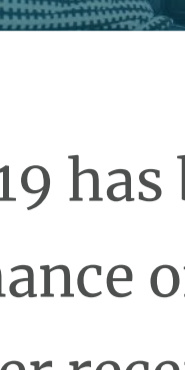
- a dialogue with Vice President, Nokia Software



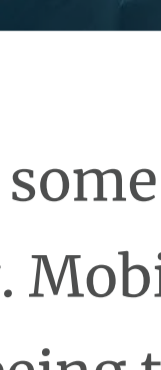
Vishal Singh
Vice President, Nokia Software
Asia Pacific & Japan

8 MINUTES READ

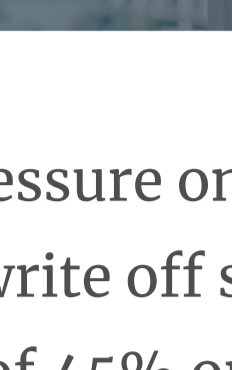
Mobistar is a leading mobile service provider in a developing country with a population of 50 million. Here are some stats that define the market and the company's operations.



ARPU is
US\$12 per
month



Mobistar has
40% market
share



45% EBITDA
margin

COVID-19 has brought about some financial pressure on the performance of the company. Mobistar has to write off some consumer receivables. It is seeing traffic spike of 45% on the network. It is unable to pass these costs to the consumer. It has rolled out an offer of 1GB per day of free data to support consumers.

Vishal Singh, has just been appointed as the Chief Technology and Information Officer of Mobistar. He needs to make a presentation to the board, outlining his strategy and goals for Mobistar. He needs to address some very important questions?



1. 5G strategy
invest or conserve?



2. Cloud strategy
adopt, collaborate,
compete?



3. Digital transformation strategy

What would Vishal do? How should he go about this?

Summary of the insights offered by Vishal

- Invest to grow** – as the dominant player, we need to support and lead the country into the next decade. 5G is a unique opportunity for us to not become a pipe, to provide a high speed low latency network
- Move fast to turn off 3G**, harvest the spectrum and improve the services in 4G; consumers will largely be served by 4G network in the near term
- 5G and EDGE Data Centers are important investments to be made**; this will be built largely to support the enterprise business; applications will come from both local and global players
- Softwarisation of the network** – move rapidly to adopt cloud, virtualization, container architecture, microservices and edge architecture
- Automation** – for a software centric network, automation is the most important element and it must be incorporated in the architecture. A software powered network will not be run with manual interventions and therefore we need to think of automation end to end
- Partially insource our future development** – develop a strong IT capability in-house whilst still partnering with the web scalers and the IT service companies
- Cloud strategy** – collaborating with hyperscalers is important as we can drive down the cost of serving enterprise or consumers, hyperscalers will rely on our expertise in-country to deliver the application and services that customers need, our business models will evolve rapidly

What does Digital Transformation mean to you?

1. Digital transformation is about digital engagement with customers, employees, partners

2. Take cost out as a simple outcome

3. Improve experience exponentially

4. Give the consumer the choice – what he wants, how much he wants, what quality of service, pay on consumption

5. Ensure a secure digital platform and service

6. 80 percent of consumers transact and engage with me via the mobile app, that's a good digital engagement KPI to target

On building the team

- Need to develop agile based teams working on the principles of DevOps
- We will need to build our own capability towards implementing and operating software centric network
- Partnering or acquiring talent will be important to address this important transition into more agile based software centric delivery and operating models for 5G Networks

Goals

Two years from now

- A unified way of working across both IT and network, one will not be able to decipher the difference between our network organization and our IT organization. It will be seamless
- Establish strong partnerships with public cloud providers, move workloads to public cloud to bring down costs
 - Enterprise functional area applications such as HR, Finance, Payroll, Procurement etc will be moved to public cloud
 - Policy, charging, packet core, voice core or signaling will remain in our data center
- Partner to deliver the best experience
- Create a program to attract the best talent in the country

Five years from now

- We should be a digital platform company
- Network access is just one of the capabilities we bring to the table
- Enterprises and Consumers can come to our platform to get the best service they want
- They can subscribe to a service, turn it on and pay us digitally – similar or better than the hyperscalers of today

A 5-point plan to emerge as a platform company in 5 years

- Invest aggressively in 5G
- Embrace an open architecture
- Move to the public cloud as many workloads as possible
- Digital Engagement scores to measure success across customers, employees and partners
- Transformation of the team for the New Age Digital Era