Capgemini **invent**

INDUSTRY PORTFOLIO 2022

TELCO

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QUO VADIS, TELECOMMUNICATIONS?

How communication service providers (CSPs) can play at the forefront of bringing inventive services, innovation, and technology together.

The telecommunications market has undergone a significant transformation over the recent years – from a monolithic connectivity and device provider towards the enabler of new ecosystems through partnerships. We believe that there is an imperative for change within the telecommunication provider economy to foster new and innovative business models while reducing cost and creating outstanding customer intimacy within their consumer and business ecosystem.

We see data as a key success factor for entering the "Collaborative Ecosystem play" which positions communication service providers (CSPs) in an enabling role for any relevant industrial or public service ecosystem like smart cities, industrial manufacturing, and smart commerce.

Due to the emergence of these new opportunities, we recommend that CSPs re-invent their business- and operating model – become open, lean and agile, thus aiming for more efficient operations. This transformation will be substantially driven by new technologies like 5G and Open RAN that CSPs need to understand, embrace, and drive into their markets. Another important imperative is the necessity to step up the journey to net zero operations. This also represents the chance to leverage own capabilities to advance ecosystem partners on the path to sustainable business environments, and positive societal and climate evolution.

I am happy to share an excerpt of our current views and services in this booklet. Let's start a discussion on how to "re-INVENT" the telecommunication Industry!

ANSGAR SCHLAUTMANN
Head of Telecommunications
Invent Germany

INNOVATIVE BUSINESS MODEL DESIGNS

"To enable a leading-edge smart city, the ecosystem requires players such as CSPs to aggregate services across vertical segments and to develop a cross-vertical platform. Because only via platforms can the full potential of smart cities be unleashed."

Markus Pütz | Smart City Expert

Smart City Drivers

CHALLENGE:

It's more important than ever for CSPs to find their position across "play areas" in the value chain of ecosystems such as smart cities and to capture more of the value chain than the traditional connectivity. Since many players don't position themselves as an E2E provider, it's crucial to find valuable partnerships to develop a holistic, collaborative and sustainable approach across vertical segments.

SOLUTION:

We have a significant track record in Europe, the US, and the Middle East – working for leading CSPs. This experience enables us to support telecommunication providers in every stage of their smart city engagement. We can help CSPs find the right monetization model, choose the right initiatives, build the right in-house capabilities, and ultimately develop the ecosystem that a smart city needs.

15 %
is the impact on GDP growth to be reached by platform based smart cities

16.6 %
is the projected CAGR in the global smart city market revenues

18 %
of citizens want to live in smart cities as they believe them to be more sustainable

COLLABORATIVE DATA ECOSYSTEM

CHALLENGE:

Data ecosystems are becoming the "new normal". Tech companies like Apple and Google have built formidable data ecosystem businesses by effectively harnessing the data they collect. However, most CSPs still struggle with the complexity to engage in an "ecosystem approach" from a business- and partnership model perspective.

SOLUTION:

First, we help understand the new roles a CSP can play in collaborative data ecosystems. Second, we help recognize the value of CSP data as an enabler in external data ecosystems for innovative products and services. Third, we help build partnerships with other sectors like government, insurance, retail, and manufacturing to create powerful future data businesses.

€**550**B

value data economies of EU27 countries by 2025

4%

value data of overall EU GDP by 2025

81%

of CSPs plan to launch data ecosystem initiatives

> "CSPs can evolve from a place where managing data is perceived just as a business cost, up to a setup where data becomes part of the business model, if not the business itself."

Philipp Wagner | Vice President Data & AI

Collaborative Data Ecosystems:
The "New Normal" for Telcos

INVENTIVE TELCO

CHALLENGE:

CSPs are operating in a fast-evolving digital environment where the portfolio is changing drastically. The real challenge for operators is to keep up with the pace of change and deliver new, innovative, digital experiences to enable customers' aspirations. In order to solve these challenges efficiently, we divide them into the areas of B2C, B2B and vertical industry players.

SOLUTION:

Our B2B approach provides a framework to launch digital experiences to gain new revenue. We help vertical industry players in capturing efficiency opportunities associated with the connected world and set up their own capabilities to implement the telecommunication services they require. Our B2C approach rewires omnichannel customer experience and optimizes business operations while enabling a smooth extension of an offer portfolio.

31 P.

an average net promoter score (NPS) is the lowest across industries

20 %

organizations understand how customer experience supports strategy

70 %

CSPs believe, digital business models will be strategic priority

"In a highly disrupted business environment, moving from being a Communications Service Provider (CSP) to a Digital Services Provider (DSP) is critical, not just to your growth, but to your very survival."

Jelena Zujeva | Director Telecommunications Strategy, Innovations & Transformation

Inventive Telecoms

INVENTIVE IT

ENABLING BUSINESS-LED AND IT-DRIVEN
END-TO-END TRANSFORMATION

Inventive IT

"As business models for CSPs are changing dramatically towards ecosystem plays, an innovative and flexible IT must be the enabler of change and driver of innovation. It's time to accelerate your digital (r)evolution to generate business value across each stage of your digital journey."

Bernd Nagel | Director Telecommunications Strategy, Innovations & Transformation

39 % of organizations today say they have the digital capabilities required for success

37 % of senior business executives and CIOs have a shared understanding on the role of IT in their digital transformation

> **70** % of digital transformation programs do not meet their targets

CHALLENGE:

Transformational programs have significant strategic value, but are often IT-focused on execution and can easily become managed as a cost issue with limited business impact. In constantly changing environments, a future-proof target operating model needs to drive continuous end-to-end transformation and shift focus from one-time efficiency gains to delivering full business value.

SOLUTION:

We empower IT to be the driver of sustainable and ambitious change. Our clients generate transparent business value on their digital journey by simultaneously transforming the IT landscape and the operating models that connect business and IT realities. We achieve this through a purpose-driven strategy, a smart use of the organization's ecosystem, and new ways of working.

NEXT INFRASTRUCTURE

"In a world powered by data and digital, connectivity is becoming key to unlock efficiency and innovation. 5G is one of the hottest topics in the telecom industry: a sea of change in terms of investments, transformation, and business opportunities."

Stefan Muderack | Director 5G

Accelerating 5G revolution

CHALLENGE:

Knowing the potential of 5G to address the unique connectivity needs of numerous industries, CSPs can move from being a service provider to a core transformation partner for their enterprise customers. Maximizing 5G potential is not without challenges, which span identifying the right use cases, accessing vertical-specific solutions, managing cybersecurity, orchestrating multi-vendor environments, and containing the environmental impact of 5G implementation.

SOLUTION:

We help CSPs, tower companies and industrial enterprises to accelerate their data-driven and R&D transformation, and harness the full potential of high-performance networks, applications and equipment. Capgemini works with ecosystem partners, and invests in the right mix of intellectual property across strategic topics such as Edge Computing platforms, software frameworks for network elements, RAN intelligent controls, and 5G Labs across the globe. This helps our clients stay ahead of the competition by building the next infrastructure.

70%
industrial organizations that intend to adopt 5G are at the planning and ideation stages

WITHIN 2 YEARS
40% of industrial organizations plan to implement 5G at scale at a single site

67%
of organizations say their choice of a 5G operator will be impacted by their sustainability credentials

SUSTAINABLE TELCO

CHALLENGE:

The telecommunication industry plays an important role in supporting national and regional ambitions on climate change. More and more CSPs are making climate commitments worldwide. It's more important than ever to find new ways to generate sustainable business value, operational efficiency, and creative innovation.

SOLUTION:

We can assist CSPs to reach their sustainability goals using a holistic approach. We can help by defining a new sustainable strategy/business model, designing sustainable products/services and a sustainable IT architecture, developing sustainable operations, leveraging the full potential of 5G with innovative use cases and harnessing data, AI and analytics at scale.

40%
of telecommunication providers are lagging behind their sustainability targets

70%
of consumers are interested in repairing products to prolong product life

>85%
of a mobile operator's energy use is accounted by networks

"When approached holistically, environmental sustainability becomes more than a metric but a fundamental source of business value, operational efficiency, and creative innovation."

Dr. Kiri Trier | Head of Sustainability Practice Germany

We are the innovation and transformation powerhouse of Capgemini, the largest management consultancy of European origin.

REASONS WHY CAPGEMINI INVENT

VISION

At Capgemini Invent we help our clients to embrace innovation and transformation to get the future they want.

PROMISE

We innovate and transform our client's business with solutions by design, driven by data and with sustainability at the forefront.

FOUR DIFFERENTIATING DRIVERS ARE THE HALLMARKS OF OUR BUSINESS AND SET US APART.

1

World-class thought leadership combined with deep sector expertise provide insights and results on the biggest transformation challenges of the world's leading companies.

2

A unique competence blend of industries and capabilities that provide leaders with exceptional solutions by design.

3

A new set of capabilities addresses leaders' needs to create the optimum solution and the technology to support and run it at scale.

4

An end-to-end delivery that is global and draws on the strength of Capgemini Invent and its unrivaled ecosystem.

We anticipate the evolution of each industry and combine award-winning research studies with deep industry expertise.

THOUGHT LEADERSHIP

The Sustainable Telco

Foundations for data-driven transformations

The cloud imperative for telcos' data analytics

One-to-one customer engagement

Data sharing masters

Accelerating the 5G industrial revolution

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ABOUT CAPGEMINI INVENT

As the digital innovation, design and transformation brand of the Capgemini Group, Capgemini Invent enables CxOs to envision and shape the future of their businesses. Located in nearly 40 studios and more than 60 offices around the world, it comprises a 10,000+ strong team of strategists, data scientists, product and experience designers, brand experts and technologists who develop new digital services, products, experiences and business models for sustainable growth.

Capgemini Invent is an integral part of Capgemini, a global leader in partnering with companies to transform and manage their business by harnessing the power of technology. The Group is guided everyday by its purpose of unleashing human energy through technology for an inclusive and sustainable future. It is a responsible and diverse organization of over 350,000 team members in more than 50 countries. With its strong 55-year heritage and deep industry expertise, Capgemini is trusted by its clients to address the entire breadth of their business needs, from strategy and design to operations, fueled by the fast evolving and innovative world of cloud, data, AI, connectivity, software, digital engineering, and platforms. The Group reported in 2021 global revenues of €18 billion.

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