State of the Net
Challenges and Opportunities for Telcos

January 9th 2015

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Over the past 20 years...

Connected World

Ever-changing life and work
Trend 1: The Internet will become a fundamental element of our business mindset...

- The Internet becomes an "inherent" business mindset instead of merely a tool.
- Restructure mindset with the Internet as the starting point
Trend 2: All Mobile, at least Mobile first ...

- On-demand
- Anytime, anywhere
- Borderless enterprise
Trend 3: The new, connected and shared wisdom...

Individual knowledge → Collective wisdom → Computer-aided intelligence → Internet-based systematic wisdom

Cloud → Social Network

Big Data → Internet of Things
Trend 4: Social media's influence is everywhere...

- With borderless social media, the ways individuals behave and the things they like become similar.
- Niche and domestic markets will shrink and enterprises must do business globally.
Telco Transformation Path

**Telco 1.0**

- One-sided business model (B2C)
- Controls the services on the network,
- Voice, SMS, IN, SS7
- Mass market
- Bundling & multi-play
- Siloed, focused on internal operations

**Telco 2.0**

- Two-sided business model (B2B2C)
- Opens the control of services to partners and innovation
- Telco assets platform
- Wholesale, MVNx
- 3rd-party bundled
- Horizontal, focused on strategic innovation

**New Value Mode**

- Multi-sided business model
- Virtualized, shared, or outsourced
- Customer asset monetization
- Managed OTT Video, managed QoS
- Integrated vertically and horizontally focused on ‘intelligently automated’

**Telco 3.0 → Digital Telco**

- IT Becomes the Business
Summary - Digital Telco

1. **Customer Experience** – Personalization and superior user experience
   a) Speed, Intelligent Proactive Pursuit, Simplicity, Sharing, Freedom and Reality

2. **Realization of new business Models**
   a) Expose network functionality and exploit Developers, OTT players and Customer
   b) Storage & Communication (Voice, Video, Audio, Text) offerings with the whole service environment
   c) Lifestyle App store with meaningful apps that address day to day needs of Customer

3. **SMAC**
   a) **Channel Transformation** – Mobile first and Omni Channel requirements

4. **Competition from OTT players**

5. **Exponentially growing ‘Connected Devices’ creating IoT opportunities**

6. **Virtualization and Cloudification**
   a) Everything on the Cloud
   b) XaaS – IaaS, PaaS, SaaS, NaaS, etc.
Thank you!