



# **Sustainable Cost Transformation**

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The telco industry is undergoing significant cost transformation because we're at a huge inflection point right now. Revenues are stagnating around the world, cost continued to increase and the industry is faced with a massive capital outlay to upgrade to 5G. So, every executive is very focused on margin expansion right now and they're asking us how can we get this done? What's the best way to do it? And our answer is through cost transformation.

There are three elements that must be in place to drive sustainable cost transformation. The first is around the operating model, getting the business processes and the business structure right to make sure that margin expansion can happen. And then, secondly, cost transformation. Using a Zero Based mindset to look at all the work that's being done and make sure that only the critical work necessary to accomplish the organization's key functions are being performed. And then last but not least, using the intelligent enterprise, using artificial intelligence, machine learning and robotics to drive automation throughout the organization and, therefore, drive the cost structure down.

Communication Service Providers are looking for sustainable cost transformation and Zero Based Budgeting, Zero Based Spend, Zero Based Organization are all key components to doing that. But why does it work in telco? It works in telecom because many of those companies have been around for 20, 30, 40, even 50 years and their business processes, their way of budgeting, their organization structures haven't changed over those years. And so, by using ZBS, it allows us to break them down to the very core and start anew and evaluate does that work really need to be done, who needs to do it and how does it need to get done? And by taking that fresh approach, we're able to really strip out some inefficiencies in the organization that have existed for years and, therefore, driving more cost. ZBX, particularly in the telco industry is a very powerful tool to drive sustainable change.

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