



# **Reinventing B2B: How CSPs can win the connected industry race**



## B2C global telecommunications markets are under pressure

The increasingly saturated mobile offerings, intense price competition, and the disruption from OTT providers have strained their businesses as far as they can go. What's more, according to global trends, traditional Communications Service Providers' (CSPs') business is not growing—expecting almost flat +0,1% global connectivity year-over-year revenues 2021-2024.

**It has become clear that the road ahead points in one direction: a shift to B2B.** As traditional Telco operators explore this territory powering tools like Cloud, IT, and industry partners, new questions emerge for the industry.

**1-** Can CSPs differentiate themselves from cloud giants and create a radically different technology platform?

**2-** Can they alter their telco DNA and upgrade their B2C connectivity culture in skills, operating model, processes, and technology?

**3-** And if they do, is an ecosystem fostering partnerships to develop their capabilities possible in our current context?

The right approach will require each CSP to build a clear B2B portfolio business strategy based on differentiation. Consequently, they'll need to **define the path of transformation founded on a coordinated set of technology platforms, operating models, and ecosystem building steps.**

# B2B portfolio strategy: the best route

There are two potential directions when expanding the Telco B2B Portfolio:

## Catalog horizontal extension

CSPs can increase the variety of components in their portfolio by adding new domains driven by advanced network technologies (5G, programmable, etc.) such as:

- Extension in device / LAN services
- Cloud computing capabilities
- Security
- MEC / cloud edge services
- Data analytics / Intelligence
- SaaS
- Industry-specific services

## Vertical integrated solutions

CSPs can transform their portfolio components into value propositions for their B2B customers. This shift will move them from a siloed and disconnected marketplace with various commercial bundles, to a ready-to-go integrated use cases and project-based cross-industry solutions.

**Whether going horizontal or vertical when expanding the B2B portfolio, CSPs have an opportunity to differentiate at two control points:**



**Personalized Connectivity & Edge**

B2B services requiring premium connectivity and the controlled/edge computing for real-time and guaranteed connectivity/mobility services and computing capabilities.



**E2E Operation at scale with geographical presence**

B2B services that must be managed and operated with end-to-end carrier-grade quality of service (QoS)

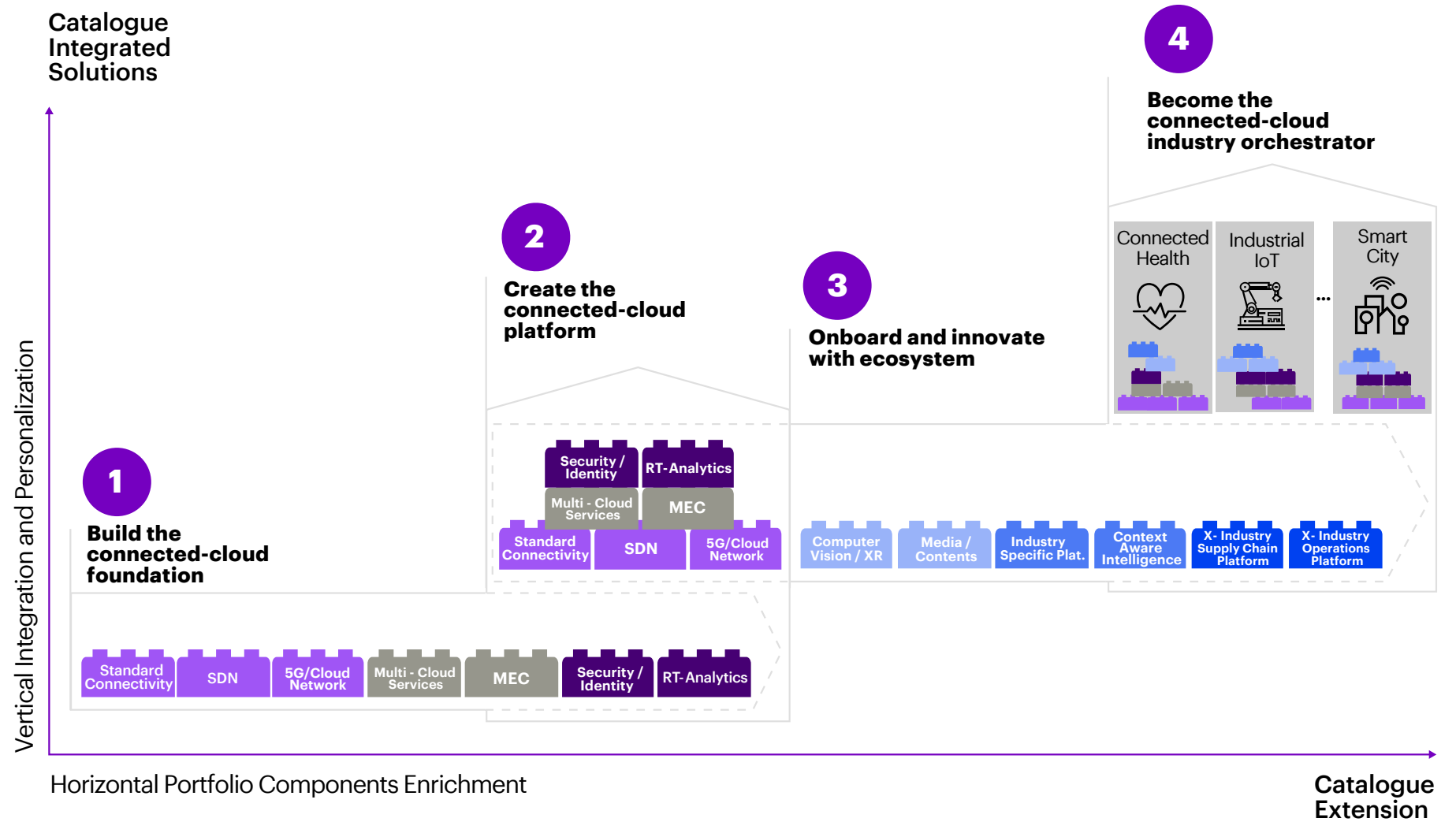
CSPs are in a unique position in this domain: they're the only player with the assets and the culture to engineer and guarantee the service-level agreements (SLAs) with end-to-end operations in the entire value chain, from on-premises to connectivity, to the cloud.



Figure 1:

# B2B portfolio strategy

5G and Edge become the foundation for Telco in the journey to de-commoditize connectivity, build the Connected-Cloud Platform and enable X-Industry





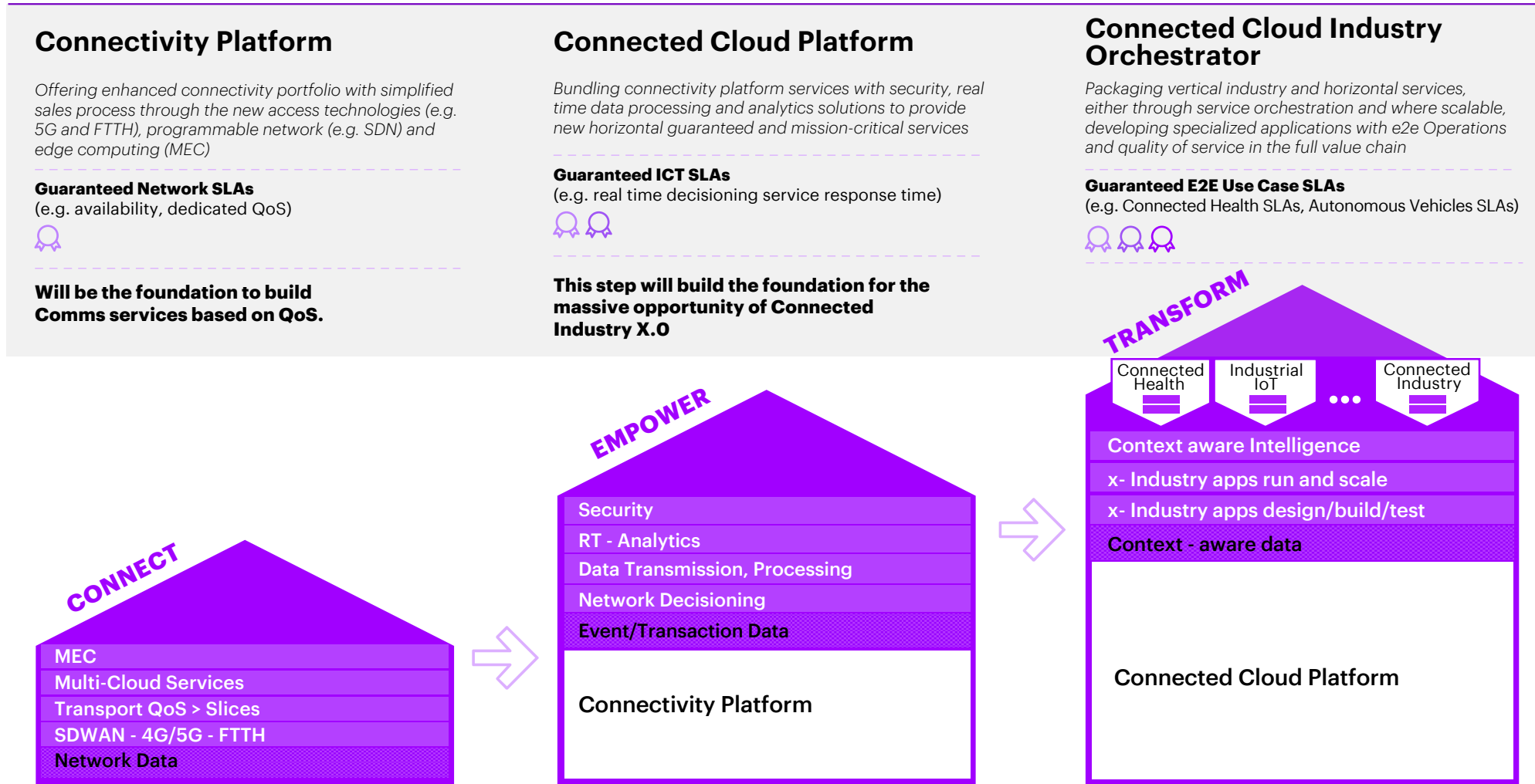
# The portfolio evolution: From connectivity to connected cloud industry orchestrator

Today, CSPs face a dual challenge: defend the core connectivity business and leverage connectivity to capitalize on the emerging 5G-driven demand. These new opportunities are already firmly in the sights of digital powerhouses such as Amazon, Google, and Microsoft, making significant moves to strengthen their communications expertise. What's more, the bill for CSPs' 5G network buildout is still growing. CSPs need to accelerate the return on their capex-intensive 5G investment, which will only be partially aided by heightened government spending.

But CSPs have no choice. They need to evolve and revitalize their business to provide industry-defining services for years to come.

Figure 2:

# The CSP portfolio evolution



## This evolution begins with the Connectivity Platform.

This means enriching the standard connectivity leveraging new network and infrastructure technologies such as 5G and FTTH, programmable networks (SDN), and edge computing (MEC). It will provide enhanced connectivity services **with guaranteed Network & Infrastructure SLAs** (for example, network availability and response time, dedicated QoS), including network slicing, vRAN aaS, SD-WAN. Moreover, CSPs will find monetization opportunities coming from edge location rental and network-related data (e.g., GPS location data, network performance).

With connectivity platform as the foundation, CSPs can move on to **Connected-Cloud Platform** business bundling - enhancing connectivity services with software functionalities at the edge such as cloud/IT, security, real-time data processing, and analytics. This will provide new mission-critical and horizontal services **with guaranteed**

**Information & Communication Technologies SLAs** (for example, multi-cloud real-time decisions and service response time). CSPs will then monetize an expanding range of data, including local data traffic, device and sensor data (e.g., images, video, and sounds).

Such services and capabilities are prerequisites for capitalizing on the massive opportunity of connected industries and are increasing CSPs' right to play.

The final step is to become the **Connected-Cloud Industry Orchestrator**. Here, CSPs leverage their edge functionalities and connectivity to build vertically integrated industry solutions, such as Connected Health, Connected Manufacturing, and Connected Automotive. This can be done by orchestrating industry-specific service providers, cloud providers, the broader ecosystem of partners, or, where scalable, developing their specialized applications

(including hardware). In this scenario, the use cases (e.g., Remote Surgery, Autonomous Vehicles) are mission-critical with strong demand regarding reliability, resiliency, real-time, and control of the entire value chain. CSPs are uniquely positioned to guarantee such use case SLAs leveraging their expertise on carrier-grade end-to-end operations and leveraging their geographical presence.


**At Connected Cloud Industry Orchestrator, CSPs are fully transformed, enjoying robust new growth.**





# How to do it:

## Opportunity built on a platform

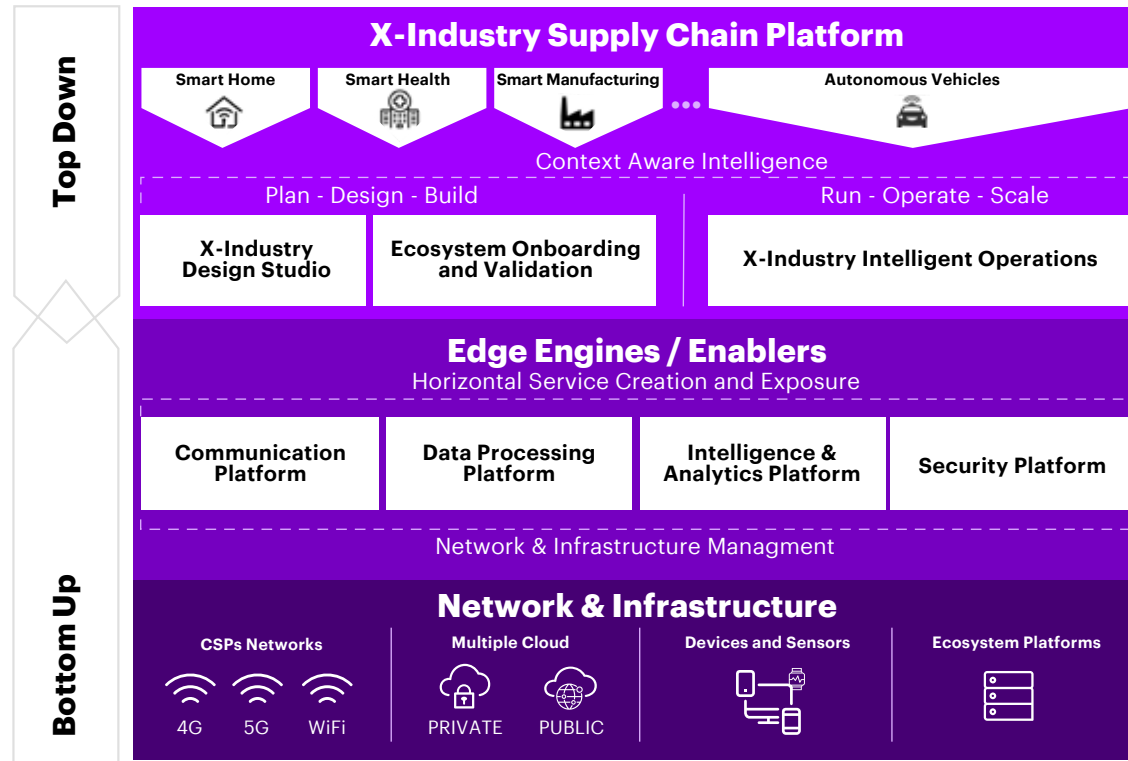


The evolution described will be neither quick nor easy. It's a complete, multi-year transformation encompassing a CSP's entire organization and ecosystem. Importantly, it's a staggering journey that requires both a bottom-up and top-down approach, in which CSPs progressively enable more critical and real-time use cases to leverage their capabilities to orchestrate the new wave of core Connected Industry-X.



Figure 3:

# A framework for CSPs' transformation



The 5G/edge platform capabilities enable progressively more critical and real-time use cases, allowing CSPs to leverage their capabilities to orchestrate the new wave of core Connected Industry-X.

CATEGORIES	USE CASES			
	Connected Car	Vehicle to Infrastructure	Assisted Car	Autonomous Car
AUTOMOTIVE	Water & Gas	Smart Metering	Smart Grid	T&D Network of the Future
UTILITIES	Location based Adversating	Smart Inventory Management	Virtual Fashion Shows	Digital Store
RETAIL	Continuous Health Monitoring	Remote Patient Care	Future Hospital	Remote Sugery
HEALTH	Smart Parking	Smart Traffic Lights	Public Transport	City Surveillance
PUBLIC/CITIES	Predictive Maintenance	Smart Factory / Plant	Digital Twin	Industrial Workforce
MANUFACTURING & MINING				

**The bottom-up approach is necessary** for CSPs to standardize and automate their connectivity and computing (internal and through partners) capabilities. This is the domain of technology enablers at the edge requiring a deep network, infrastructure, and cloud platform knowledge. In parallel, CSPs have to scale their ability to **top-down siloed business ideas into the actual development of connected industry use cases**. The result will be to expose standardized and reusable APIs to manage the increasing complexity of horizontal building blocks in Connectivity/Comms, Data Processing, Applied Intelligence, and Security.

This is where continuous innovation happens, requiring high-value industry services together with the ability to industrialize the onboarding, certification, and orchestration of ecosystem alliances and CSPs' applications. In the top-down stage of the transformation, CSPs focus on the industry supply chain platform, which standardizes and automates the industry use cases fabric through:



### **Design studio capability**

to enable CSPs to create and configure use cases and **value cases**, including use case value analysis and business case in a collaborative development environment among different ecosystem alliances.



### **Ecosystem service onboarding capability**

enables registering and introducing partners' services into the platform through an automated validation process.



### **Context-aware intelligence library**

defining, reusing, and evolving the data models of industry-specific contexts, developing and deploying specific analytics models, creating digital experiences, and simulating the orchestration of the end-to-end use case and rules to optimize its technical and business performance.



### **Intelligent operations capabilities**

to deploy, run, and monitor the end-to-end solution in real-time.



# The answers so far

Based on our experience, we can start answering the questions raised in the beginning.

This can be used as a starting point for a structured B2B transformation approach. Still, Telcos should consider the right way to tackle any new opportunity based on their capabilities and ecosystem perspective.



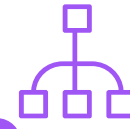
## 1 Reaching giant-height

CSPs can distinguish themselves from cloud giants, primarily if they focus on segments, use cases requiring complex and mission-critical “Connectivity + Cloud” QoS, and power local end-to-end operations.



## 2 Outgrowing the telco DNA

CSPs can transform their “B2C connectivity culture” and grow in skills, operating models, processes, and technology through a clearly defined strategy. They must build a new platform, not only in terms of technology capabilities but also as enablers of new ways to co-create and innovate at scale.



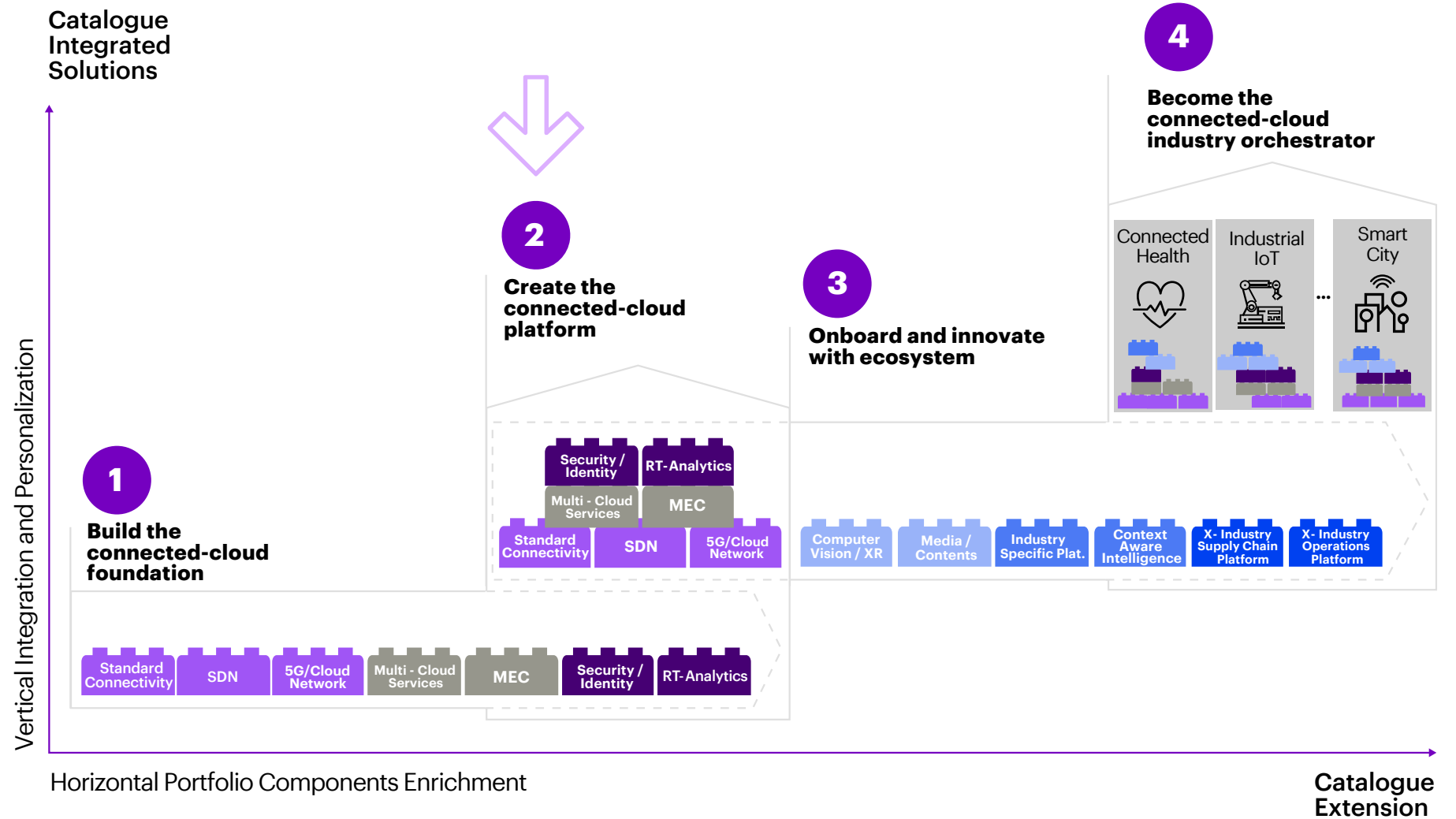
## 3 Becoming ecosystem-driven

CSPs can become ecosystem-driven and form meaningful alliances with a bottom-up model to onboard and expose internal and third parties’ capabilities. Plus, enabling a top-down approach to cooperate with business integrators and vertical industry partners in building and orchestrating the end-to-end use cases.

**TIM: Beyond Connectivity for Banking**

TIM wanted to extend their B2B value chain through a new program for the enterprise market: their new company, Noovle was created to deliver 'Beyond Connectivity', offering businesses and the public sector a range of innovative public, private and hybrid cloud, IoT, 5G, cybersecurity and advanced connectivity services -- all in the cloud. Partnering with Google Cloud and Accenture, the group is able to offer housing and hosting solutions, using highly advanced platforms to deliver multicloud services and accompany customers on their secure, resilient and sustainable journey to the Cloud. The group is working with Intesa Sanpaolo, a major Italian bank, on their digital acceleration and journey to the cloud to offer innovative services and easy-to-use solutions designed to meet Italy's growing digitalization needs.

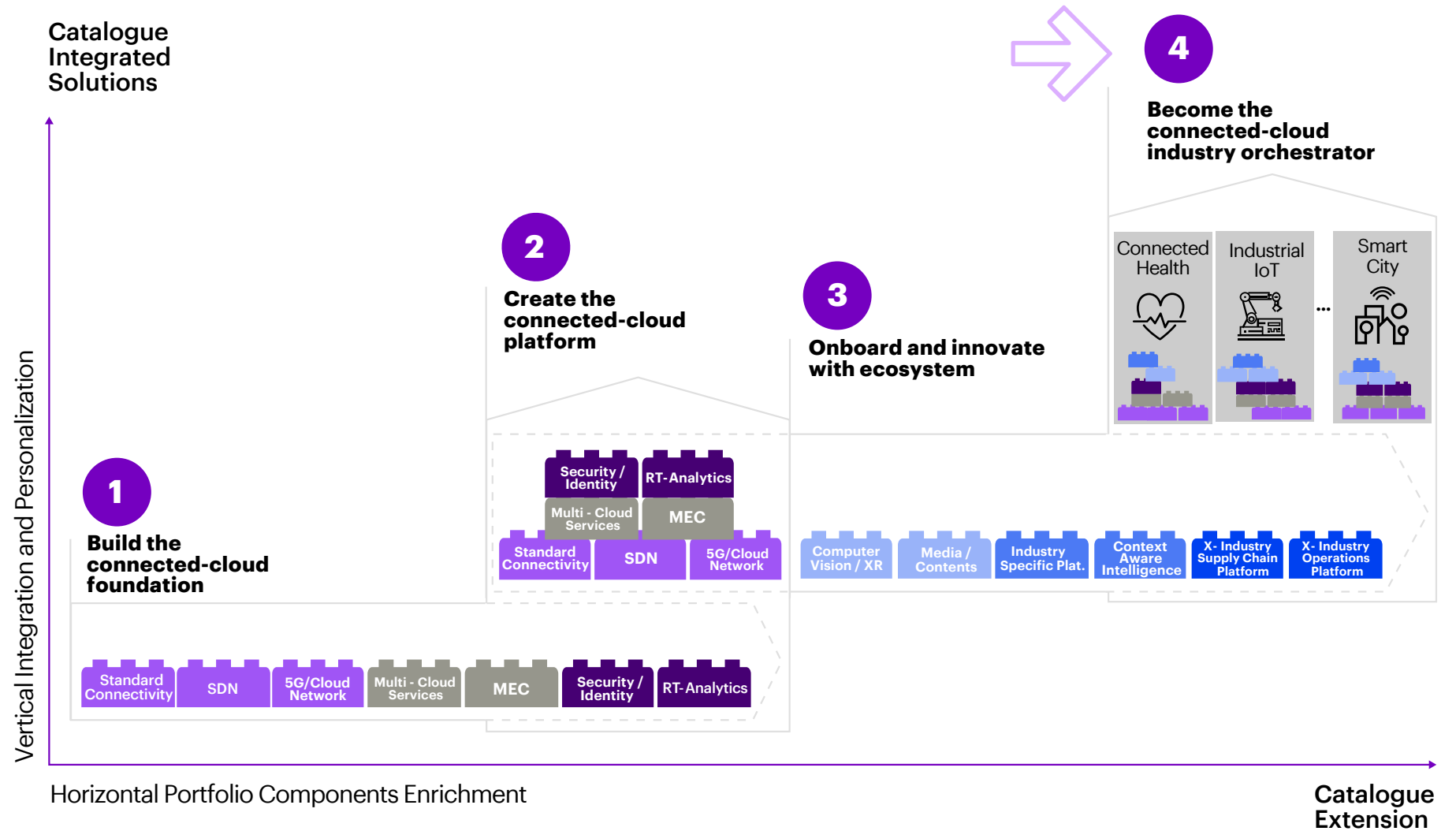
Figure 1a: **5G and Edge become the foundation for Telco in the journey to de-commoditize connectivity, build the Connected-Cloud Platform and enable X-Industry**



### Accenture and AT&T Bring Mobile Connectivity with Private Cellular Network

An oil and gas company had recurring cellular performance gaps with a public network near one of its refineries. The company had started a series of digital transformation initiatives that required increased mobile connectivity. The Accenture team designed a private wireless network, built from the ground up, tailor-made to address the company's industrial digital requirements and connectivity concerns. As a proof of concept, Accenture partnered with AT&T to bring dedicated private wireless infrastructure onsite and record speed improvements at the refinery. The private cellular networks improved signal strength and penetration into selected process units, showing pervasive cellular connectivity is possible within a heavy industrial environment. The solution will serve as a blueprint for future 5G use cases, including support for Industrial Internet of Things (IIoT) and low latency applications.

Figure 1b: 5G and Edge become the foundation for Telco in the journey to de-commoditize connectivity, build the Connected-Cloud Platform and enable X-Industry





# Signs of change

CSPs have a lot of work to do to capitalize on the growth potential of connected industry solutions. However, most CSPs only have one small (albeit vital) element of the broader framework for CSPs' transformation – detailed on page 10.

But, as we have shown, it *is* possible for leading CSPs to begin moving in the right direction and enjoy some early benefits.

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