

Transforming telcos' digital core for the age of AI

The communications industry faces significant challenges in managing both technology and data debt. Communications Service Providers (CSPs) must address these critical components of their [digital core](#). Accenture conducted extensive research with telco and adjacent industry executives to identify opportunities to build a tech and data strategy for industry readiness and growth.

Technology debt

Cost required to keep IT systems updated and capable of meeting business needs.

Executive concerns

84% of CSP executives believe failing to address IT transformation will result in missed growth opportunities.

Impact

Failure to monetize assets, competition struggles, operation and maintenance costs, slow time to market.

Financials

93% of CSP executives are dissatisfied with the return on IT modernization investments over the past 3 years.

Maturity

4x difference in IT OpEx costs between more and less tech advanced CSPs (2021-2023).

Benefits of addressing

Lower IT OpEx (0.8% vs. 3.4% rise), lower total cost to operate (1.5% vs 3.7% rise), and greater agility (32% increase in speed to market).

Data debt

Unrealized value in accumulated data assets due to quality, consistency, and management issues.

72% of CSP technology executives cite data quality and consistency as top barriers.

Data security concerns, growing data volume and diversity, spiraling data maintenance costs.

63% of executives rank rising data maintenance costs as a top challenge, and 66% are concerned about growing data volume and diversity.

80% of CSPs surveyed are lagging in data maturity, expecting only marginal improvements in the next 1-3 years.

Treating data as a product, building AI-native architecture, leveraging gen AI capabilities for agility and quick solution Time-To-Market to match rapidly evolving customer needs.

Strategic approach

To address both technology debt and data debt, CSPs need to:

- Modernize IT systems to streamline processes and drive flexibility.
- Treat data as a product and build AI-native architecture.
- Capitalize on gen AI capabilities to drive innovation and growth.
- Address legacy system constraints and data management challenges.

By tackling these digital core challenges head-on, CSPs can transform their internal operations from cost centers into powerful engines for growth and innovation.