

FIVE *for* 2025

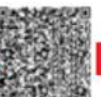
**TRANSFORMATIVE TECH TRENDS THAT WILL
DEFINE INDIA'S JOURNEY IN THE YEAR AHEAD**



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**"TELCOS MUST CUT LEGACY
COSTS TO INVEST IN FUTURE
TECHNOLOGIES"**

VIKRAM PURANIK, GlobalLogic



“Telcos must cut legacy costs to invest in future technologies”

Vikram Puranik, Senior Vice President of Engineering and Head of the Consumer, Communications, and Media vertical at GlobalLogic – India & APAC, addresses the pressing challenges telcos face today without sugar-coating the reality. These challenges include commodification, relevance, legacy costs, open standards, hyperscaler-head-start, and a lack of confidence at the C-suite level. With two decades of IT industry experience and a strong blend of technology, operations, and business acumen, he leads the business unit focusing on edtech, retail, communication and media, NEP, and telecom.

An entrepreneurial leader with a hands-on approach to digital technologies, he has extensive expertise in complex programme management for Fortune 500 clients. In this interview with Pratima Harigunani, he shares insights on telcos' long-overdue yet complex transition into techco. Excerpt:

Why should telcos transition to techcos? Is this shift suitable for all, and is it being embraced by everyone?

The idea of telcos transforming into techcos has been widely discussed for quite some time in the industry. However, the transition, its imperatives, speed, and drivers

depend on two key factors. First, where does a telco stand in its transformation journey? Second is its geographical focus. The adaptation is relatively straightforward for a greenfield telco in an emerging market. On the other hand, for an established telco in a mature market, the shift is more of a phased journey involving both internal transformation and market-facing changes.

What path should Indian telcos take? Should they focus on becoming netcos, service providers, software companies, or enterprise-focused telcos or continue to serve as communication utilities, especially considering the dip in ARPU and the impact of Big Tech on the sector?

Irrespective of the chosen path, exploring adjacencies and building 'Platform as a Service' offerings and partnerships to facilitate B2B and B2C use cases is much easier than taking a completely divergent route. Some areas that need attention include smart and secure home solutions with integration of the Internet of Things (IoT), edge and location-based platforms and services, privacy and security-focused solutions, and private 5G networks for large open factories or sports venues instead of competing with Wi-Fi 7+ and AI-driven, demand-based connectivity solutions.

Digital twins are foundational for intelligent factories and represent a compelling use case for low-latency, high-speed private 5G, a critical area for telcos to address.

The commodification of AI, automation, and cloud services has already begun, with basic offerings becoming increasingly standardised and price-driven.

How tough is it for a CSP to handle these imperatives—squeezing value from legacy systems, transitioning to fibre, managing 5G monetisation, and phasing out the capex, like towers?

It is extremely challenging for Communication Service Providers (CSPs) to juggle these competing priorities simultaneously. Each presents its own significant hurdles, and addressing them all at once requires a delicate balancing act. CSPs face difficulties in several areas, particularly when it comes to the monetisation of 5G. Challenges include eroding ARPU, balancing timely transformation strategies, high upfront infrastructure investments, network slicing complexities, safety concerns, limited technology monetisation opportunities, and high subscriber acquisition costs.

The toughest aspect is funding these initiatives in parallel. To do so, CSPs must execute strategic and cost-saving measures, such as workforce consolidation and transformation, network and infrastructure sharing, and service management and consolidation, which are crucial to funding these initiatives internally.

How crucial are moves like digital twins, AI, automation, and Anything-as-a-Service (XaaS) on this path?

You have mentioned diverse initiatives, and yes, all of them are important. Digital twins are foundational for intelligent factories and represent a compelling use case for low-latency, high-speed private 5G, making them a critical area for telcos to address. As for AI, it plays a vital role in enabling intelligent and efficient networks.

Efficient networks with AI-enabled micro data centres and a large consumer data set open up immense possibilities, including sustainable networks, enhanced products and services, improved retail customer experiences, drone deliveries, smart homes, and intelligent medical devices.

Regarding XaaS, it is worth noting that all the hyperscalers use XaaS as their go-to architecture.

For telcos, adopting XaaS—or starting with PaaS—is a journey, not something that happens with the click of a button. Telcos must prioritise and adapt, particularly when shaping their enterprise B2B strategies.

How easy is all this?

Whether it is easy or difficult is relative and applies to any kind of transformation. While having industry-leading solution architects is critical, softer elements like leadership, organisational culture, and an effective change management process are equally crucial in ensuring success.

What are the next high-margin areas in terms of infrastructure investment? What is your advice on managing the high investments made in 5G?

Beyond core infrastructure investments such as spectrum, fibre, and 5G, several high-margin areas are emerging, including the increased density of fixed wireless access (FWA), intelligent edge solutions, and cybersecurity offerings. As for high-investment strategies, I recommend deploying shared mobile infrastructure and working with governments to advocate for more flexible policies. It is also important to promote competition and investment in network densification and expansion, as well as to establish enterprise 5G testbeds and trial programmes across diverse domains.

In PwC's 27th Annual Global CEO Survey, 52% of telecom CEOs said their company will no longer be economically viable in ten years if it continues on its current path. What is the big pivot needed?

As with any industry facing the challenges of digital and intelligent transformation, telcos must respond by drastically minimising their spending on legacy systems to keep the lights on. Instead, they need to redirect the cost savings from these legacy take-outs into future-focused investments—and do so before it is too late.

An EY report highlights that telcos have a credibility gap as digital advisors. While 53% of large enterprises view telcos as IoT experts, only

Hyperscalers view telcos as major customers rather than competitors and prefer to host a 5G core on their platforms rather than directly compete.

22% regard them as digital transformation experts. Are the telcos ready to face this new brigade?

We have discussed strategy, investment, and transformation priorities, but telcos also need to focus on cultivating next-generation leadership to serve as the credible face of this transformation. I have seen telcos bringing in leadership talent from hyperscalers. However, not all the leaders who were brought in succeeded. To ensure success, telcos must create the right ecosystem and provide adequate empowerment for these next-gen leaders to thrive.

Additionally, telcos need to execute an effective inorganic growth strategy by collaborating with or acquiring expertise from Tech ISVs or Independent Software Vendors—something we have not seen happening so far.

What format will work in the Indian context? In the EY study, 41% of telco CEOs said they will pursue divestments, spin-offs, and IPOs in the coming year, and 61% want to form joint ventures or strategic alliances. Are there lessons to learn from examples like Vodafone-Microsoft, BT-Warner, T-Mobile+Sprint, or Rakuten?

I am sure you are following the Viacom18 and Disney JV announcement. Digital and streaming platform assets like JioCinema and Hotstar are now consolidated under one umbrella, which is a significant development. Similarly, I admire Airtel's aspirations and investments in British Telecom. These moves indicate a clear direction—Indian operators like Airtel and Jio are likely to pursue more such opportunities, focusing on network and IT consolidation while expanding their service offerings on the customer side.

AI, automation, Cloud: Could they become the next wave of commodification over time? Is there any immunity against this?

The commodification of AI, automation, and cloud services has already begun, with basic offerings becoming increasingly standardised and price-driven. The key to avoiding this commodification is differentiation.

Companies need to focus on specialised solutions, value-added services, and delivering measurable business outcomes rather than simply selling technology.

What about an immunity strategy?

Instead of offering generic AI or automation tools, focus on creating specialised solutions tailored to specific industry verticals or customer needs. This level of expertise and customisation can justify premium pricing and act as a barrier to entry for competitors. Additionally, shifting the narrative from selling technology to selling business outcomes is essential. Open ecosystems and strategic partnerships can also help expand the reach and create a network effect, making platforms more attractive to developers and customers and increasing their value and stickiness.

Should telcos tap into open architectures, openness to developers and integrators, and initiatives like the Global Open Gateway Initiative of GSMA?

For a technologist, open architectures and standards make a lot of sense. However, their adoption often faces challenges due to commercial conflicts of interest between telcos and telco ISVs. While we are part of TMForum and engage with GSMA consultants, I prefer to stay neutral, not take sides, and watch this space as it evolves.

At this fork in the road, what is better for telcos: collaboration or competition with hyperscalers?

In my opinion, hyperscalers are primarily focused on increasing industry workloads on their respective platforms. Based on conversations with strategists in this space, hyperscalers view telecom as a potentially significant industry, similar to banking or healthcare. They see telcos as major customers rather than competitors and prefer to host a 5G core on their platforms rather than directly compete. Of course, this dynamic could change, but I do not see any competition between the two in the immediate future. 🍀

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