Transforming Telefonica

Phil Jordan | GCIO Telefonica

V 2.0

*BE MORE_*

Unprecedented period of change

1 **Market and competition**
- Declining revenues in traditional Telco segment
- New competitors entering the game
- Convergence on the rise

2 **Customers and usage patterns**
- Growth of mobile data volume
- Ubiquitous usage patterns
- Price pressure combined with threshold quality requirements

3 **Technological change**
- Ramp-up of LTE coverage
- Push for "2nd best" network technologies
- All-IP and data-driven network
- Data-driven differentiation

4 **Efficiency pressure**
- Margin pressure
- Need to enable operational inefficiencies in the business
- More for Less

5 **Complexity**
- Limitation to achieving IT and business efficiencies
- Obstacle to new business capabilities
- Driver of operational risk

BE MORE_
DISCOVER, DISRUPT, DELIVER

Telefónica

IT in a digital Telco—from "most wanted" to most wanted

Digital Customer Relationship
- Omni-Channel
- Mobile-as-a-channel
- Online and self-service
- Ability to manage complex customer hierarchies
- Data explosion and data-sharing

Automated and Lean Operations
- Business simplification (single catalogs for customers and PandS, and single inventory)
- Business agility (TTM)
- Automation
- Partner ecosystems
- Digital integration

Digital Marketing/ Sales
- 360° customer view
- Bundling with digital services (own or 3rd)
- Data monetization
- Multi-product company
- Context offering/context sensitivity
- Predictive marketing

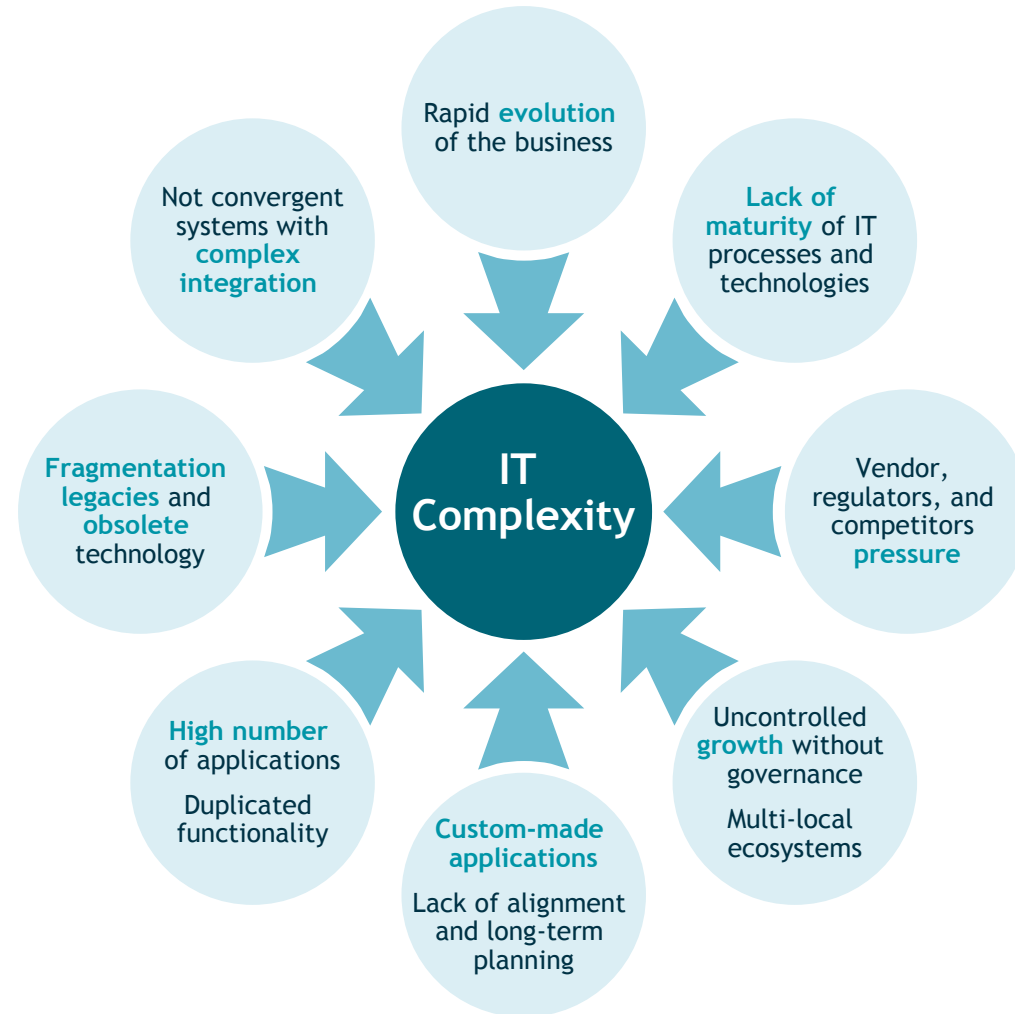**Ubiquitous Connectivity**
- Internet of everything
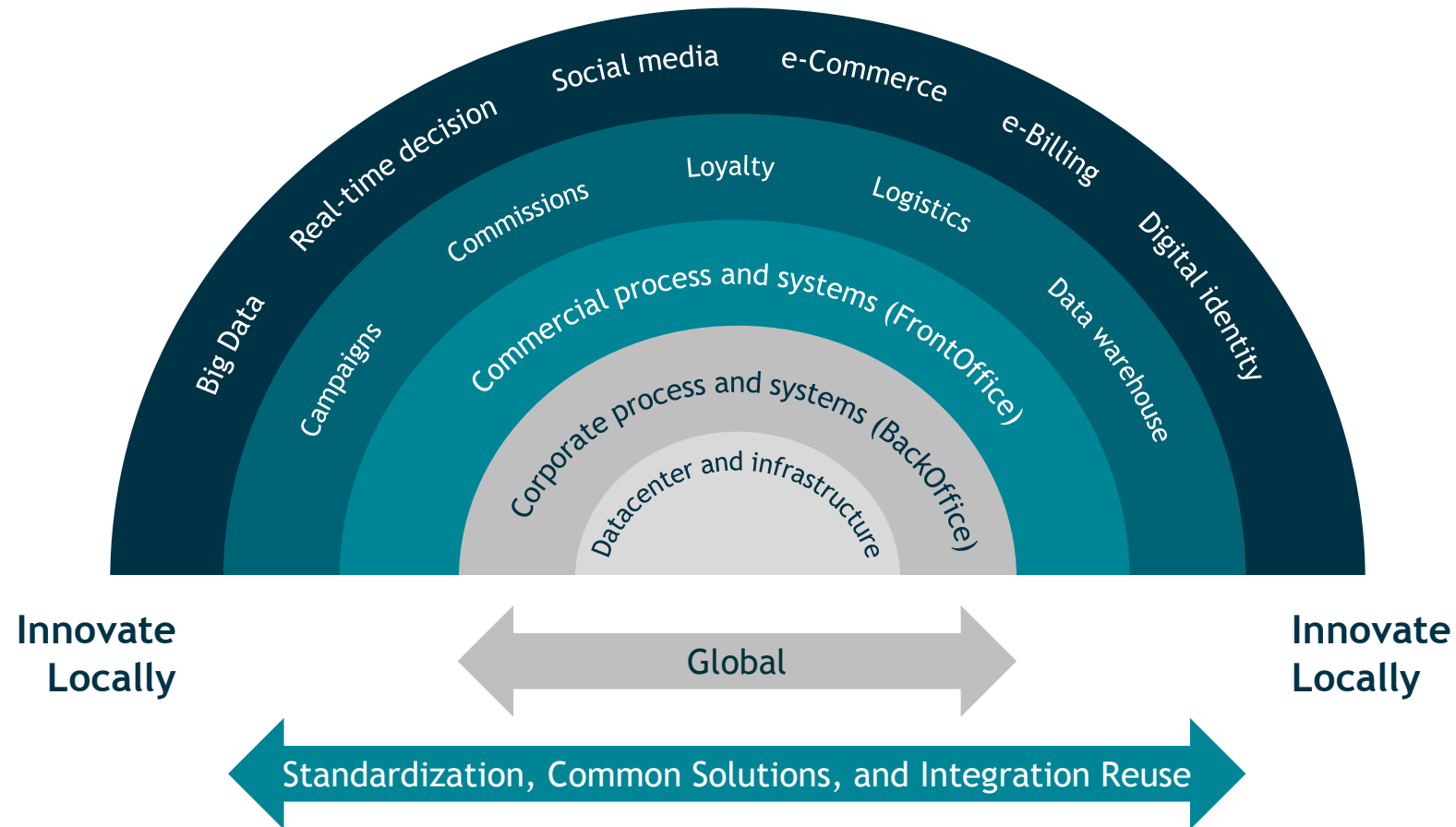- Connecting the unconnected
- BYOD
- Converged networks

BE MORE_
DISCOVER, DISRUPT, DELIVER

Telefónica

Overcoming our history requires fundamental transformation

BE MORE_
DISCOVER, DISRUPT, DELIVER

Telefónica

Transforming the old Telco IT model shifting to outside-in thinking

Brilliant IT that powers a digital *Telefónica*

Social media
e-Commerce
Real-time decision
e-Billing
Commissions
Loyalty
Logistics
Big Data
Digital identity
Campaigns
Commercial process and systems (FrontOffice)
Data warehouse
Corporate process and systems (BackOffice)
Datacenter and infrastructure

Innovate Locally

Global

Innovate Locally

Standardization, Common Solutions, and Integration Reuse

Telefónica

Commoditizing, consolidating, sharing everything in IT that isn't about being a digital Telco

Production

Consolidate Commodity

Elastic DC Capabilities

ONE Single Production Model

SW Usage Rationalization
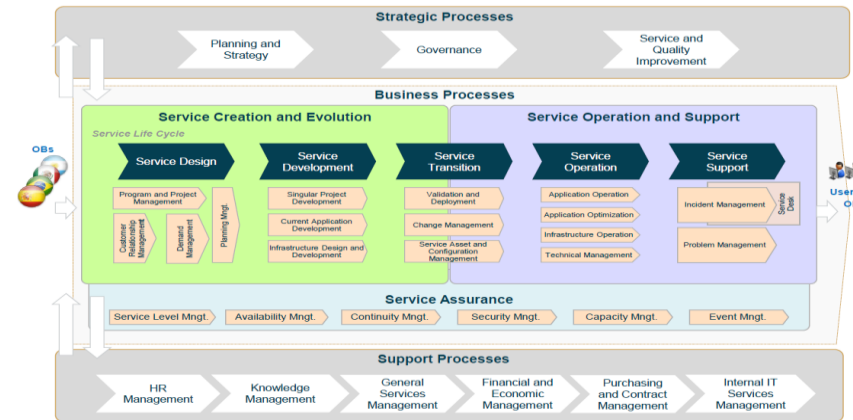

Workplace

Future of Desktop

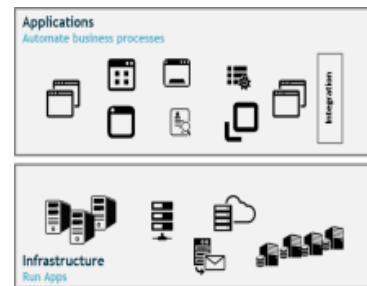## Corporate Applications

Global BackOffice

BE MORE_
DISCOVER, DISRUPT, DELIVER

Telefónica
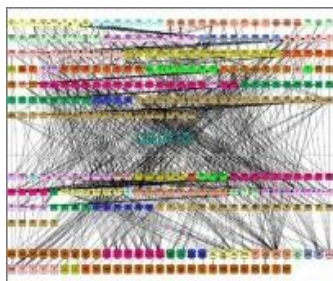
Transforming our business into a digital Telco based on standardization and reutilization across the entire Telefonica group

Business Processes

Application Transformation

Standardizing Integrations

Full-stack solution is the main enabler to provide the digital capabilities needed to transform into a digital Telco…

Qualitative Benefits

100m Online
Automation Adopt Risk Glocal
Efficiency
Omni Channel Share Convergence
Business Lead Digital
Differential IT Learn
Glocal Standardisation Simplification
Reuse 360 Agility
Better Together

Quantitative Benefits

Generating positive impact in several areas

👩‍💼 **Call Centers**

⚙️ **BackOffice**

🏪 **Stores**

📦 **Logistics**

📋 **Order Management**

⏳ **Billing**

• • •

Telefónica

...And requires a new sourcing framework to address long-term transformations with a new maintenance model

Reputation on major transformations

- Preference for **clear leader** in the market
- **Excellent references:** Delivery references and experience in complex business change as key differentiators
- Functional and non-functional requirements important but not the key buying rationale

Prime contractor (Lack of SI)

- **E2E** accountability
- Increased bargaining power to influence roadmap (ability to evolve the product)
- **Post-sale** support
- Product-based/**less customization**
- **Speed of implementation** (out-of-the-box solution)

Partnership model

- **Long-term commitment**, based on a "double" deal: transformation and AM (large scale DEV OPS)
- **Partnership model** based on a **mutual collaboration** to align business objectives, strategy, and roadmap
- Physical presence in our core LATAM markets key to success
- To provide as simple an operating **willingness to extend partnership** model and sourcing landscape to drive transformation

*BE MORE_*
DISCOVER, DISRUPT, DELIVER

Telefónica

We need a partner that offers multi-product capabilities (Nplay) through an Omni-Channel experience and help us to enrich B2B and B2C business
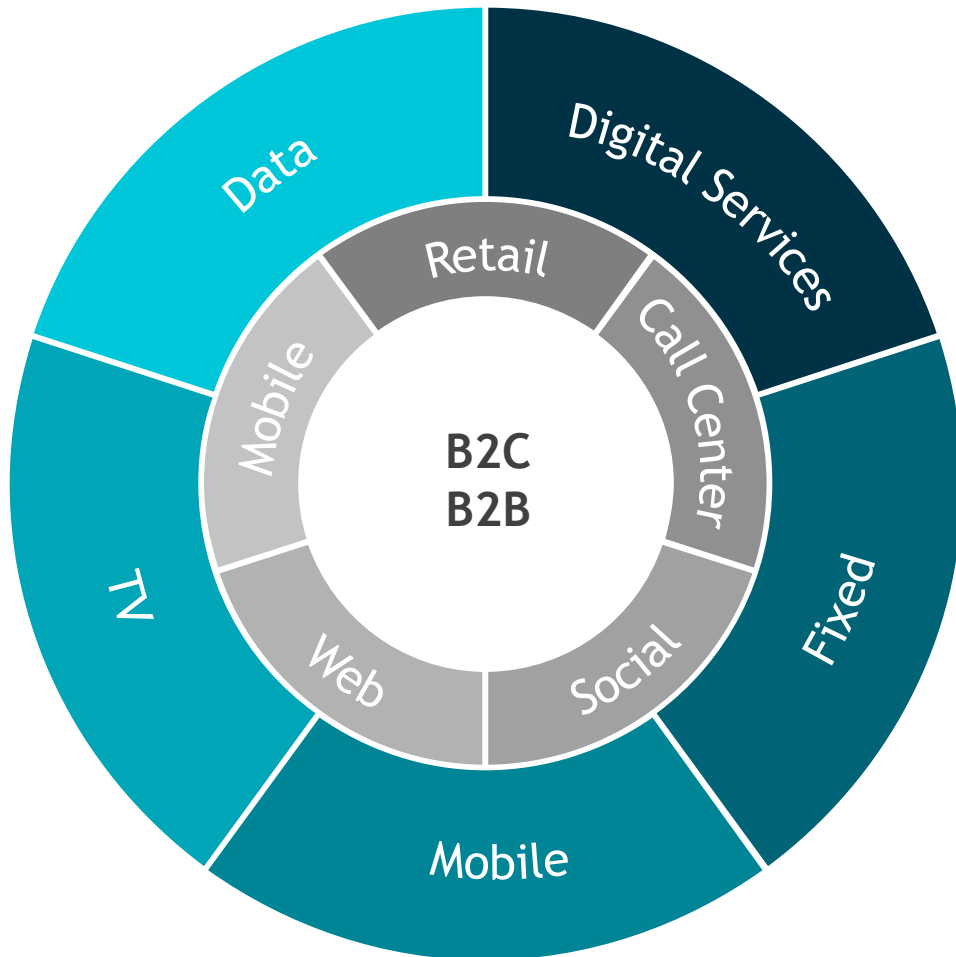
B2C

- Transform the core business **(Core BSS)**
- **Omni-Channel**
- **Digital services** and capabilities (social media, Big Data, etc.)
- Enables our **nPlay** vocation as model of future

B2B

- Transform the core business **(Core BSS)**
- MNC—international vision (**unique customer** across a region)
- **Common processes** and E2E vision
- Enable **global products** (cloud platforms)
- B2B2X (**wholesale**, MVNE, CSB, etc.)

Maximizing reutilization and standardization across the group
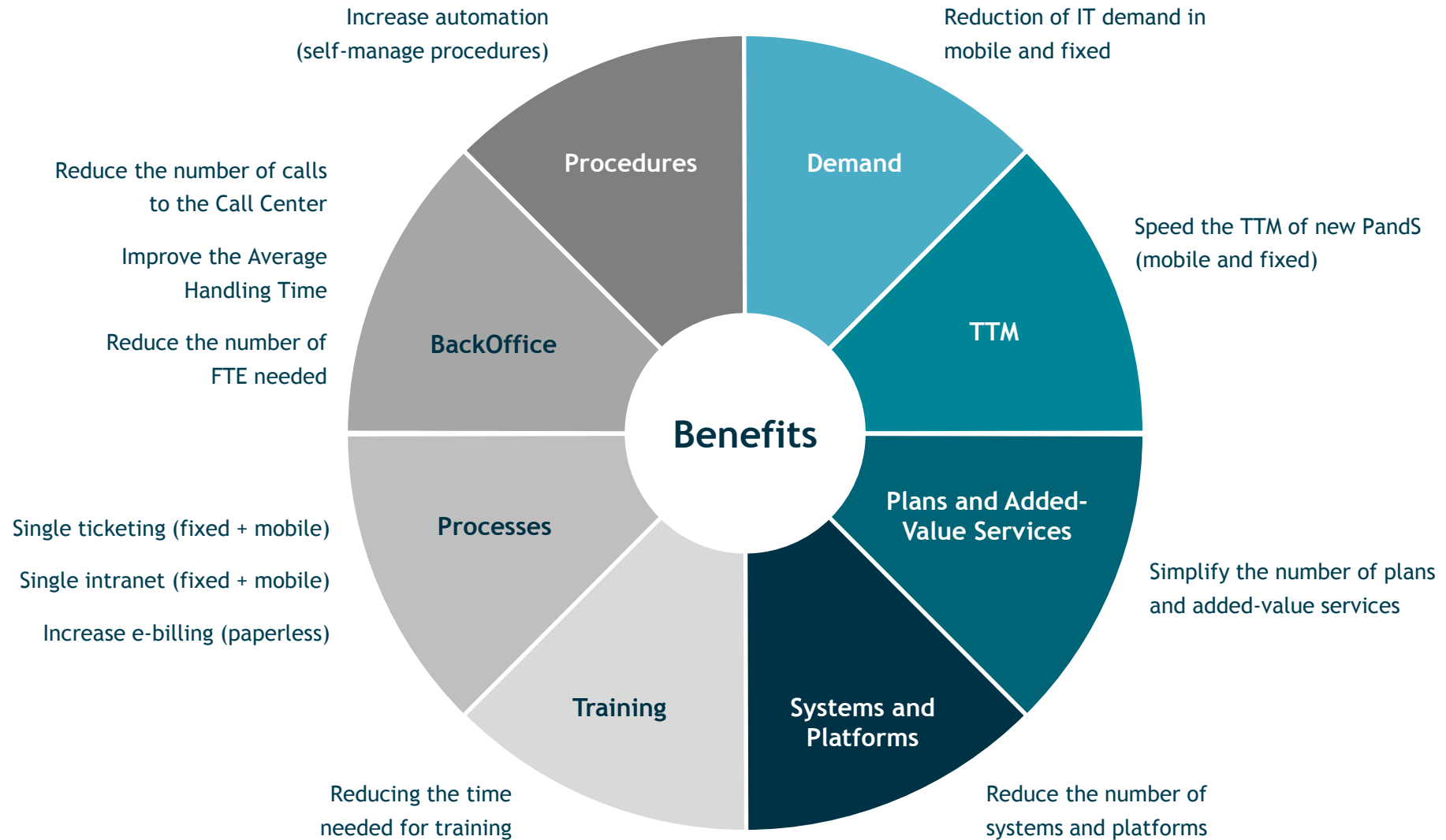
LEARN

REUSE

STANDARDIZE

Learn and Leverage

A "galaxy" of opportunities

- Economic efficiency through economies of scale and **reutilization** (governance model, integration architecture, etc.)

- **Reduce risk** of failure through reutilization and knowledge sharing (**lessons learned**)

- Reduce **time of deployment** through build-once philosophy

- **Standardization** of business **processes** through application of OoTB eTom processes; foster business and technical alignment through a **common framework**

- Galaxy model enables a great opportunity to foster business processes standardization and reuse, even if there is no business appetite for standardization

Telefónica

Example of visible transformation benefits

Increase automation
(self-manage procedures)

Reduction of IT demand in
mobile and fixed

Reduce the number of calls
to the Call Center

Improve the Average
Handling Time

Speed the TTM of new PandS
(mobile and fixed)

Reduce the number of
FTE needed

Single ticketing (fixed + mobile)

Single intranet (fixed + mobile)

Increase e-billing (paperless)

Simplify the number of plans
and added-value services

Reducing the time
needed for training

Reduce the number of
systems and platforms

Procedures

Demand

BackOffice

TTM

Benefits

Plans and Added-Value Services

Processes

Training

Systems and Platforms

Telefonica and Amdocs in partnership

Clear OoB processes

Strong methodology and governance model

Industry focus and operational excellence

Catalog-driven solution (BSS and OSS)

Clarity of product roadmaps

amdocs

Robust multi-play solution

Scalability, modularity, portability, and openness

Solid adherence to TM Forum standards

Pre-integrated, high-performance suite

Maximize benefits of standardization and reutilization through Galaxy

BE MORE_
DISCOVER, DISRUPT, DELIVER

Telefónica

BE MORE_