



Thriving in a Digital Era

Digital Transformation
Agenda for Telco's



AGENDA

1 Digital Trends

Key Digital Trends in the Global Market as well as the Local Market

3 Key Strategies for Digital Transformation

Key Strategies Recommended to transform to become a Digital Telco

2 Challenges Faced by CSPs

Key Challenges and Issues faced by CSPs and need for Digital Transformation

4 Case Study

Digital Transformation Efforts in Sri Lanka Telecom

Global & Local Industry Outlook



Digital Around The World

JAN
2019

ANNUAL DIGITAL GROWTH

THE YEAR-ON-YEAR CHANGE IN KEY STATISTICAL INDICATORS

TOTAL
POPULATION



+1.1%

JAN 2018 – JAN 2019

+84 MILLION

UNIQUE
MOBILE USERS



+2.0%

JAN 2018 – JAN 2019

+100 MILLION

INTERNET
USERS



+9.1%

JAN 2018 – JAN 2019

+367 MILLION

ACTIVE SOCIAL
MEDIA USERS



+9.0%

JAN 2018 – JAN 2019

+288 MILLION

MOBILE SOCIAL
MEDIA USERS



+10%

JAN 2018 – JAN 2019

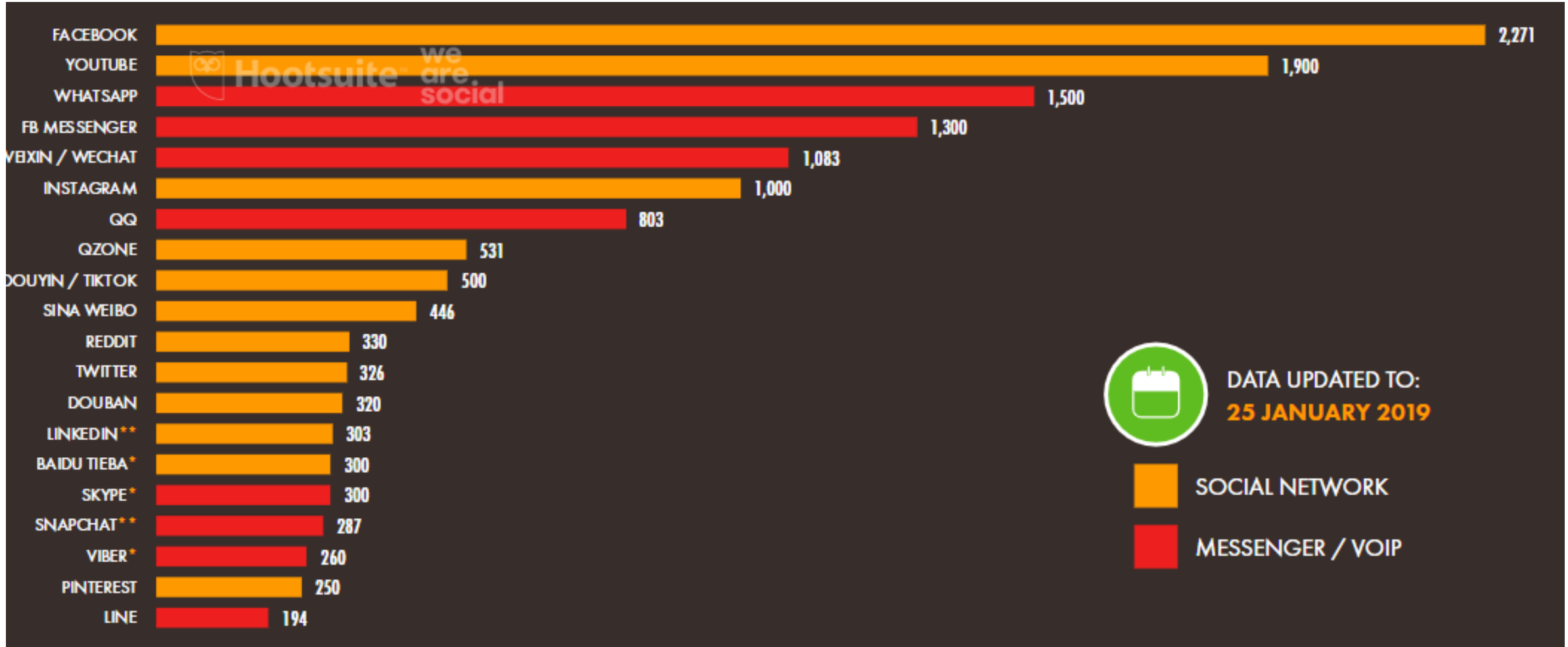
+297 MILLION

Source : Hootsuite

Social Platforms: Active User Accounts



JAN
2019



Source : Hootsuite

E-commerce Activities



JAN
2019

Percentage of internet users who report performing each activity in the past month
[survey based]

SEARCHED ONLINE
FOR A PRODUCT
OR SERVICE TO BUY



we
are
social

84%

VISITED AN ONLINE
RETAIL STORE ON THE
WEB (ANY DEVICE)



global
web
index

91%

PURCHASED A
PRODUCT OR SERVICE
ONLINE (ANY DEVICE)



8

75%

MADE AN ONLINE
PURCHASE VIA A LAPTOP
OR DESKTOP COMPUTER



global
web
index

42%

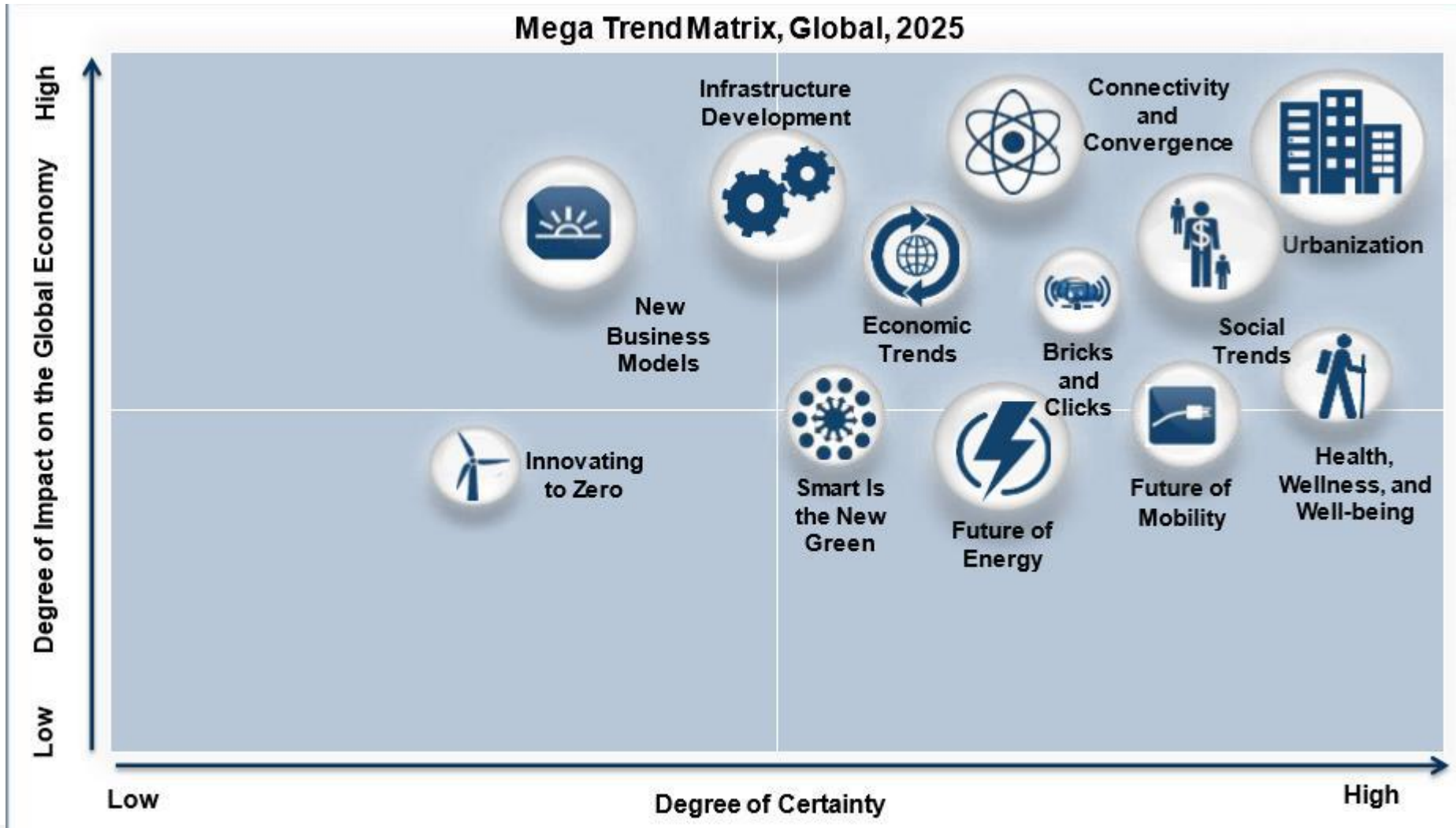
MADE AN ONLINE
PURCHASE VIA A
MOBILE DEVICE



55%

Source : Hootsuite

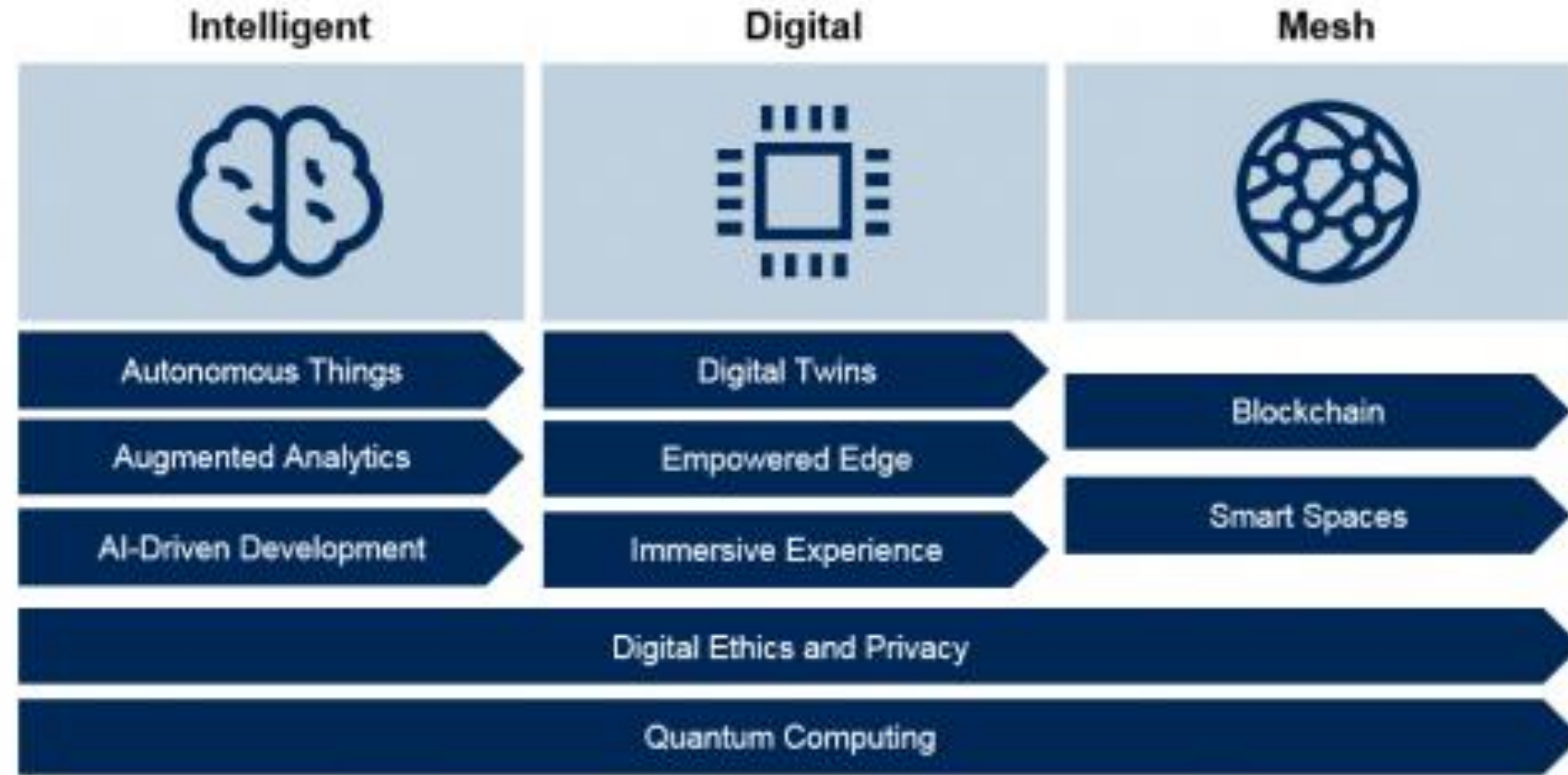
Highly Impacted Socio Economic Trends



Source: Frost & Sullivan

Technological Trends

Top 10 Strategic Technology Trends for 2019



ID: 374252

© 2018 Gartner, Inc.

Digital Market Adoption in Sri Lanka



DIGITAL DIMENSIONS THE NUMBERS

32.5 Mn
Mobile Subs



12.7 Mn
Mobile Data Users



60K TB
Monthly Data

DIGITAL DIMENSIONS PENETRATION

149%
Mobile Penetration

58.6%
Data Penetration

53.6%
Share of young online
Self taught users

13 Average age of
first Internet Access

Source : TRCSL ,GSMA, 2019

Financial Inclusion Factors



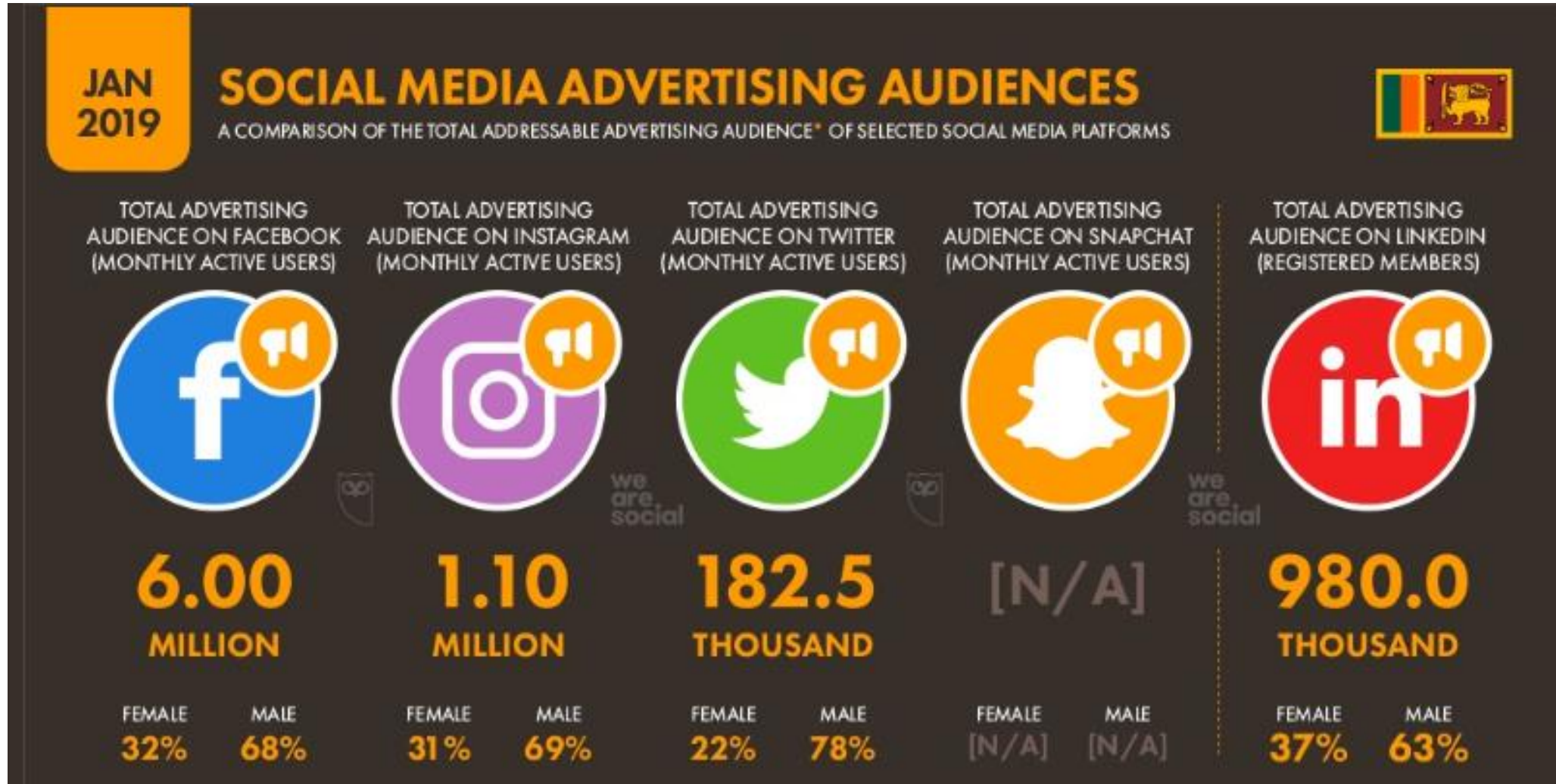
JAN
2019



Social Media Advertising Landscape



JAN 2019





Key Challenges Faced

The Need for Digital Transformation

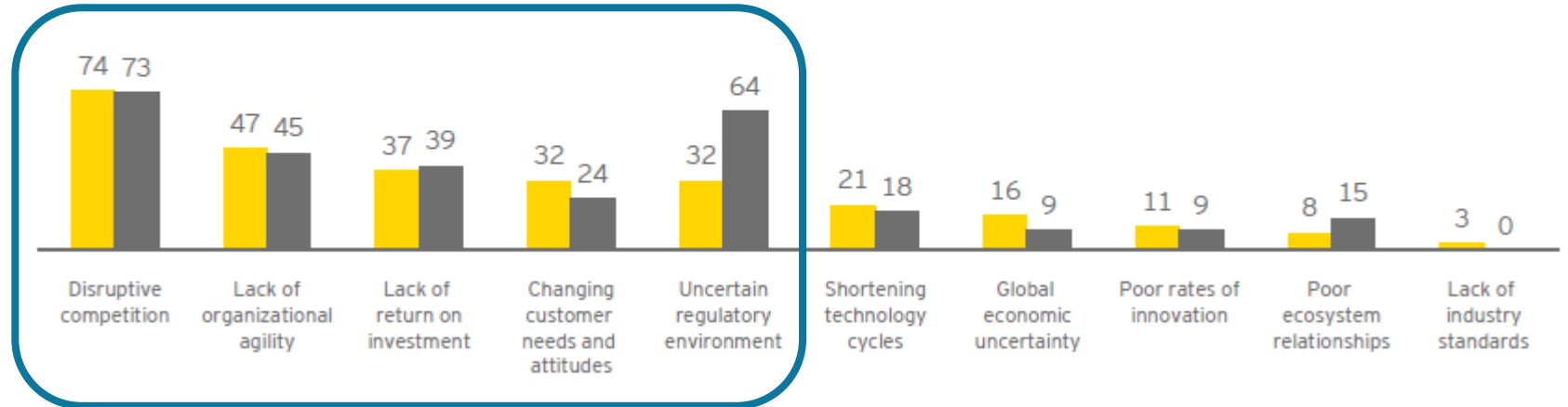
Key Challenges

- Disruptive Competition
- Lack of Organizational Agility
- Lack of RoI
- Changing Customer needs and attitudes
- Uncertain Regulatory Environments

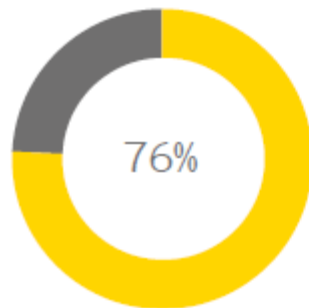
Operator views on challenges facing the telecommunications industry

What are the most significant challenges facing the industry? (top three responses)

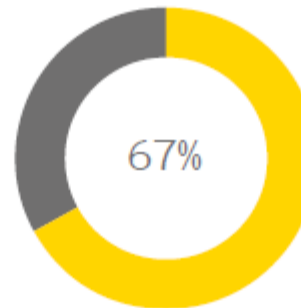
% of respondents



Developed markets



Emerging markets

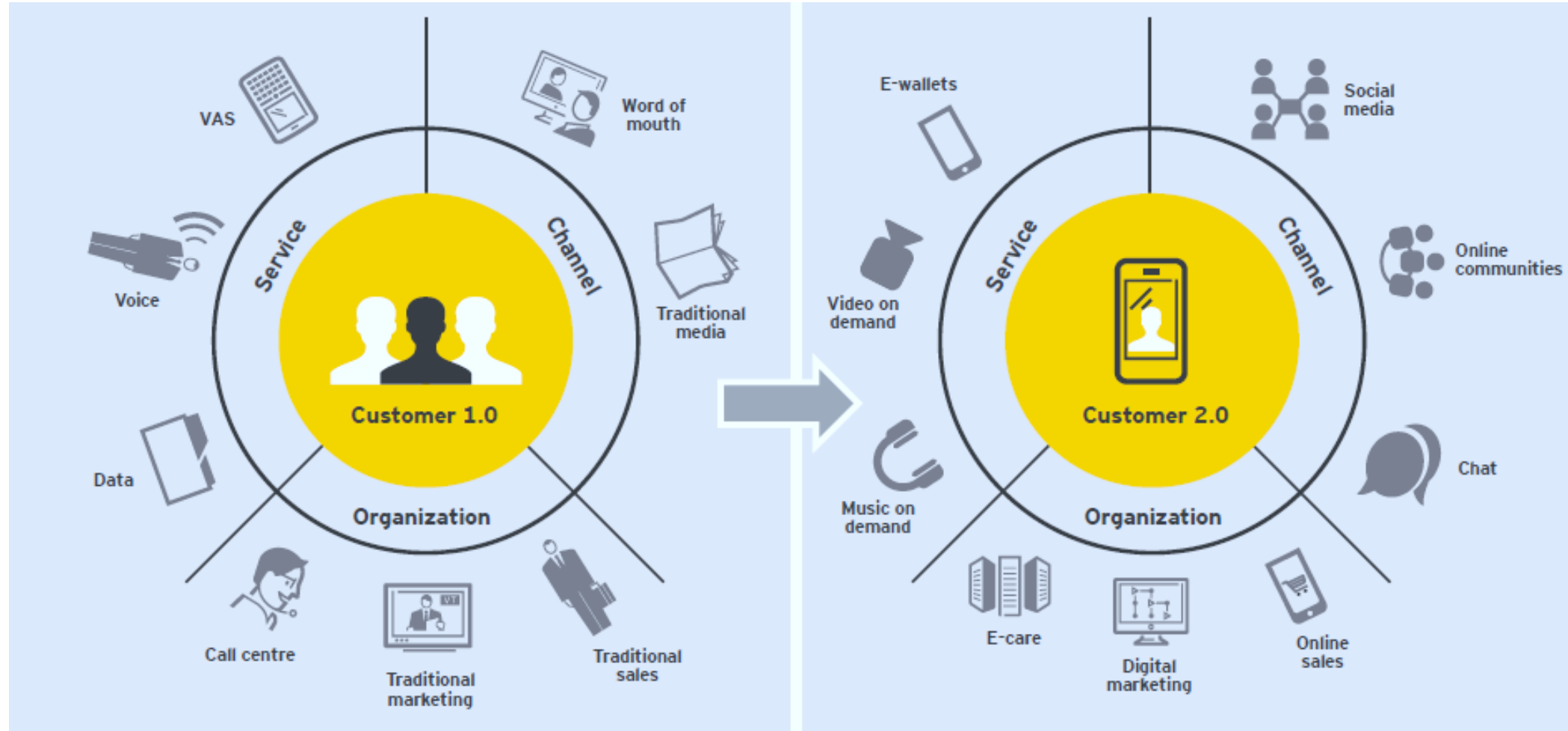


■ Mobile ■ Fixed

Participants citing disruptive competition as a leading industry challenge

Source : E&Y, 2017

Customer Exposure to Host of Digital Interfaces is Increasing



Source : E&Y, 2017



Key Strategies

Building Block to build a Digital Service Provider

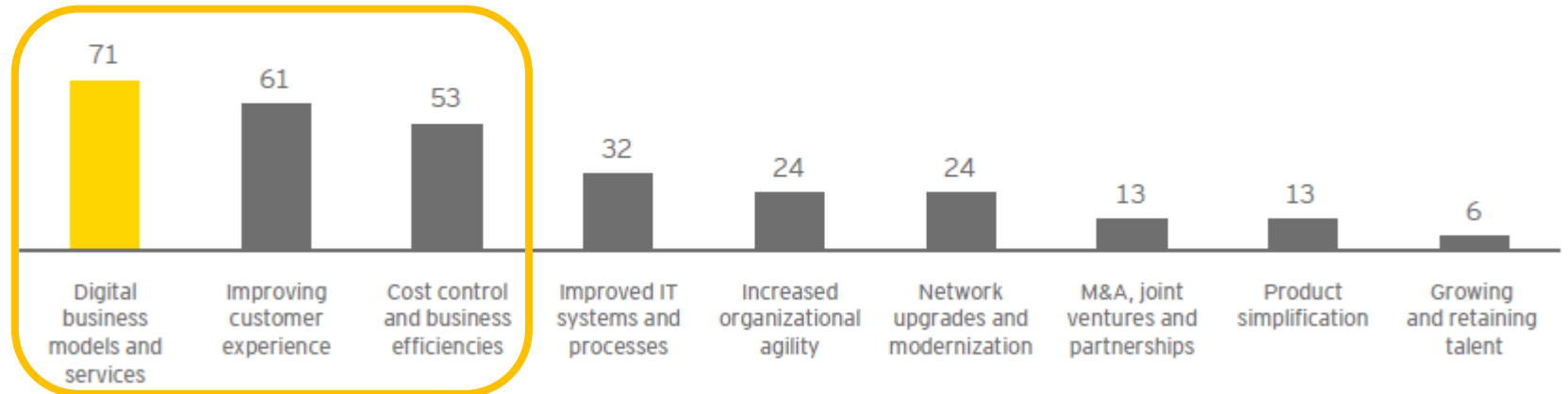
Key Transformation Projects

- Digital Business Models and Services
- Customer Experience Enhancement
- Cost Management and Process Efficiencies

Operator strategic priorities over the next three years

What are your most important strategic priorities over the next three years? (top three responses)

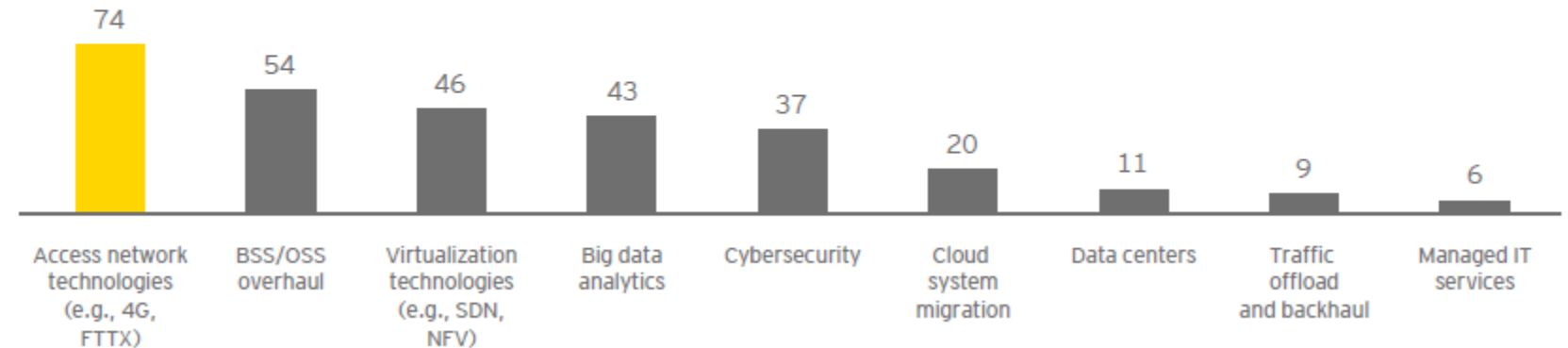
% of respondents



Operator views on network and IT spending domains

What are your organization's most critical IT and network investment domains over the next two years? (top three responses)

% of respondents



The Building Blocks Telco's Need to Create their Digital DNA



Ambition

- Vision and strategic priorities
- Value at stake
- Road map



Journeys and use cases

- Front end
 - Omnichannel/e-commerce
 - Digital marketing and personalization
- Back end
 - Network and operations
 - Back office and service/support functions
- New business building



Engine

- IT systems and architecture
- Technical enablers
 - Data backbone
 - Cloud
 - APIs and microservices
- Product and process simplification



Operating model

- Digital organization and way of working
 - Agile
 - DevOps
- Partner and vendor ecosystem
- Program management, governance, funding, and impact monitoring



Capabilities, talent, and culture

- Capabilities
 - Product management
 - Design thinking
 - Personalization
 - Analytics
 - Employee capabilities
- Talent strategy
- Culture and leadership

Top 10 Transformation Journeys for Telco's

"we see transformation as primarily a technology challenge or a new digital service opportunity or a cultural change or a customer engagement issue. Transformation is all of the above, and more"

Martin Creaner, CEO & President of TM Forum

Journey

1

From discrete network elements to an autonomously managed, virtualized communications and cloud infrastructure

Journey

2

From reactive product-specific security to uniformly orchestrated security

Journey

3

From limited data exploitation to a uniformly orchestrated data-centric enterprise

Journey

4

From closed management systems to an Open API platform architecture

Journey

5

From a limited portfolio of traditional services, to a diverse portfolio of digital services

Top 10 Transformation Journeys for Telco's

"we see transformation as primarily a technology challenge or a new digital service opportunity or a cultural change or a customer engagement issue. Transformation is all of the above, and more"

Martin Creaner, CEO & President of TM Forum

Journey

6

From managing a limited set of suppliers, to existing in a vibrant ecosystem of partners

Journey

7

From a limited set of business models, to utilizing multiple business models in core and adjacent markets

Journey

8

From a traditional telco organization and culture, to a digital organization and culture

Journey


9

From focusing on traditional channels, to adopting multiple channels to market

Journey

10

From one dimensional management of customer relationships, to 360-degree omni-channel management of the customer experience



Case Study

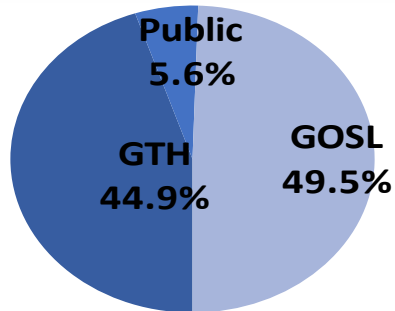
Digital Transformation Efforts in Sri Lanka Telecom

Sri Lanka Telecom- Company Overview



Sri Lanka Telecom PLC. (SLTL) is one of Sri Lanka's most valuable blue chip companies with a recorded revenue, as at 30th June 2019, Rs. 49.6 billion. Sri Lanka Telecom is the leading ICT Solutions Provider and the leading broadband and backbone infrastructure services provider in the country.

Present Share Holder Composition



SLT Products & Service Portfolio



Telephone



Internet



Data



PEOTV



International



Wholesale



Mobile

KEY STRATEGIES OF SLT

A



Accessibility

Connecting Everyone through Digital Inclusion

B



Technology

Digital Technologies to enhance livelihood and fuel the economy

C



Digital First

Digital First approach to enhance customer experience

D



Partner Eco-System

Developing a Digital Partner-Eco System

E



Harnessing a Digital Culture

Focus on Operational Efficiency and culture transformation

Approach for Building a Digital Stack



Products

Building a Digital Products/ Solutions stack

- IOT Solutions Stack
- Chat Bot/ RPA as a Service
- Digital Commerce
- Fintech



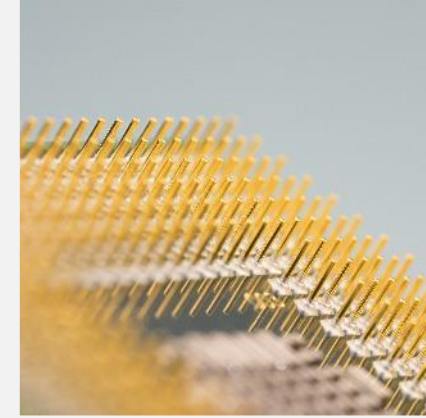
Digital Capabilities

- Product Development
- Design Thinking
- Digital Marketing
- Data Analytics



Touch Points & Personalization

- Digital Channel Enablement & enabling the Omni Channel Experience
- A Big Data Analytics strategy for personalization and enhance service offerings



Technologies

Digital Core, Network and infrastructure to facilitate digital products and services



IT Architecture

Simplified Processes and IT architecture to facilitate digital products and services (Dev Ops and Micro Services Architecture)

Key Technologies focused at the Core

- Network Transformation through NFV/SDWAN
- Deployment of Access Technologies FTTx, 5G, NB-IOT
- Executing the Multi-Cloud Strategy
- IT Transformation Projects (Big Data Analytics platform, Open API based Customer Experience Layer, OSS/BSS overhaul)
- IoT platform and IoT solution Stack
- OTT Platform Enablement



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