

Shaping the Future of Communications: Telecom Transformation Priorities and Progress

Communications service providers (CSPs) are navigating a landscape of constant change marked by surging network traffic, shifting consumer expectations, rapid technological evolution, and intense market competition.

To survive and thrive, network transformation is essential – a combination of open standards, cloud infrastructure and its corresponding operating model, and cloud-native network functions. At stake is nothing less than the future of communications.



88% of CSPs globally say that **network transformation** is critical to their organization's survival



And **77%** say they have a **formal transformation strategy**



but just **50%** describe their approach to legacy transformation as **"aggressive"** over the past three years

These are some of the core findings of a new survey from MeriTalk, in partnership with Dell Technologies, that asked 450 network technology executives worldwide about the state of telecom transformation, with a focus on the benefits – and challenges – of an open network architecture. CSPs prioritizing open networks are significantly more prepared to seize the future.

Executives report an explosion of connected devices and emerging data generated at the edge that present new monetization opportunities – if providers can keep up.

What technologies will have the greatest impact on the telecom industry over the next five years? CSPs predict:

- #1 5G and edge computing (62%)
- #2 Automation and artificial intelligence (48%)
- #3 Internet of Things (IoT) integration (46%)

CSPs recognize the need for transformation.

68% say their networks are struggling to keep pace with customer needs

88% agree an open network architecture is necessary to be a best-in-class provider

81% fear their customers will fall behind without edge data capabilities

Top business drivers:¹

- The co-creation of new services
- Revenue growth
- Operational expenditure savings

But, transformation vision is outpacing execution.

22% have an **open architecture** strategy today

Only **One in three** say that transforming to an **open network architecture** is their No. 1 telecom priority

55% say their industry is **not adapting fast enough** to meet the demands of the edge

Future-ready CSPs stand out.

CSPs who say transitioning to an open network architecture is their No. 1 priority are **significantly more likely** than their peers to: Rate their overall future-readiness as excellent (**52% to 29%**)



Those who rank open networks as the top priority are also significantly more likely to:

- Have a formal strategy or roadmap for telecom transformation (**94% to 67%**)
- Call their recent approach to legacy transformation "aggressive" (**64% to 42%**)
- Prioritize vendor partners based on frequency of new innovations (**40% to 29%**)

Telecom transformation = open standards + cloud infrastructure and its corresponding operating model + cloud-native network functions.

Recommendations:

Modernize: Move from strategy to execution, aggressively updating hardware and software infrastructure to a platform that is flexible, secure, cost-efficient, and designed for telecom.

Automate: Implement cloud-native network functions and the corresponding automation and lifecycle management tools to achieve a flexible and agile network. By embracing cloud-native functions, CSPs will not only stay relevant, but be prepared for whatever comes next.

Transform: Beyond technology, transform the human aspect of the organization. Evaluating and refining C-level visions, as well as processes, workforce skillsets, and overall organizational culture, will position CSPs to maximize growth for themselves and their customers.

To support your journey to reduce costs today and build a future-proofed network foundation for innovation ahead, Dell Technologies offers:

Telecom cloud transformation workshops and technical follow-up briefings

Business case and cloud transformation roadmap development

Proof of Concept or Proof of Technology feasibility assessments

Discussions about transformation financing options

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¹ Analysys Mason. "Index of CSP readiness to adopt open RAN, core and edge: Final results." 2024