

# COLLABORATIVE DATA ECOSYSTEMS:

THE “NEW NORMAL” FOR TELCOS

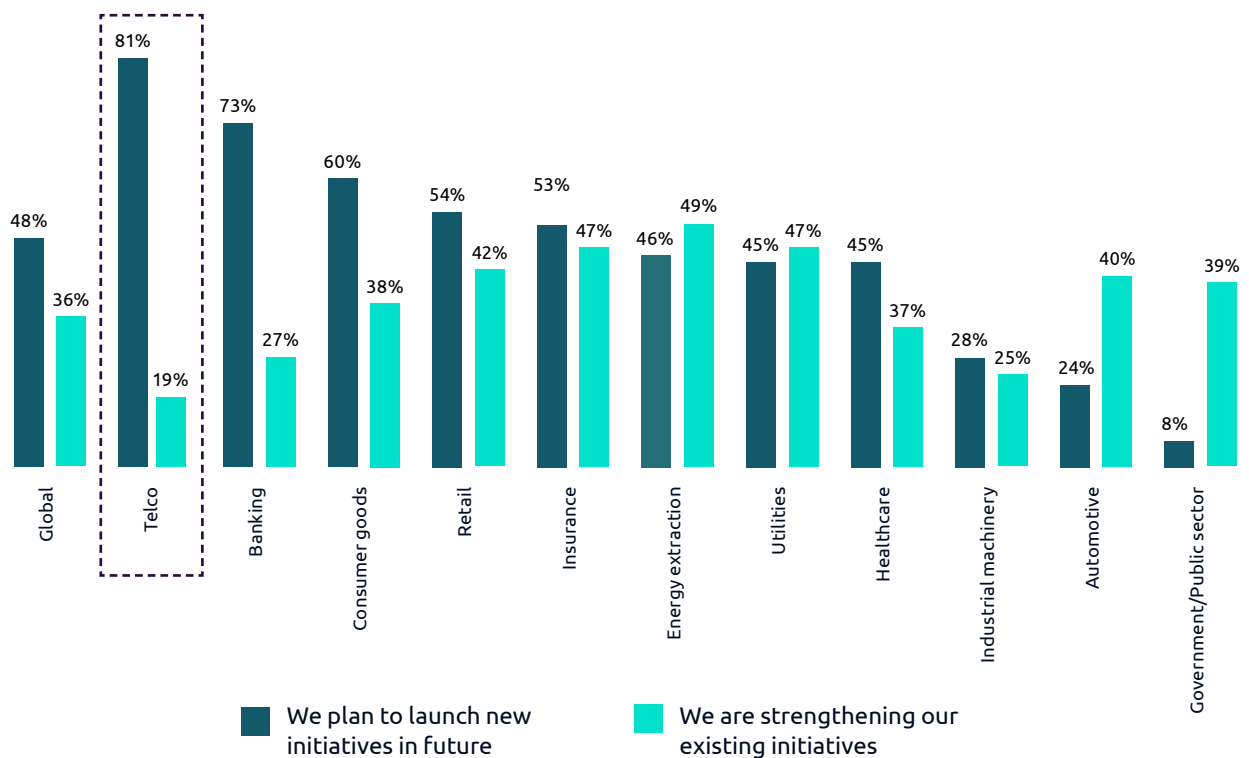


"Data ecosystems" are becoming essential within the business world. A wide range of public and private organizations are using and exploiting data to transform their business and forge new relationships within their value chains and customers. Analysts have estimated that the combined value of the data economies of the EU27 countries alone will grow from €325bn in 2019 to over €550bn by 2025, representing 4% of the overall EU GDP<sup>1</sup>. We expect a significant part of that value to originate from data sharing, as it enables new products and services, faster research and development, and more.

Capgemini Research Institute found that Telco is the sector with the strongest drive towards launching new initiatives to engage with the new model.

## The telco sector will be primarily launching new data ecosystem initiatives

**Are you planning to increase your organization's engagement with data ecosystems?**  
Sector view, multiple selections



Source: Capgemini Data Ecosystem Survey, N=750 organizations, April-May 2021

Executives increasingly understand that collaborative data ecosystems provide a way to move beyond the basic monetization of datasets. These ecosystems leverage the real value of the data being created and collected not only to improve productivity, but to create new products and services, in compelling new business models.

Within collaborative data ecosystems, Telcos will potentially play an important role, leveraging their existing capabilities and data assets to create a powerful new future. After moving into this field with great caution, we believe it's time for them to address this opportunity more vigorously.

<sup>1</sup> The European Data Market Monitoring Tool, "Final Study Report," June 2020.

# The Telco Challenge

There is an urgency to this shift. Telcos are making tremendous capital expenditures to roll out 5G mobile networks and faster fiber optic broadband to serve homes, offices, and the Internet of Things. However, connectivity services are becoming more and more commodities and Telcos will be hard-pressed to deliver returns on those investments.

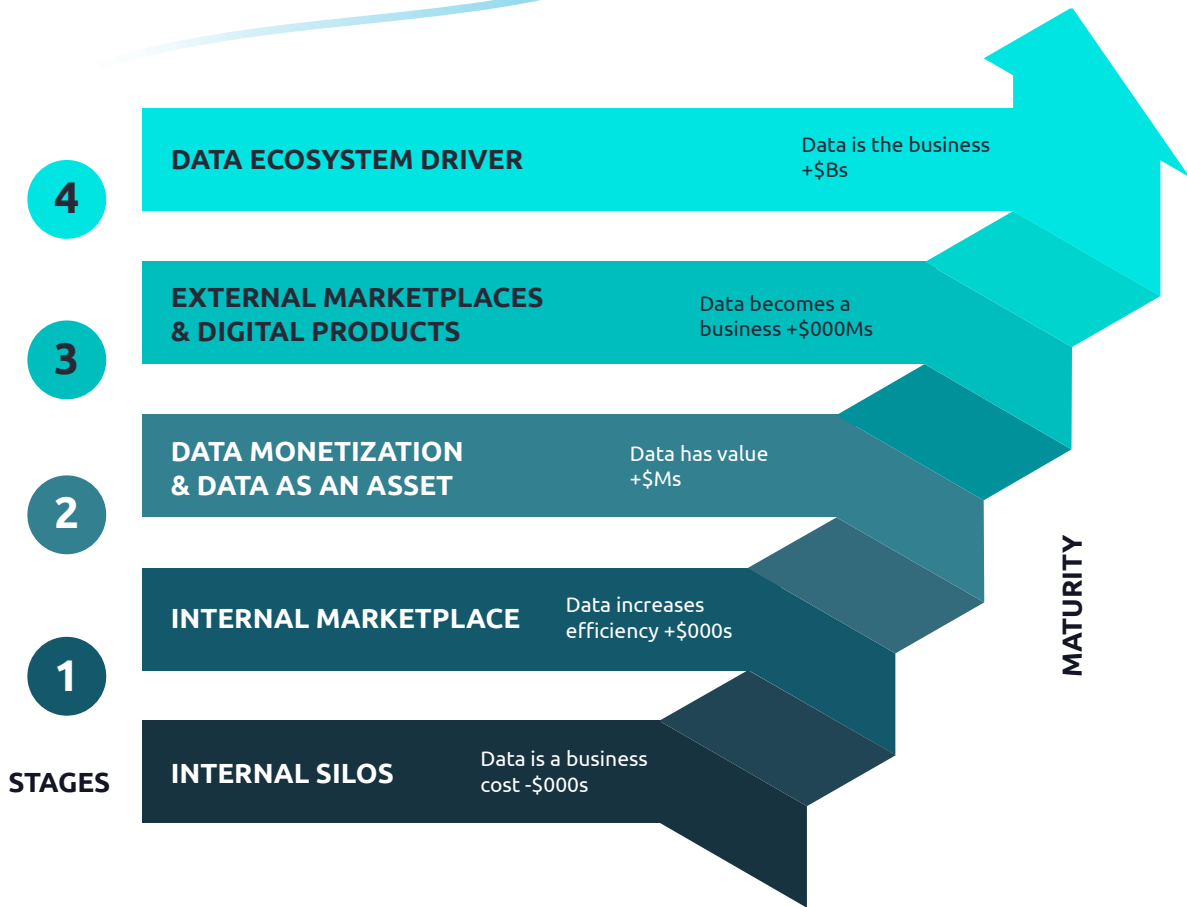
Meanwhile, players such as Amazon, Microsoft, and Google have built formidable businesses by effectively harnessing the massive amounts of data they collect and forged a highly profitable business, becoming effectively the “hyperscalers” for data in the modern business world. Telcos, which are sitting on unfathomable amounts of data have not yet come up with significant business models to spin this raw information into gold.

# First Steps

Rethinking the future of telco is more about rethinking the possibilities that lie at the intersection of connectivity and data.

Traditionally, Telcos have focused internally on leveraging data derived from their customer management systems – as this is a valid starting stage to of building data ecosystems. The real opportunity however, lies in finding ways to use data to work with collaborators and create new intelligence and insights. These become both an asset and an enabler in external data ecosystems, for innovative products and services.

As Telcos embrace this ecosystem evolution, they can evolve from a place where managing data is perceived just as a business cost, up to a setup where data becomes part of the business model, if not the business itself.



The maturity levels Telcos evolve against, as they adopt the data ecosystems model



## Here's how that could happen:

- 1. Understand the new potential spectrum of roles a Telco can play.** The models for helping other sectors unlock value are almost limitless, especially as we move away from a consumer world into the "Industrial Internet of Things" where millions of machines exchange data that could be leveraged for innovative services.
- 2. Recognize the power of Telco data.** It's an essential part of managing mobile networks and can be very accurate in terms of time and location.
- 3. Challenge the safety of legacy Telco business and operating models:** Telcos must think collaboratively and work closely with other sectors such as government, insurance, retail, and manufacturing.

And this is not a theoretical exercise – we already see concrete examples of telco-led collaborative data ecosystems emerging.

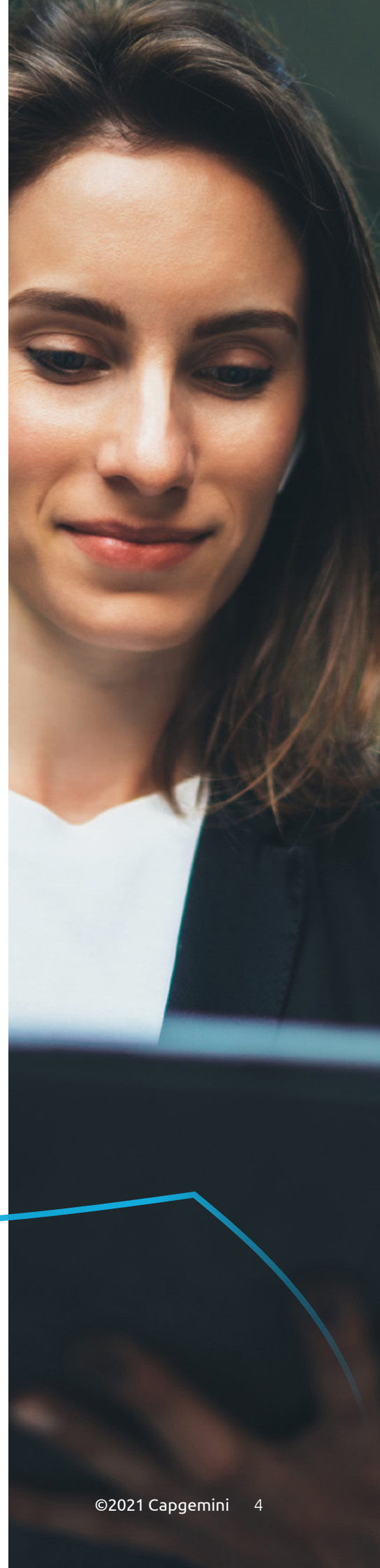
- Telefónica has already designed the first comprehensive smart city management solution in Spain (e.g. for the City of Valencia) that will transform cities into smart, and totally connected environment.
- Telia is using its Crowd Insights data platform to deliver Travel Emission Insights which allow city and environmental planners to measure and benchmark CO2 emissions from different routes and modes of transport and take actions to reduce them.
- O2, via its O2 Motion data platform, generates micro-location insights so sectors like tourism can gain location-based insights on visitors to optimize experiences, sales, and marketing.

The technological side of collaborative data ecosystems is already quite advanced and widely available e.g. cloud infrastructure, real-time analytics at the Edge, open service platforms with micro-service capabilities have all passed the embryonic stage, ring into any data ecosystem, across systems. However, most Telcos (and businesses in general) still struggle with the complexity to engage in an "ecosystem approach" from a business- and partnership model perspective. Strong partnership management is needed, and the underlying revenue models need to be revised from classical "product sales" to data and service enablement.

## Conclusion

Data ecosystems are becoming the "new normal." The main challenge for Telcos is the required transformation of the internal models to become "service-driven" ecosystem enablers. This transformation cannot be achieved overnight. Telcos must start their data ecosystem journey now to keep ahead of the curve.

Stay tuned for more insights on [Collaborative Data Ecosystems](#) in Telecoms in our upcoming PoV!



## About Capgemini Invent

As the digital innovation, consulting and transformation brand of the Capgemini Group, Capgemini Invent helps CxOs envision and build what's next for their organizations. Located in more than 30 offices and 25 creative studios around the world, its 7,000+ strong team combines strategy, technology, data science and creative design with deep industry expertise and insights, to develop new digital solutions and business models of the future.

Capgemini Invent is an integral part of Capgemini, a global leader in partnering with companies to transform and manage their business by harnessing the power of technology. The Group is guided everyday by its purpose of unleashing human energy through technology for an inclusive and sustainable future. It is a responsible and diverse organization of 270,000 team members in nearly 50 countries. With its strong 50 year heritage and deep industry expertise, Capgemini is trusted by its clients to address the entire breadth of their business needs, from strategy and design to operations, fueled by the fast evolving and innovative world of cloud, data, AI, connectivity, software, digital engineering and platforms. The Group reported in 2020 global revenues of €16 billion.

Get The Future You Want

[www.capgemini.com](http://www.capgemini.com)

### GET THE FUTURE YOU WANT

The information contained in this document is proprietary. ©2022 Capgemini. All rights reserved. Rightshore® is a trademark belonging to Capgemini.

# AUTHORS



## **ANSGAR SCHLAUTMANN**

Vice President & Head of the Telecommunications, Media & Technology (TMT) Practice at Capgemini Invent Germany

[ansgar.schlautmann@capgemini.com](mailto:ansgar.schlautmann@capgemini.com)



## **GIANFRANCO CECCONI**

Global Lead for Collaborative Data Ecosystems, Capgemini Invent

[gianfranco.cecconi@capgemini.com](mailto:gianfranco.cecconi@capgemini.com)

