PORTFOLIO: VOICE

PLATFORM POWERED VOICE

TRANSFORMING THE LEGACY APPROACH TO VOICE WITH A MODULAR PLATFORM

October 2018

EXECUTIVE SUMMARY

Online digital platforms are redefining how consumers and businesses experience the services they use and rely on.

Every time we open Amazon, Facebook, Google, Salesforce, or Uber, we are benefiting from multiple technologies and solutions delivered with a single user experience.

These digital platforms have disrupted entire industries while changing users' expectations in both their personal and professional lives. They have been able to create services that are more than the sum of their parts and remove inefficiency and complexity in legacy business models.

In today's global communications market, communications service providers need to explore new models that deliver similar results. They are under pressure to simplify their operations and find new efficiencies while moving beyond legacy models that have decreasing value in a rapidly changing market.

The platform economy can offer solutions to some of the biggest challenges in voice and other types of communications services.

The challenge for communications service providers is how to learn from successful digital platforms, apply it in their businesses and offer users the kind of experiences they've come to expect from their daily interaction with online digital service providers.

The result will be the creation of agile and adaptable communications solutions that are ready to scale and serve changing user demands. The industry knows that it needs to evolve, and the platform economy offers a blueprint for creating the voice businesses of the future.

FROM TRADITIONAL TO TRANSFORMATIONAL

After years of negative or zero growth in international voice revenues, the communications industry is reaching a tipping point. Communications service providers are recognising that they must change in order to survive, remain relevant and grow. While the challenges around declining revenues from voice have been discussed for nearly a decade, communications service providers have been slow to take action and push their businesses to new places.

Like many risk-averse businesses with steady incomes, the 'wait and see' approach was preferred by many communications service providers . The focus has been on making small adjustments to slow the bleeding, but that is no longer good enough.

International voice service revenues are predicted to fall to $50 billion by 2022, according to TeleGeography Report and Database. Revenues from voice will have declined by nearly half in the ten years from 2012. By 2022, there will have been a decade of rapid decline in revenues caused by competition from so called Over-the-Top (OTT), VoIP and other communications services. According to Telegeography, OTT apps delivered 40% more international traffic in 2017 than all of the telecoms companies in the world combined.

Communications service providers will be servicing a market that is half the size it was 10 years earlier. The traditional model is no longer an option. Many will have to decide if they exit the market altogether, or transform their approach to voice. For the survivors there is a significant amount of revenue to be won but this will go to providers that are willing to embrace disruption and transform their business models.

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BUILDING A BETTER MODEL

Traditional wholesale voice business models have been focused on offering a set of basic products and connecting customers from A to B. The goal has been to connect customers in more places and serve as many of their existing needs as possible.

The buyer's decision making is black and white: "Do they have the products I need, and can they get my traffic where I need to go?"

This has led to intense commoditisation and a lack of differentiation in the market, driving prices down. At the same time, the traditional model has not accounted for changes in buying behaviours and expectations that have been driven by service experience in the consumer world.

Overall, the process of buying voice services is still complex and old fashioned, often requiring emails to be exchanged, pricing via spreadsheets and in-person meetings. Services are often sold piece-by-piece and product-by-product without focusing on overall problem solving.

When communications service providers are managing multiple supplier relationships this adds growing complexity that limits time-to-market and the ability to serve new demand. Communications service providers need simple, powerful and efficient solutions that can be deployed quickly and relied on to work seamlessly.

An insight-based approach is required, with a focus on differentiating with ease of use, accessibility and superior customer experience. New models have to focus on understanding customers and shaping services that anticipate their needs. Communications service providers need to deliver an experience that goes beyond the black and white approach and builds sustainable partnerships.

Selling voice services now requires a greater depth of understanding of the customer and the entire value chain. It is no longer about selling a product and handing it off to the customer. Communications service providers that want to be successful in the long-term must be continually refining their solutions to solve challenges and serve the changing needs of customers.

"I have an extensive set of products. There are offerings to suit nearly all of your needs in this area."

TRADITIONAL WHOLESALE MODEL

"We can solve a problem that has been costing your business more than you may realise."

NEXT GENERATION SERVICE MODEL

"The path to a healthy and sustainable wholesale market will come from understanding the entire value chain. Even for the largest providers in the world, the future of wholesale will be defined by the end user. That's really where disruption starts in our industry."

Bob Laskey, Senior VP Americas at Tata Communications

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THE POWER IS IN THE PLATFORM

Going beyond the traditional model means leaving the legacy service stack behind. It has been common to visualise voice businesses with the physical infrastructure at the bottom and services layered over the top.

While that might be convenient for internal audiences, a more user-centric approach better matches the ecosystems and apps consumers are familiar with in their daily lives.

Users of all kinds want their services to be simple, accessible and easy to use and the voice business should be no different.

Rather than offering services product-by-product, communications service providers should look at how they can develop their own platforms and offer seamless access to a variety of solutions.

A modular platform approach means Voice, SMS, Signalling and a whole range of related solutions can be accessed with a single unified user experience.

Operational complexity is hidden from users, enabling them to access the services they want with as little friction as possible.

Like Amazon in the e-commerce space or Uber in ride sharing, user experience is growing in importance in the voice services market.

Platforms matched with GUI-driven portals create new transparency and visibility for users and ultimately build trust.
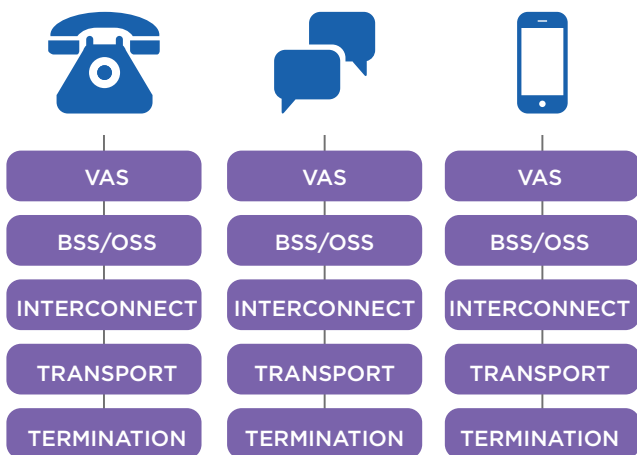
Users who have access to web-based portals can react to new user demand instantly then rapidly provision and monetise new services.

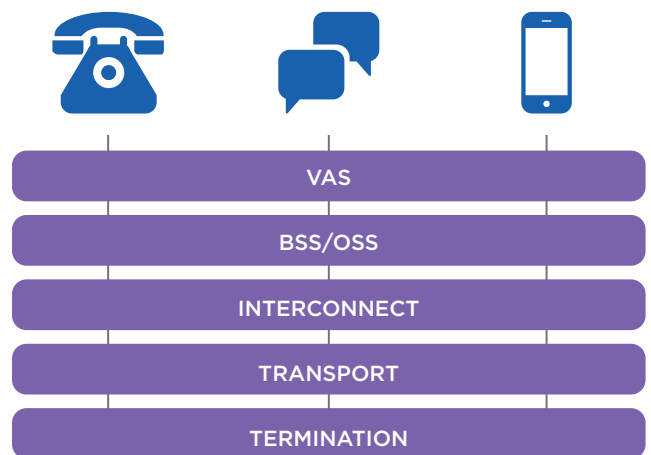## LEGACY SERVICE SILO VS MODULAR PLATFORM APPROACH

The Legacy Silo approach is a convenient way to manage internal processes but adds complexity for users. The platform approach enables simple and easy access to multiple solutions with a single user experience.

A modular platform approach means Voice, SMS, Signalling and a whole range of related solutions can be accessed with a single unified user experience. Operational complexity is hidden from users, enabling them to access the services they want with as little friction as possible.

Tradtional Silo

VAS	VAS	VAS
BSS/OSS	BSS/OSS	BSS/OSS
INTERCONNECT	INTERCONNECT	INTERCONNECT
TRANSPORT	TRANSPORT	TRANSPORT
TERMINATION	TERMINATION	TERMINATION

Platform approach

VAS
BSS/OSS
INTERCONNECT
TRANSPORT
TERMINATION

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Delays associated with calling, emailing and waiting for sales reps can be removed from the sales process, enabling communications service providers to win business with agility. They can also access services they may not have previously needed in order to capture new revenue. This better positions a communications service provider to create new competitive advantages and drive profitability.

While the legacy voice model was focused on internal developments and competing to bring new products to market, a platform based approach can be shaped to serve different vertical needs and evolve as needs change.

Over time new solutions and capabilities can be added to the platform, as new modules. This ensures that the offering is future-proof and adaptable. The more robust the platform the easier it can be to add new modules and source and integrate best-in-class solutions from other providers.

As APIs become more commonplace across telecoms operations, solutions like IT security, Artificial Intelligence-based routing or even Software-Defined WAN (SD-WAN) offerings can be integrated. Growth in adoption of APIs means that communications service providers are now competing to source the best solutions and find the best partners to serve their customers' needs rather than focussing on adding Points of Presence (PoPs) or dropping prices.

PLATFORM BENEFITS

- **Transformation** – Communications service providers that choose the right platform partner can rapidly transform their service offering and compete in new ways

- **Agility** – Communications service providers gain the agility to rapidly provision and monetise new solutions when an opportunity appears

- **Scalability** – Communications service providers are able to grow with their platform partners and efficiently serve new demand

- **Adaptability** – Platforms can adapt to changing market conditions as well as new technologies and requirements

- **Customisation** – Communications service providers can use their platform partners services to shape targeted offerings for different vertical segments

- **Future-Proof** – The platform is ready to change with the needs of customers and evolve to support success across the value chain

A GROWING MODULAR PLATFORM

By presenting a single platform for service enablement, the architecture of the platform should be capable of adding new services. This ensures continuous enhancement, future-proofing and adaptability. This ensures that the customer experience is consistent, simple and evolutionary.

X, Y & Z

VAS

BSS/OSS

INTERCONNECT

TRANSPORT

TERMINATION
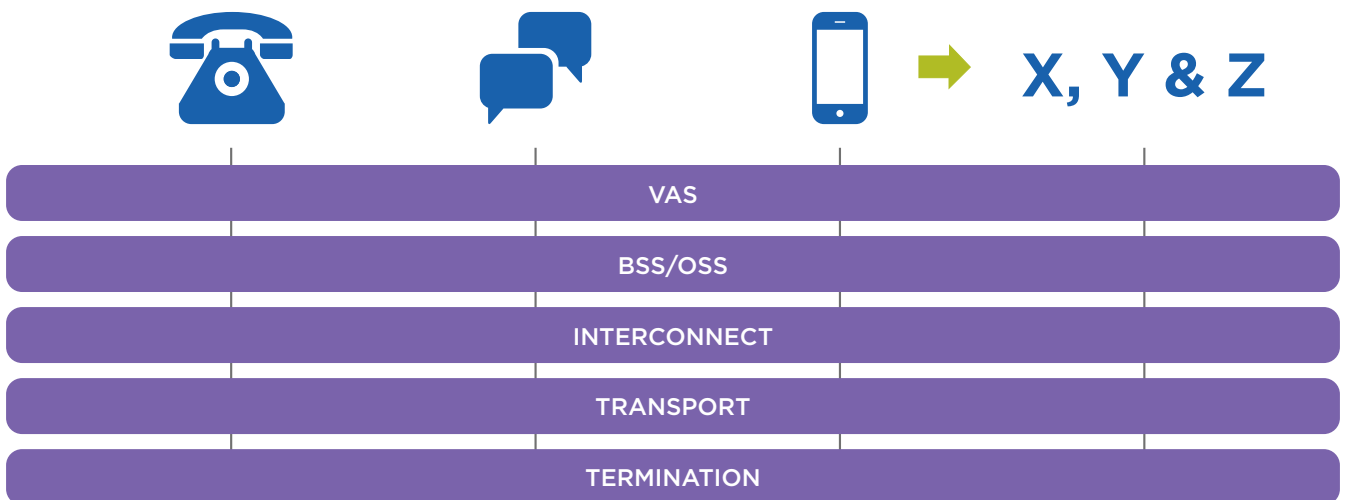
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USING PLATFORMS TO DRIVE PROFITABILITY

Tata Communications is at the forefront of using platforms to enable its customers to capture new revenue and grow their profitability in voice.

Our modular platform gives customers access to all of the services and capabilities they need to be successful in today's communications market.

We remove the complexity from serving new demand and growing in new areas while also enable customers to protect their profits.

Our platform combines our global network infrastructure with anti-fraud solutions, optimized routing, best-in-class OSS/BSS and APIs. Customers gain access to more than 2,000 Service Provider relationships in more than 200 countries and territories. Our voice platform carries more than 1 billion voice minutes a week.

Our approach ensures that customers can adapt to changing market conditions while serving customers of varying sizes and needs. Customers can begin their journey with us using one service but easily expand their relationship with us using different modules.
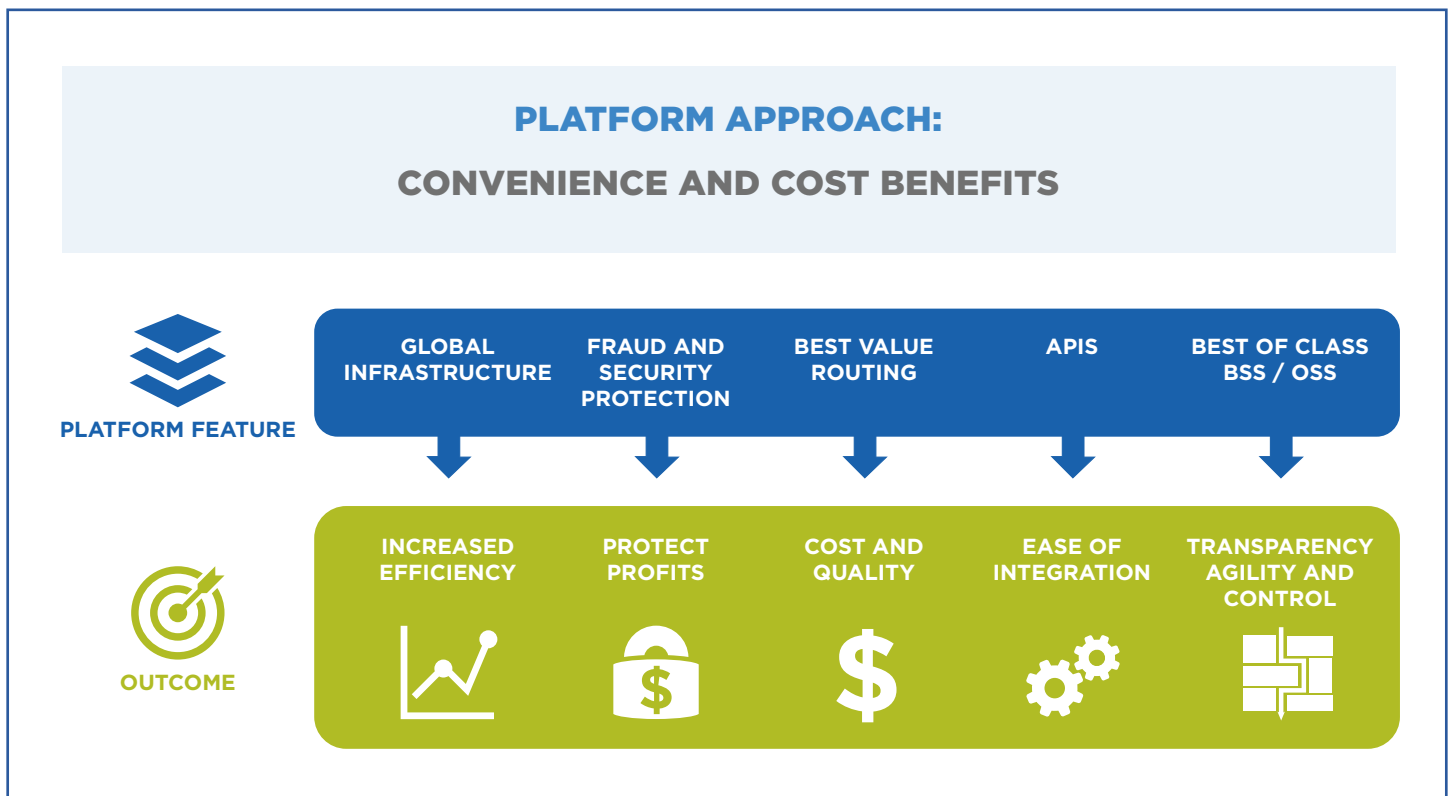
As the voice market evolves, our modular platform is growing to serve the demand of the future.

PLATFORM STRATEGY

Our platform strategy aligns with our 4 core focus areas:

- **Borderless Growth =** Our global infrastructure enables our customers to rapidly serve new demand and grow their profitability around the world without limits

- **Productivity & Efficiency =** Our modular platform delivers new productivity and efficiency with multiple solutions and capabilities

- **Customer Experience & Engagement =** We are creating new solutions, experiences and innovations that ensure our customers can have success and capture long term sustainable growth in a changing market

- **Managing Business Risk =** We deliver trusted solutions that enable our customers to capture new growth and protect their profitability with fraud mitigation and security

We're delivering innovative solutions, new customer experiences and global reach to accelerate how customers solve challenges and grow their communications businesses.

PLATFORM APPROACH:

CONVENIENCE AND COST BENEFITS

PLATFORM FEATURE

GLOBAL INFRASTRUCTURE	FRAUD AND SECURITY PROTECTION	BEST VALUE ROUTING	APIS	BEST OF CLASS BSS / OSS

OUTCOME

INCREASED EFFICIENCY	PROTECT PROFITS	COST AND QUALITY	EASE OF INTEGRATION	TRANSPARENCY AGILITY AND CONTROL

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