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Why the telco sector needs cloud

The telco sector in the Benelux has the reputation for high quality service and an advanced telecom network infrastructure. However, to maintain its position as a leader in the global market, the Benelux telco sector needs to continue to innovate and find solutions that offer both cost and performance efficiency.

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The situation today in the telco sector

The telco sector is undergoing a period of change, moving from following innovations in hardware to becoming software driven, relying on network function virtualization (NFV). This has led to telco organizations in the Benelux experimenting with ways to combine their private cloud with the innovations available on the public cloud to offer additional secure telco functionalities to their customers.

This has helped to reduce costs in two main ways. First, this change has increased the use of standardized hardware instead of specialized equipment, reducing the required hardware infrastructure investments. And secondly, the use of public cloud gives organizations faster and cost-efficient access to innovations in the market that enable the better delivery of a wider range of services than could be offered by just using the organization's private resources.

"Telco organizations in the Benelux punch above their weight when it comes to offering innovative, high-quality services."

Jeroen Bolte

Client Partner communications & Media Netherlands, Cognizant

The role of cloud

Even though the Benelux is a relatively small market on the global stage, telco organizations here are punching above their weight when it comes to delivering a wide range of high-quality and high-quantity services. Cloud plays a large role in maintaining this position.

To keep up with the competition in the Benelux telco market, organizations frequently experiment with new ways of utilizing the functionality offered by cloud, with new services quickly gaining traction and helping to bring in new revenue streams. By performing these experiments in the cloud, organizations have a cost-efficient way to test new ideas that doesn't require the purchase of new infrastructure or other expensive investments.

The virtual nature of clouds also enables the fast delivery of new services for faster testing of potential new services followed by rollout to a larger audience.

What cloud offers your organization

In addition to the agile nature of cloud that organizations can leverage to bring functionality to the market quicker, cloud technology and services offer a number of other benefits to the telco sector.

Cloud offers a faster rate of innovation, with new services constantly being developed to deliver new solutions and opportunities at a pace that is extremely difficult, time consuming, and expensive to replicate within your organization. These innovative, new services can help your organization to increase productivity, develop new services, and improve customer experiences to encourage brand loyalty.

As relationships with customers develop, organizations are finding themselves with increasing amounts of data that needs to be stored, managed, and processed effectively in order to deliver the service level that customers expect, as well as generating new insights that can potentially lead to improved service level or efficiency. However, telco organizations often find it difficult to handle the required data volumes internally in their own data centers. This is where cloud steps in: the elasticity of cloud can be leveraged to scale based on growing data requirements and real-time demand.

It is straightforward for organizations to take advantage of the elasticity of cloud. Instead of lengthy internal service requests and procurement procedures to obtain new infrastructure, organizational users can quickly and easily request additional cloud services and capacity. And the

organization only needs to pay for what they consume, eliminating upfront investment costs and potentially wasted resources.

"Without a clear cloud strategy, your organization won't experience the full potential that cloud offers."

Bart Gabriels
Head of Communications
Belgium, Cognizant

The challenges of using cloud

While cloud offers multiple benefits, there are some challenges to overcome. The first of which is how to start which usually involves answering a series of questions: how does your organization want to get started? What can cloud help you solve? How can your organization use cloud to manage security and compliance requirements? What governance processes will you implement to manage your cloud? How should your organization configure the cloud to run the workload that is migrated to it? How can your organization minimize latency for a fast and smooth customer experience?

In other words: what is your cloud strategy? While early adoption can help give your organization an advantage in the sector, without a clear plan, you are unlikely to experience the full potential that cloud offers.

It is worth stating that, even with a clear cloud strategy, your cloud environment can quickly become complex, with multiple cloud networks, different applications, changing requirements that need to be adapted to in real time, and more. Furthermore, if your cloud is not adequately managed, you could quickly find yourself with multiple unused or underutilized applications which make it difficult to generate the insights your organization needs.

This means that governance is an important aspect, especially when it concerns hybrid or multi-cloud networks, as it ensures the cost efficiency, security, standardization, compliance, and overall performance of the cloud.

"Organizations are continuously finding innovative new ways to utilize cloud to benefit them and their customers."

What's next for cloud?

As cloud technology becomes more advanced, organizations are finding new ways to utilize cloud to benefit them and their customers. When it comes to cloud, there are several trends on the horizon.

Cloud strategies frequently encourage the use of different types of cloud. While some applications can be run easily on a public cloud, others are best suited to a private cloud, hosted on premises. This enables the integration of specific telco technologies that need to be close to the physical network infrastructure, such as edge cloud, radio access network (RAN), and network function virtualization (NFV).

Telco organizations are increasingly looking for ways to combine private and public clouds without compromising their high service quality levels. Issues with latency or an outage of their network would directly impact their net promotor score (NPS) and how their customers perceive them.

The implementation of 5G with its high-quality connections and ultra-low latency is opening up new opportunities for real-time applications. This has led to a shift towards cloud solutions that are closer to the network access points that connect end customers, for example running applications near the end users at the edge of the network, such as concerts or hospitals.

Lastly, cloud is empowering telco organizations to upgrade their position themselves from being just a connectivity supplier to an essential part of their customers' value chains.

Looking at the future with cloud

The cloud ecosystem provides continuous exposure to the latest innovations, giving your organization the ideal place to experiment with and rollout new service ideas quickly and in a cost-efficient way.

However, taking those first or next steps can be challenging. The experienced experts from Cognizant can help you with a clear methodology and framework for introducing, adopting, managing, and using cloud based on the maturity level of your organization and your customers.

Is your organization ready to fully benefit from cloud?

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Why Cognizant?

You need a partner with deep understanding of the application landscape and how it has evolved over the years. One who is at the leading edge of automated deployment models with the experience of people-led change. One with the wisdom to understand how you got to where you are today, and the vision to take you into the future.

Cognizant has the broadest knowledge and experience with applications across a wide range of technologies, platforms, and languages and has been helping IT and business leaders drive results at speed and scale for over 25 years. We have been recognized as a leader in Application Transformation, Application Modernization, Next-gen ADM and Automation by reputed research and advisory firms. Our vibrant partner ecosystem with leading technology vendors helps drive innovation. Wherever you are in your application modernization journey, and whatever your end goals are, Cognizant can help.

To learn more, contact **modernization@cognizant.com**

cognizant®

World Headquarters

300 Frank W. Burr Blvd.
Suite 36, 6th Floor
Teaneck, NJ 07666 USA
Phone: +1 201 801 0233
Fax: +1 201 801 0243
Toll Free: +1 888 937 3277

European Headquarters

1 Kingdom Street
Paddington Central
London W2 6BD England
Phone: +44 (0) 20 7297 7600
Fax: +44 (0) 20 7121 0102

India Operations Headquarters

#5/535 Old Mahabalipuram Road
Okkiyam Pettai, Thoraipakkam
Chennai, 600 096 India
Phone: +91 (0) 44 4209 6000
Fax: +91 (0) 44 4209 6060

APAC Headquarters

1 Changi Business Park Crescent
Plaza 8@CBP # 07-04/05/06
Tower A, Singapore 486025
Phone: + 65 6812 4051
Fax: + 65 6324 4051