

How “open” is the telecoms industry?

The concept of openness, while not new, is still relatively nascent in the telecoms industry and for its constituents - communication service providers (CSPs). Adoption of open principles has helped other industries usher innovation and attain higher levels of performance; similarly, CSPs stand to benefit from the same while potentially carving out a coveted differentiator in a competitive landscape.

Openness in the telecoms industry can be defined as not relying solely on your own internal knowledge, sources and resources but rather leveraging many external sources to drive innovation. It often is comprised of **four dimensions**, including:

- Open forums (including open standards, open source and architecture)
- Open interfaces (including data exposure and open API's)
- Open ecosystems (including collaboration, co-creation and joint innovation)
- Open culture (including inner source and openness mindset)

Pulse surveyed 100 CSP leaders to gauge if open principles are critical to their current or future operations.

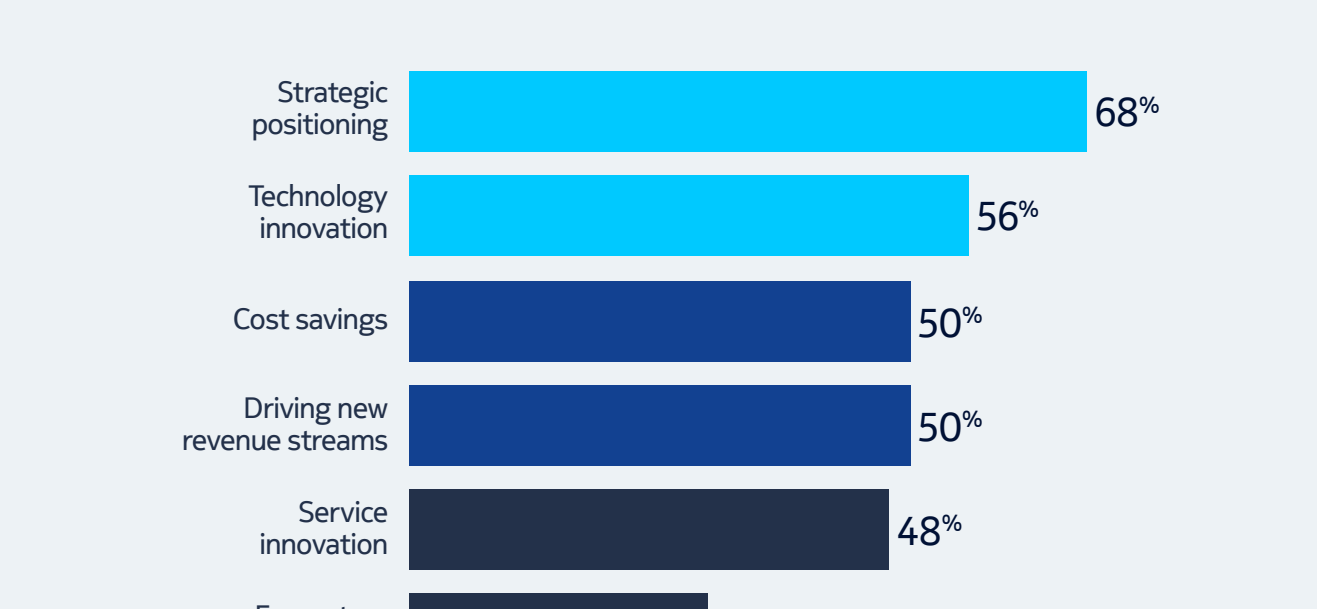
Data collected from July 6 - August 30, 2021

Respondents: 100 CSP decision-makers

Openness is critical to the future of the telecoms industry

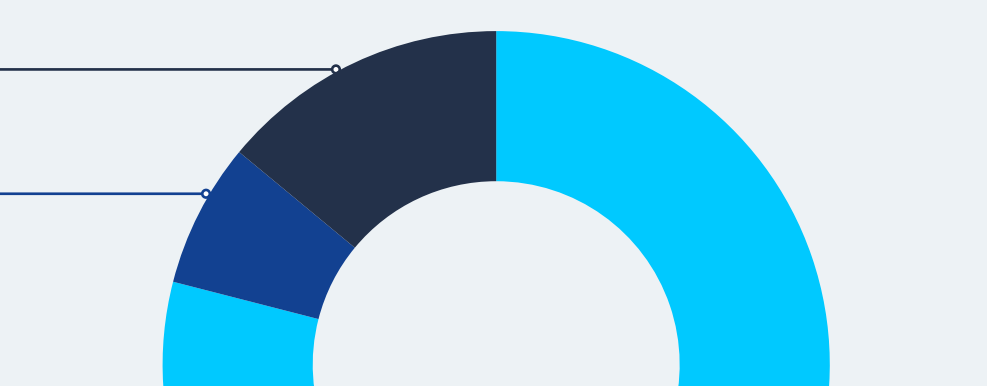
While 96% of respondents agree that openness is critical to the future of the telecoms industry, most (88%) only somewhat agree with this statement.

To what extent do you agree that openness (i.e. open forums, interfaces, ecosystems, and culture) is critical to the future of the telecoms industry?



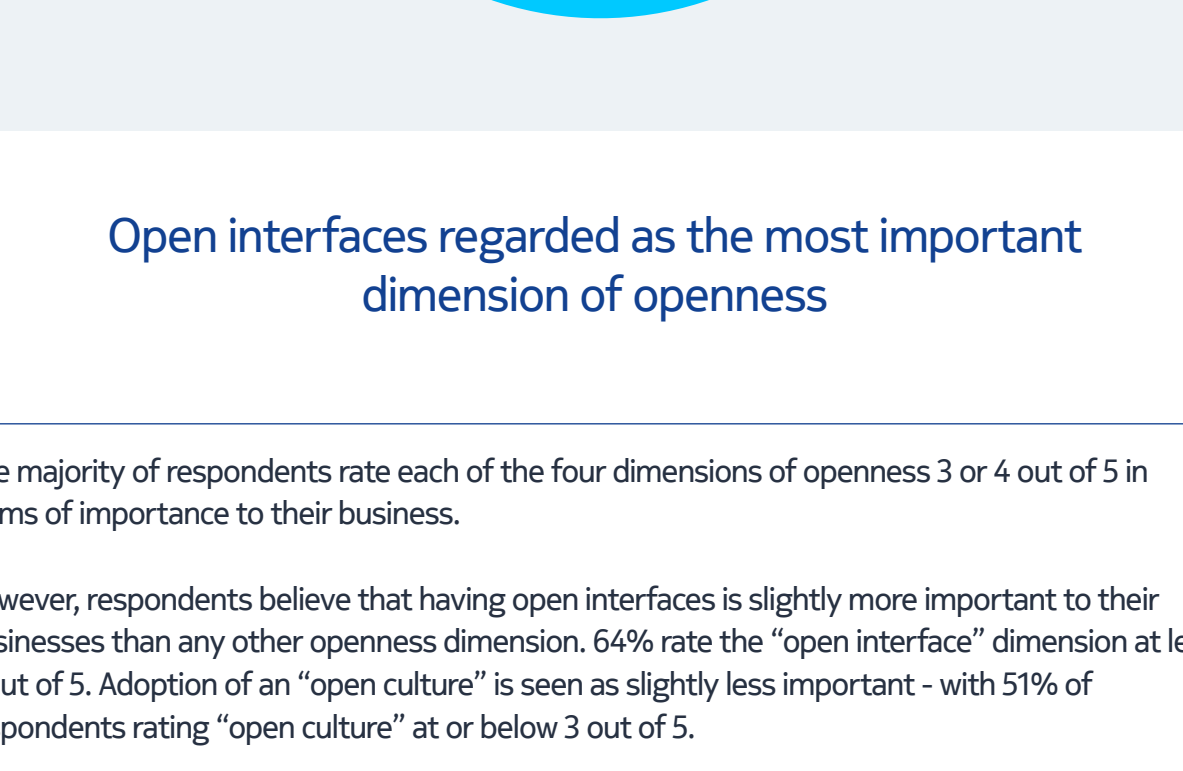
Decision-makers see the strategic importance of openness to their business, with 68% naming strategic positioning as one of the main drivers for leveraging openness principles. Meanwhile, less than a third of respondents (30%) tie ecosystem development to the need to leverage openness principles.

What do you see as the main 3 drivers for leveraging openness principles?



Almost 4 out of 5 respondents (79%) believe they are an “open company” while 14% are “not sure” and 7% are decidedly not open.

Do you believe you are an “open company,” whereby you embrace open principles within your business?

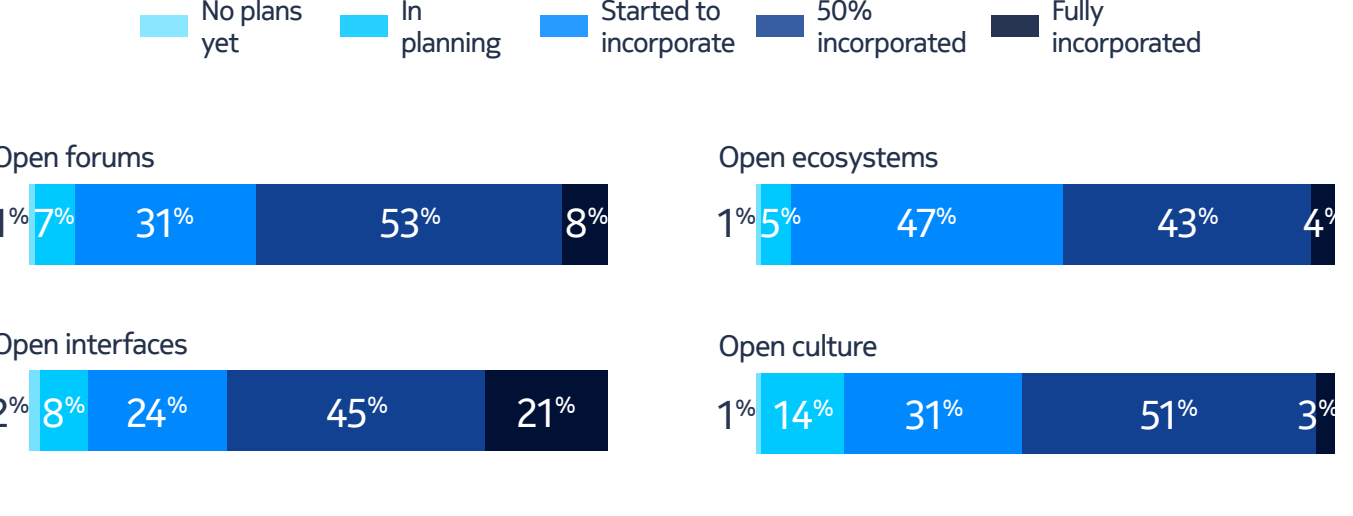
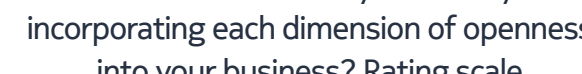


Open interfaces regarded as the most important dimension of openness

The majority of respondents rate each of the four dimensions of openness 3 or 4 out of 5 in terms of importance to their business.

However, respondents believe that having open interfaces is slightly more important to their businesses than any other openness dimension. 64% rate the “open interface” dimension at least 4 out of 5. Adoption of an “open culture” is seen as slightly less important - with 51% of respondents rating “open culture” at or below 3 out of 5.

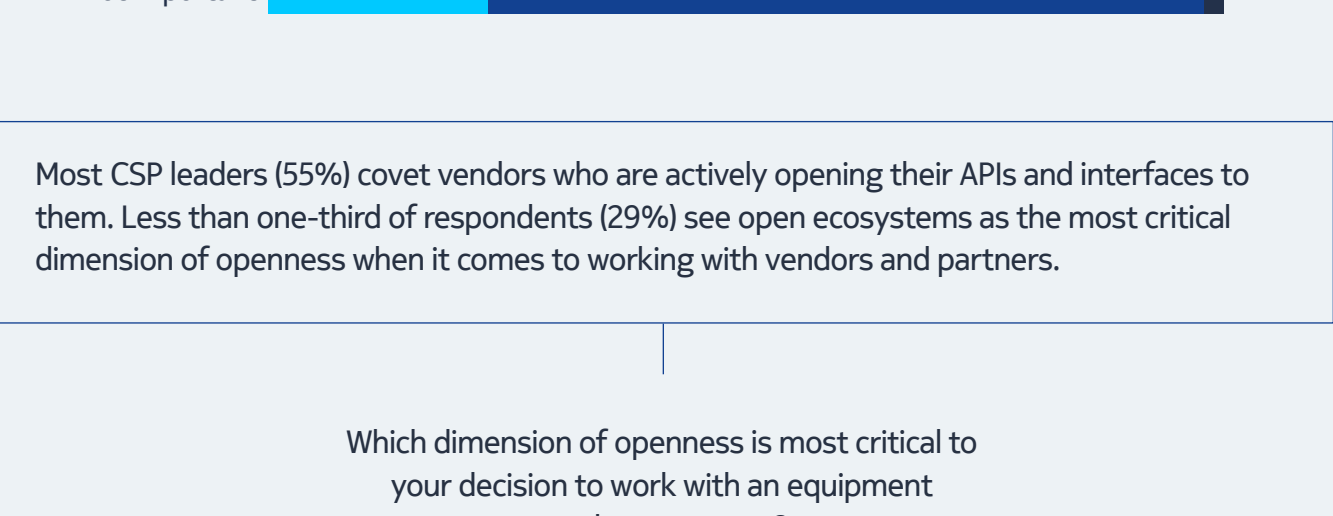
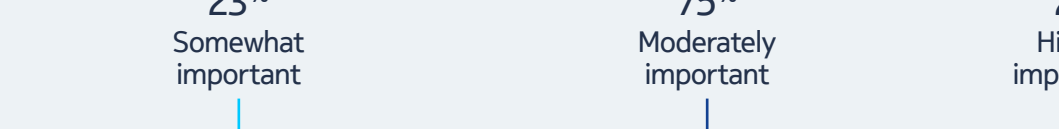
On a scale of 1 to 5, with 1 being low and 5 being high, how would you rank each dimension of openness in terms of importance to your business? Rating scale



Given the importance of open interfaces to respondents' businesses, it is unsurprising that this dimension of openness is the most mature in terms of active incorporation - 21% say they have fully incorporated open interfaces into their business.

Open culture is the least mature dimension, with 14% of respondents only in the planning phase of incorporation. Open ecosystems is a dimension that is gaining traction, with 47% of respondents stating they are beginning to incorporate this into their business plans.

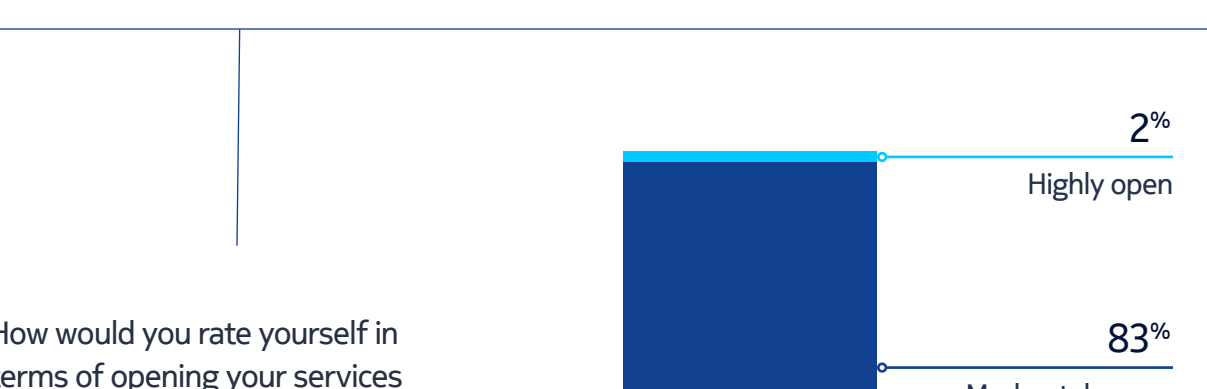
To what extent are you actively incorporating each dimension of openness into your business? Rating scale



CSPs are selecting vendors and partners based on their open interfaces and ecosystems

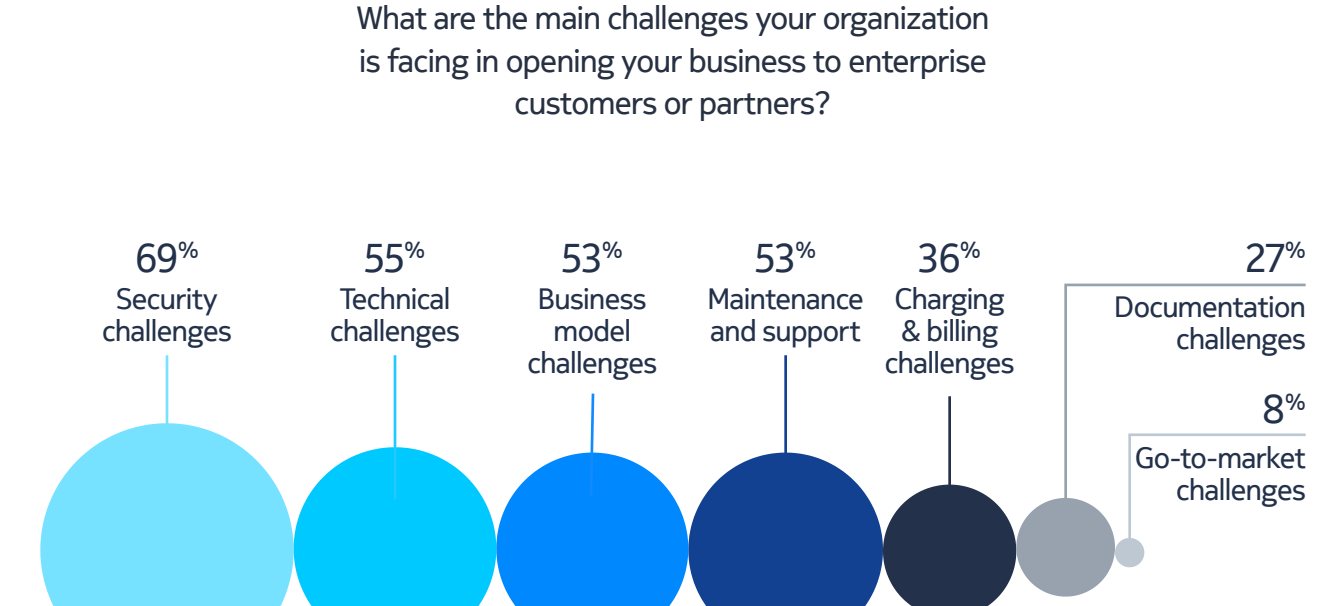
75% of respondents believe it is moderately important that their partners and vendors embrace openness principles. Only 2% feel this is highly important to their evaluation process.

When evaluating whether to work with an equipment vendor or partner, how important is it to you that they embrace openness principles?



Most CSP leaders (55%) covet vendors who are actively opening their APIs and interfaces to them. Less than one-third of respondents (29%) see open ecosystems as the most critical dimension of openness when it comes to working with vendors and partners.

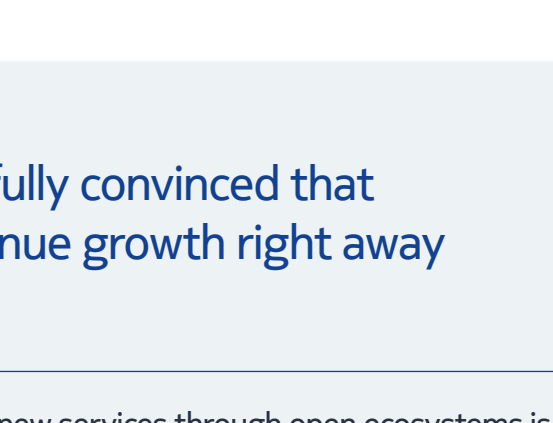
Which dimension of openness is most critical to your decision to work with an equipment vendor or partner?



Security and technical challenges still need to be addressed to leverage the full power of openness for CSPs

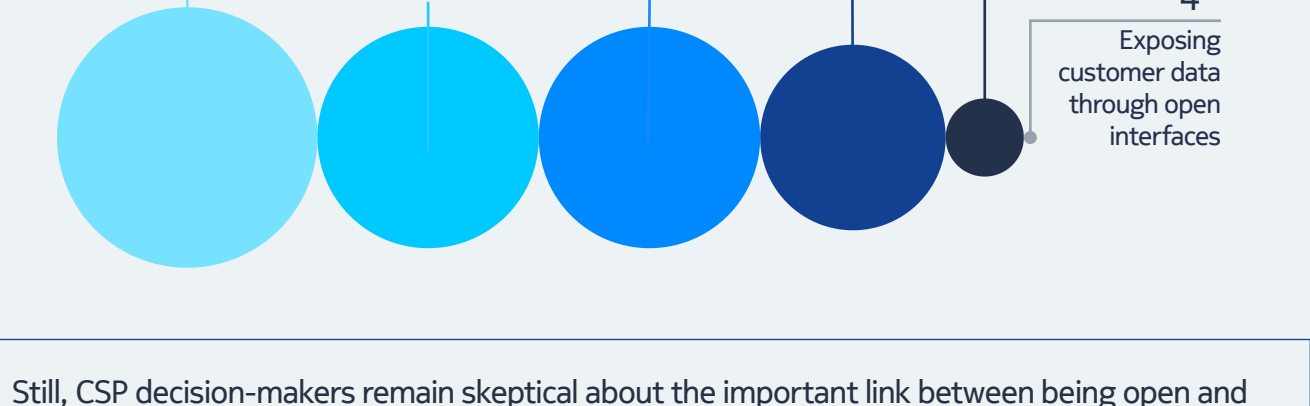
Although most respondents highly regard openness in the telecoms industry and view themselves as “open,” CSPs recognize there are still steps to take on their openness journey. Just 2% consider themselves as highly open whereas 83% perceive themselves as *moderately* open when it comes to opening their services and business up to enterprise customers and partners.

How would you rate yourself in terms of opening your services and business up to enterprise customers or partners?



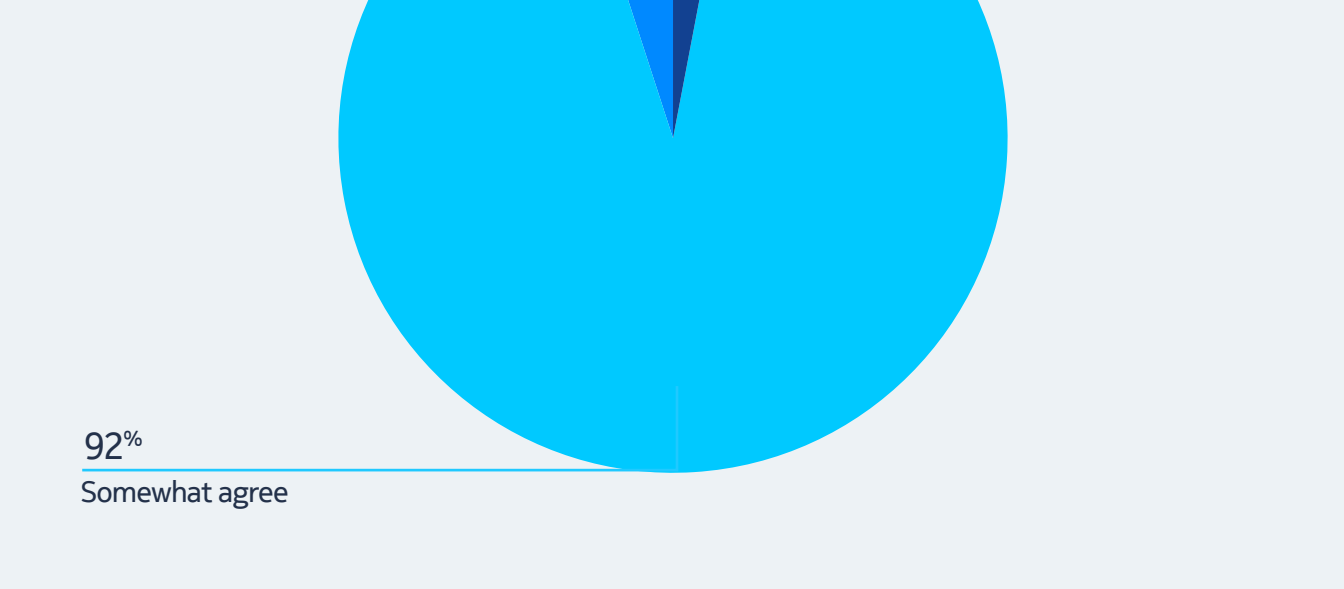
Security (69%) is a significant challenge for CSPs. Further, about half of the respondents cite technical issues (55%), business model issues (53%) and maintenance and support (53%) as key challenges to opening up their business.

What are the main challenges your organization is facing in opening your business to enterprise customers or partners?



When asked how CSPs are currently opening up their business to enterprise customers and partners, the main focus is on the co-creation of new business models (76%), as well as providing open APIs for service provisioning (59%) and service control (47%).

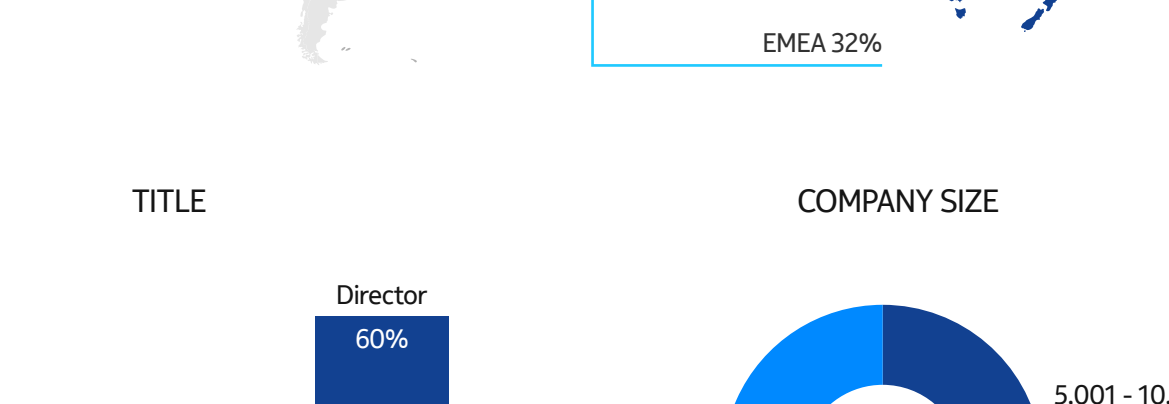
In which of the following ways are you opening your business to enterprise customers or partners?



Many leaders are not fully convinced that openness will lead to revenue growth right away

80% of the respondents believe that co-creating new services through open ecosystems is one of the most relevant aspects of openness to growing topline revenues. 68% believe that service provisioning through open APIs and exposing network data through open interfaces are also highly relevant to future monetization.

In which of the following ways are you opening your business to enterprise customers or partners?



Still, CSP decision-makers remain skeptical about the important link between being open and growing their topline. Just 5% strongly agree that openness is critical to developing new business models and revenue growth. The majority of respondents (92%) somewhat agree with this statement and require further convincing.

To what extent do you agree that openness is critical to your ability to grow revenues and develop new business models?

Respondent Breakdown

REGION



TITLE

COMPANY SIZE

