The changing role of managed operations
Selected results from a GlobalData survey
Communications Service Providers (CSPs) are going through both massive technological investment and the equally massive cultural and organizational transformation they need to monetize that investment. But what of the network operations function? How does it support the CSP’s overall transformation while managing its own partners and challenges?

To find out, Nokia commissioned GlobalData to survey senior management from 53 mobile network operators around the world about their operations ecosystems and transformation plans. These four results are a taste of the forthcoming full report:
Network operations is essential to digital transformation

Seventy-nine percent of the survey’s respondents from the network side, the IT side, procurement departments, and senior management functions agreed: Network Operations is one of the most important groups in driving digital transformation. Less than a quarter of respondents relegate Ops to a follower/execution-only role.

Putting Operations at the center of digital transformation ensures that business strategy and infrastructure strategy support each other: Ops supports transformation with its expertise in automation, service quality, reliability, and the art of the possible. In a DevOps-influenced paradigm, Operations is essential to push transformation forward.

How important is the network operations function to your company’s digital transformation?

- Network Operations is one of the groups that play a central role in setting priorities and plans for our digital transformation (49%)
- Network Operations plays the most important role in our digital transformation efforts (30%)
- Network Operations does not have a central role in planning our digital transformation, but is one of the most important groups in setting execution plans (11%)
- Network Operations works to accommodate digital transformation efforts once they are already in process elsewhere in the organization (6%)
- Digital transformation plans are set elsewhere in the organization, and Network Operations executes those plans (4%)

N=53
Source: GlobalData Managed Operations Survey (December 2021)
Most of all, CSPs need help with security and AI

We asked our respondents to name the top three technical areas where they needed the most help; network security came out the clear winner. That’s only natural: the more 5G expands, the larger the threat surface. Endpoints, use cases, and quality of service levels will all proliferate. And because 5G will underpin more and more mission-critical services, DDoS and ransomware attacks will become ever more common.

Unsurprisingly, AI/ML ranks second. AI is increasingly embedded in every aspect of a CSP’s operations, and the fact that data management comes in right behind indicates that operators are looking at the issue not just in terms of isolated use cases, but in terms of a platform, with an eye on data rationalization and governance.

Why the low score for network slicing? GlobalData believes that since most CSPs have yet to implement 5G SA, they have yet to wrestle with the issue. As more operators get experience with 5G operations, we believe that slicing will become a much more pressing problem.

As you think about network modernization, with which aspects of modern service development and provisioning does your company need the most help? (Select top three)

- Network security: 55%
- Artificial intelligence / machine learning: 45%
- Data management: 40%
- Cloud-native architecture: 40%
- CI / CD or Agile IT development: 34%
- Automated network operations: 28%
- Process automation: 19%
- Regulatory compliance: 11%
- Network slicing: 11%

Source: GlobalData Managed Operations Survey (December 2021)
GlobalData’s survey shows that CSPs are generally happy with their operations partner relationships, but willing to restructure them as they transform their infrastructure and their business.
Our survey shows that the industry has gotten the message about digital transformation: only 17% of CSPs said that traditional KPIs such as dropped calls and downtime were the most important tools to manage the relationship with the operations partner. Almost half, on the other hand, put customer experience at the center of the relationship, and another 24% prioritized bringing services and features to market more rapidly. Overall, the overwhelming majority of respondents have made the CSP’s business goals the chief measure of operational performance.

This is not to say that strict network performance indicators are unimportant, or that they will disappear from Ops dashboards. Lower-level KPIs will continue to be important as input to model higher-level measures, and as components of root-cause analysis. But since the network is the business, the operations partner relationship must be managed with business KPIs.

Which one of these options most closely describes the KPIs you would like to use to manage the [managed services] relationship in the future?

- Customer experience KPIs like Net Promoter Score, CSAT, social media metrics like Social Health Index, and so on (45%)
- Service agility KPIs like time to market, number of features released, and so on (24%)
- Traditional technical KPIs like downtime, mean time to restore, dropped calls, and so on (17%)
- Customer-centric KQIs (Key Quality Indicators) that can provide more granular view of key KPIs based on various customer groups (8%)
- Business-side KPIs like churn, ARPU, opex reduction, and so on (6%)

N=53
Source: GlobalData Managed Operations Survey (December 2021)
KPIs take a long time to change. Shifting to customer experience KPIs was an essential step in digital transformation. Now CSPs should add agility-centric KPIs to their toolsets.
While the three-to-seven-year operations outsourcing contract will probably always be with us, our survey reveals that CSPs are starting to open up to different ways of procuring the transformation help they need. A healthy minority is interested in as-a-service consumption, whether of the full services relationship or of specific software tools that enable them to do a better job with their internal resources. A similar percentage is interested in defined-length, defined-outcome project-based engagements.

True, none of these three models has yet gained majority interest. GlobalData believes that this is simply because they are newer alternatives than the classic operations partner models, and that they will achieve broader acceptance over time. One of the chief advantages of project-based and as-a-service contracts is that they enable greater flexibility in deployment models and budget planning; they can be used to deliver a defined transformation project and can be deployed to assist internal staff or even on top of an operations relationship with another partner.
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HEAD OFFICE
John Carpenter House
7 Carmelite Street
London
EC4Y 0AN
UK
Tel: +44 20 7936 6400

Twitter: @GlobalDataPlc
LinkedIn: @GlobalDataPlc
Website: GlobalData.com