

Changing the telco strategy for 4IR



By [Evan-Lee Courie](#)

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In a panel discussion on the opening day of the 21st edition of AfricaCom, currently taking place in Cape Town at the Cape Town International Convention Centre, it was evident that in order for Africa to leap into the Fourth Industrial Revolution, telco companies must re-calibrate their strategy.

Moderated by De Wet Bisschoff, managing director for communications, media and technology, South Africa at Accenture, the panel addressed topics including new business models for a new era of communications, the value of digital transformation, developing and implementing a growth strategy around data and digital.

Panellists included Nicolas Blixell, vice president: the Middle East and Africa for Ericsson; Mohamed Dabbour, CEO: Africa at Millicom; Hind Elbashir, Group Chief Strategy Officer at Sudatel; Nic Rudick, CEO of Liquid Telecom and Rob Shuter, group president and CEO of MTN.

Capturing the value of digital

Bisschoff asked the panellists if they think that the telco industry is capturing the full value of this digital windfall that is heading our way.

Dabbour, believes that the industry has invested a lot in the past year and is bringing in all the new technologies for our markets and has also made an effort in comparing customer experiences.

In his 11 years experience, he also notes that things are happening very fast in Africa by bringing in 3G, 4G and fibre into the market. However, he still believes that there is a lot to do, especially in terms of connectivity



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Rudick, CEO of Liquid Telecom, who is involved in building a digital future, which leads him to the question of 'are we doing enough to deliver digital transformation on the Africa continent, and if we are creating enough value for that.

He continues to believe that the challenge is for all of the operators who've been building infrastructure. The challenge going forward is really the cloud providers, software companies and the OTT companies who gain the value of what is being built of the operators.

He says that what is dangerous when you start looking at the rollout and the capital cost of 5G and to see Silicon Vally and Chineses companies walking away with the value, that really is being created by the networks that are being built in Africa.

“ *"I think the challenge for the industry to make sure that our business models are not just about building infrastructure, and making sure that we are able to capture the value and deliver the services that people want to see on that infrastructure and not simply sit back and allow people to come in and deliver a cloud services and really effectively capture the value."*, says Rubik. ”

Shuter, of MTN Group says "the perspective we have is that communities we serve really have such a compelling need to access to the internet. And as more and more customers are connected to the internet, there'll be an increased demand for digital services. But these are digital services that need to be relevant to them. So local content becomes important, local music, local video in local languages.



Source: pixabay.com

Shuter says that Africa telcos can transform themselves and that they can meet that demand with supply and believes that we are uniquely placed to do just that.

“ *"But we have to learn new things and we have to change and we have to approach it from a position of humility, that there is much to be done and much to be learnt, that we have all the opportunity to be successful."* ”

Blixell, of Ericsson, says that what we see in Africa in the next five years is the demand for data will grow by 60% every year. we consume today will be 11 times more in the next five years.



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What we are seeing is that mobile broadband penetration is roughly 47% today and it's going to be about 90% by 2023. So people are going to shift their subscriptions. So the demand for data is definitely there and we should have regulators in the ecosystem that work together.

The use of technology

But in order for the fourth industrial revolution to happen, we do need technology. From a vendor side, Ericsson is prepared to make this happen.

Elbashir of Sudatel, says companies are competing with each other on the value chain while trying to find your way. She adds they the companies who are more adaptable to change, are the ones that will survive. So a need to change the business model and the need to collaborate with previous competitors will help companies move forward.

Bisschoff says that when you look at the fourth Industrial revolution, there are some fundamental technologies as he believes are IoT, cloud, artificial intelligence, analytics and blockchain.

Shuter adds that when you're talking about digital transformation and the fourth industrial revolution, it's really the whole ecosystem that needs to be delivered.

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If you look at what were the first three industrial revolutions, each one of them involved a fundamental change in technology - technology the world made use of. The fourth industrial revolution is less about a fundamental change in technology. It's more about how people are utilizing that technology. He doesn't think that you can segment it to one specific use.

Particularly for Africa, it means more than that, because the industrial revolutions in the past were driven by big companies, bringing out and making use of new technologies.

Entrepreneurs using technology

"I think digital transformation is about lots of individual people making use of technologies which exists to change the way they live in the way that they are doing business. And to give an example of that, in a number of countries, we no longer employ teams that go out and instal fibre into people's houses or even repairs.

"We are using a system called 'technites' which are individuals who've been trained to install fibre and to do repairs. We are online, allocating one of these individuals to go out and conduct repairs. The customer can then track where this person is, when they are arriving and can rate them afterwards. So in some countries, we don't have these large internal teams, so there is a small army of entrepreneurs who are competing to deliver the best services and to roll out the services that are there." says Shuter.

So this is how the use of new technologies will be used by individuals, in particular by entrepreneurs.

Elbashir believes that entrepreneurs are the people who know better what they need, it's not for telco companies to tell them what they need.

ABOUT EVAN-LEE COURIE

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