

TELECOM AND COMMUNICATION



HUMAN AMPLIFICATION IN THE ENTERPRISE



THE DIGITAL TRANSFORMATION JOURNEY

A majority of enterprises in the Telecom and Communication sector (87%) are undergoing full-cycle digital transformation. 11% are transforming partially or in pockets and 2% are not currently transforming but will do so in the near future. The respondents who say their organizations are transforming indicate that the following AI-supported activities play a significant role in their digital transformation:

Machine learning	86%
Building AI-based applications to amplify and improve products and services	80%
Automation of decision making	71%
Chatbots	66%
Cognitive AI-led processes or tasks	65%
Automated predictive analytics	62%

According to the respondents, the top three digital transformation goals of their organizations are to build an innovative culture (66%), build a mobile enterprise (64%), and become more agile and customer-centric (54%).

“Telecom is clearly into intelligent automation. Telefonica O2, an early adopter of AI, earned a 650 - 800% return on investment over three years from its 160 robots, which processed about 400,000 to 500,000 transactions each month. What’s more, Robotic Process Automation (RPA) crashed some process times down to a few minutes from days and dramatically reduced the number of service enquiries from customers. In another case, a telecom customer care center reduced average call handling time by nine seconds and saved \$18 million in costs with the help of RPA.”

TRANSFORMATION PRIORITIES



Just over one in three (36%) of the respondents indicate that their organizations' first priority for automation initiatives is to automate processes. This was followed closely by data as the next most important priority ranked by 34% of the respondents. The main reasons for these are to increase productivity (83%), reduce costs (70%), minimize manual errors (61%), save time (53%), ensure consistency and quality (50%), and refocus people's efforts on other non-repetitive tasks that benefit from human intervention (44%).

Of the various applications of AI that Telecom and Communication sector senior level employees want to adopt in the next 12 months, the respondents indicate:

- 71%** want AI to provide human-like recommendations for automated customer support/advice
- 56%** want AI to process complex structured and unstructured data and to automate insights-led decisions
- 49%** want to use AI to create a decision-making system in which machine learning allows the system to learn from humans and improve itself
- 42%** want to use AI to create a simulated experience that is essential to decision making process
- 16%** want to use AI to institutionalize enterprise knowledge

To become more innovative, 82% of the respondents state that they need more avenues for experimentation in their organizations, 81% point to the need for freedom from having to perform mundane tasks, 61% need opportunities to learn new skills, 49% need more collaboration with other people, and 43% need exposure to new, breakthrough technology.

83% of the respondents from the Telecom and Communication enterprises indicate that employee lifelong learning programs are extremely important to their organizations. Of the reasons for why lifelong learning programs are important, 78% say it improves the ability of employees to fit into new roles and jobs, 10% say it improves their productivity and 7% say it prevents skills loss when employees with highly specialized skills retire or switch jobs.

TRANSFORMATION CHALLENGES

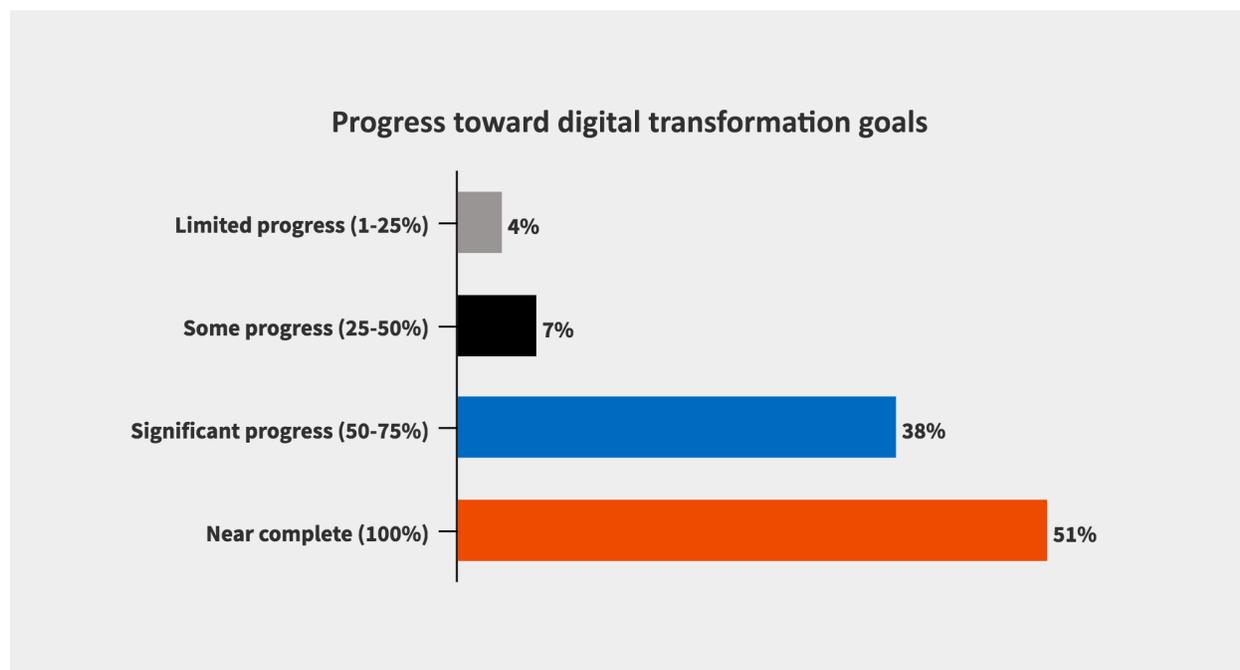


Just over half (51%) of the respondents from the Telecom and Communication sector say that their organizations have fully achieved their digital transformation goals. 38% have made significant progress, 7% have made some progress and 4% have made limited progress.

The main reasons listed for why these digital transformation goals are difficult to achieve are lack of data-led insights on demand (71%), lack of collaboration among teams (61%) and lack of in-house knowledge and skills around the technology (47%).

When IT professionals were specifically asked about difficulties in achieving their enterprises' full-cycle digital transformation, they highlight time constraints (72%), the entrenched resistance to change within the organization (72%) and IT misalignment (62%).

When asked about the challenge of adopting more AI-supported activities as a component of their digital transformation initiative, 75% point to lack of clarity regarding the value proposition of AI, 71% say they lack the financial resources and 59% of the respondents indicate lack of in-house knowledge and skills around the technology.



ABOUT INFOSYS



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SCOPE OF RESEARCH/METHODOLOGY

Infosys commissioned LEWIS Research to undertake the research upon which this report is based. 1,070 IT and business decision-makers were interviewed between 27th March and 18th April 2017. All are from organizations of more than 1,000 employees, with \$500 million or more annual revenue and from a range of sectors, in the United States. The majority of interviews were conducted using online interviewing with a small number of follow-up telephone in-depth interviews. All were undertaken using a rigorous multilevel screening process to ensure that only suitable candidates were given the opportunity to participate. Unless otherwise indicated, the results discussed are based on the total sample. The overall margin of error is +/- 2.91% at a 95% confidence interval.



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