



CONNECTING THE NATION:

A CONVERSATION WITH TELECOMMUNICATIONS INDUSTRY LEADERS

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Connecting the nation: A conversation with telecommunications industry leaders

In one of the most unique periods in living memory, the telecommunications sector has been front-and-centre, playing a pivotal role through the pandemic with our increased need for connectivity.

Like all sectors facing the uncertainty brought by the global pandemic, companies in the space have faced significant challenges. However, as the world has been driven inescapably closer to technology, our increased digital dependency has created opportunities for the telco industry. If this disruption is navigated successfully with strong business leadership, the industry will be able to emerge stronger than before.

We believe collaboration will be one piece of the

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puzzle to help achieve this. Therefore, at this pivotal moment in time, we hosted a roundtable for executives in the space to discuss the key issues the industry is facing. We were joined by 20 business leaders, spanning CEOs from high-growth parts of the UK communications ecosystem to industry heavyweights and international leaders. This mix of different telco experts gave us some deep industry insights and broad perspectives.

The following pages are a summary of the key takeaways from our discussion alongside the results of a pre-event survey conducted.

Pre-event survey

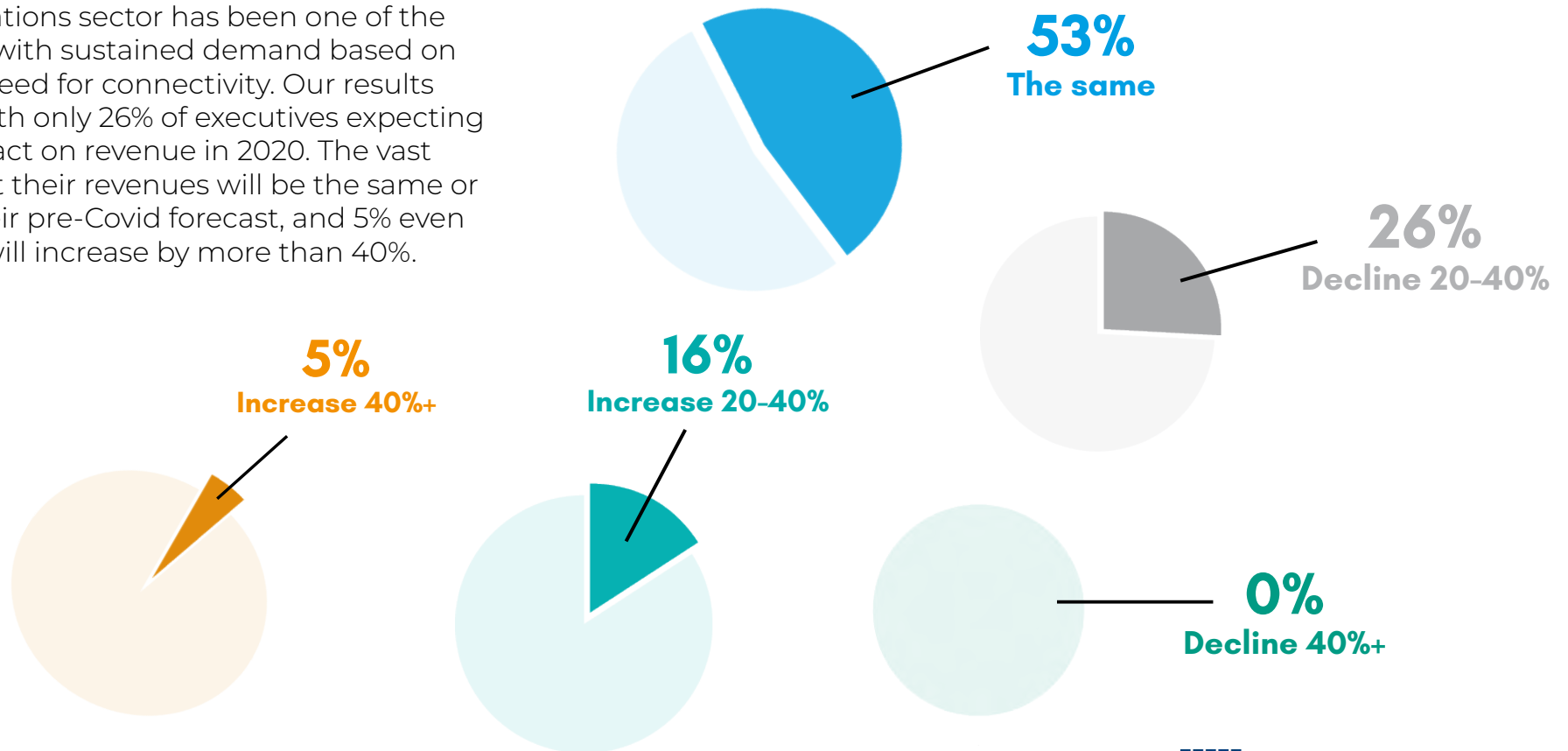
Before the roundtable discussion took place, I asked the group of telecommunications CEOs to complete a preliminary short survey. The aim was to garner an understanding of their thoughts on how the industry has responded to the disruption caused by the global pandemic and to ask for their thoughts on the future of telco. The results of the survey give some insight into the sentiments of leaders from across the industry.

Pandemic revenue impact

The Covid-19 has had a major impact on the UK economy, with many sectors facing an identity crisis and an uphill battle to restore growth. The telecommunications sector has been one of the outliers to this, with sustained demand based on our increased need for connectivity. Our results confirm this, with only 26% of executives expecting a negative impact on revenue in 2020. The vast majority predict their revenues will be the same or higher than their pre-Covid forecast, and 5% even estimate they will increase by more than 40%.

Pre-event survey

Q: What do you estimate your 2020 revenues to be in comparison to your pre-Covid forecast?



Lessons from the crisis: Leading a remote workforce

Our survey revealed (perhaps unsurprisingly) that remote working is here to stay. As many as 11% of leaders expect their workforce to be completely remote, and 42% expect their workforce to be split 50/50. In light of this we discussed how to successfully lead a remote team:

A strong employee value proposition:

Leaders must look to be more purpose-led with a clear vision, strategy and set of values for the organisation.

An agile and individual approach:

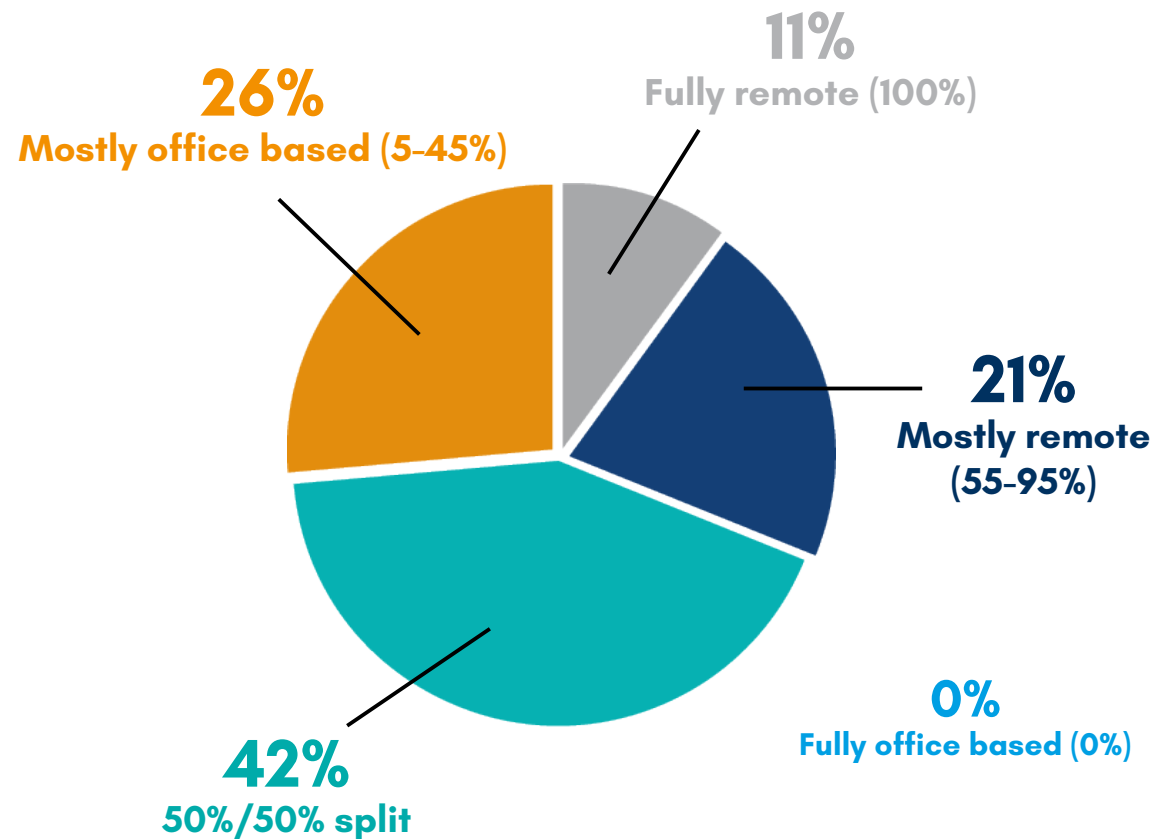
Leaders should refrain from implementing 'one-size-fits-all' work policies, opting instead for light touch guidance on remote and flexible working allowing for personalised working arrangements.

A focus on younger members of the workforce:

There needs to be a greater focus on the professional and personal development opportunities for the Gen-Z's and Millennials.

Pre-event survey

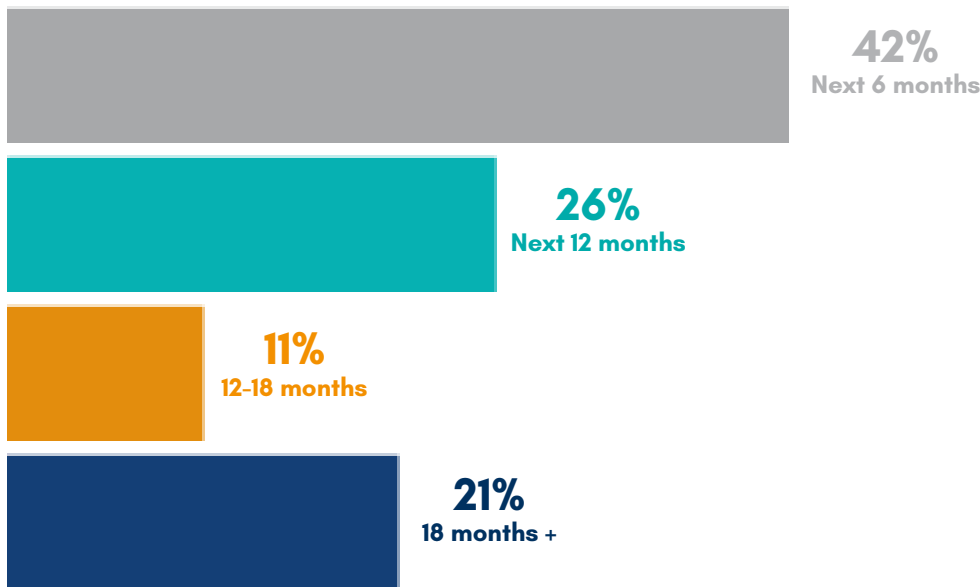
Q: On the return to the office, what percentage of your workforce do you expect to work remotely?



Industry Consolidation

Consolidation is an important systemic way of addressing the macro-economic issues in the sector. The stage now seems set for the UK to embark on this journey. In our pre-event survey, it was revealed 42% of execs expect consolidation to start happening in earnest in the next six months.

Q: When do you expect industry consolidation to start happening in earnest?



Pre-event survey: Views on consolidation

"I think it's risky from a consumer perspective...looking at other markets where this has happened the price has been driven up and disruptors don't seem as prevalent; from a network perspective it makes sense as it eases capital investment constraints and can give access to quad play - both of which are positives."

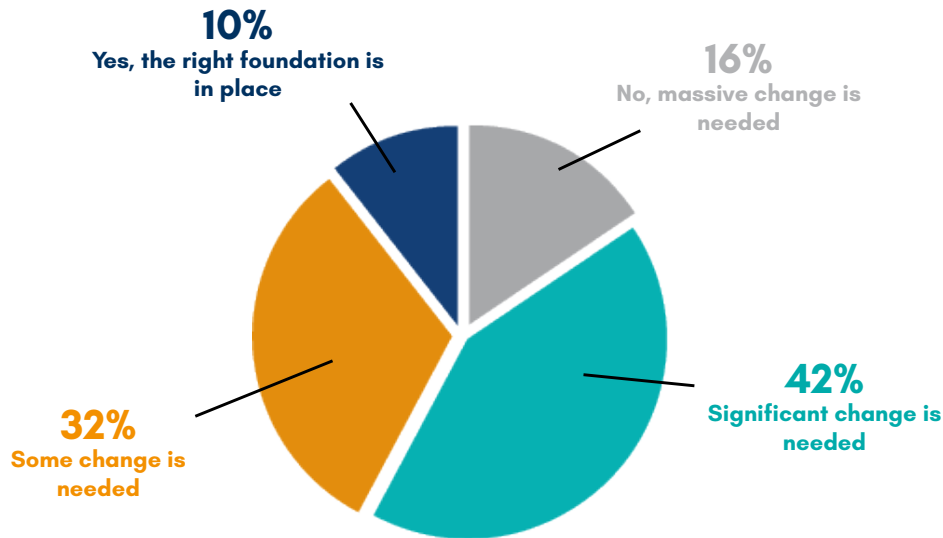
"Consolidation has been happening in the industry for the last 20 years driven by poor macro-economics of the business - high capital intensity, increasing bandwidth requirements and low/no growth in market size. Consolidation is the only systemic way of addressing these issues."

"Consolidation in mobile will increase margins and raise the incentive for capital investment. Having said that, fibre is enjoying substantial institutional capital flooding in. The problem is execution more than capital availability. Fibre infrastructure will consolidate in due course but I think it's better to let it run for a while."

Upgrading the UK's Digital Infrastructure

With the current infrastructure now under huge strain from the unprecedented demand of remote working and accelerated digital adoption, now is the time to deliver the much-needed digital upgrade. The race is now on to achieve this, with the rollout of fibre for broadband and 5G for mobile now underway.

Q: Do you believe the right foundation is in place to achieve a digital infrastructure upgrade as quickly as it's needed?



Pre-event survey:

What is needed to deliver this digital infrastructure upgrade?

"Innovation from industry and specific funding from government - make the UK the most advanced digital infrastructure in Europe and the world to give all UK business a digital advantage."

"Government need to push the incumbent infrastructure provider (BT) on delivering infrastructure upgrades at the fastest possible speed - instead of focusing on their TV & content businesses."

"Connection grant funding that would cover 3 to 5 years that does not run out at the end of the financial year."

"Economics on the mobile side. More infrastructure sharing to deal with 5G densification. Fibre is obviously essential not just for FTTP but also for 5G backhaul."

"I think it's simple....The Communist Party of China has invested hundreds of billions in chip research, development, and production as part of the Made in China 2025 strategic plan. That is why all countries, including the UK need to act in their nation's interests to select suppliers that are secure and are not sponsored by political parties. This includes selecting British companies to propel UK PLC back into the infrastructure game."



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What are your thoughts on the future of the telecommunications industry?

Get in touch to continue the conversation.



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