



# DIGITAL TRANSFORMATION IN MOBILE COMMUNICATIONS

## CONDITIONS AND REQUIREMENTS

25./28.11.2024

Carsten Winter, Transformation Office | cPMO

# KEY FACTS | O<sub>2</sub> Telefónica



**7.250**

Employees



**43,2**

Million customers



**8,164**

Revenue / Bill. €



**13,2%**

Investment Rate



**28.000**

Mobile radio sites



**>95%**

5G-Coverage



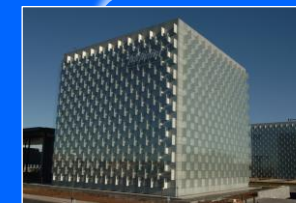
**4,8**

Data usage 2023 /  
Bill. GB



**-87 %**

Energy consumption  
vs 2015



**Part of Telefónica S.A.**

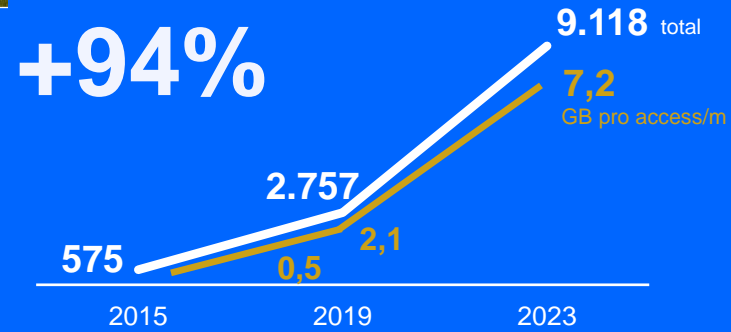
**383** Mill. Customers

**40,65** Turnover / Bill. €

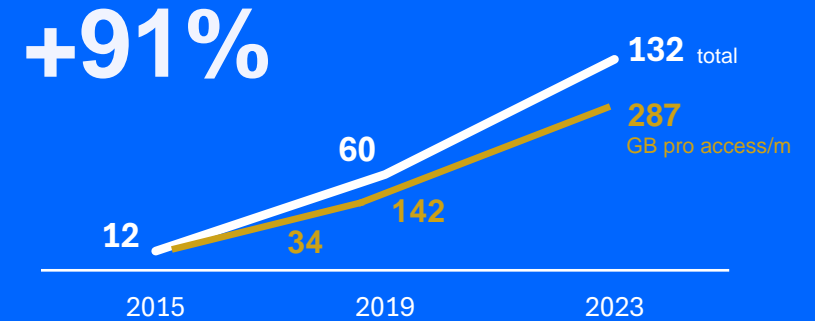
# KEY FACTS | THE TELECOMMUNICATION MARKET



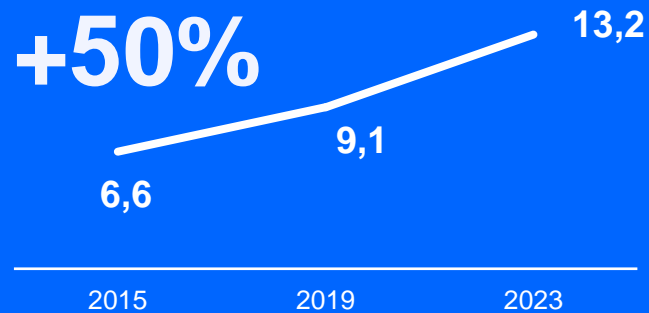
Data volume in mobile communications in Bill. GB



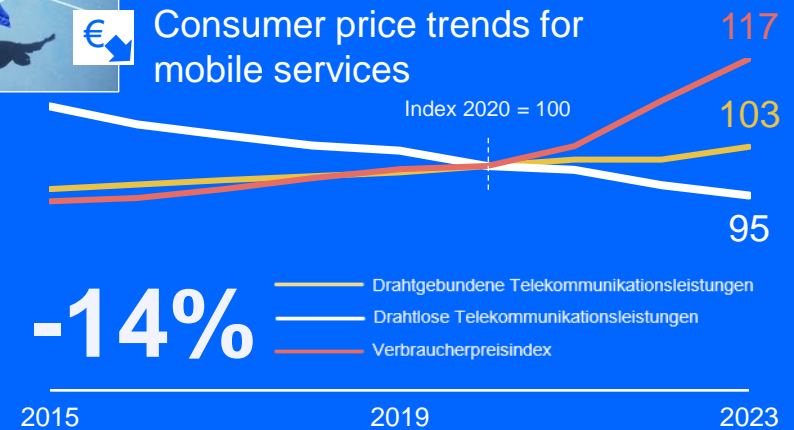
Data volume in fixed networks in Bill. GB



Investments in tangible assets in Bill. €

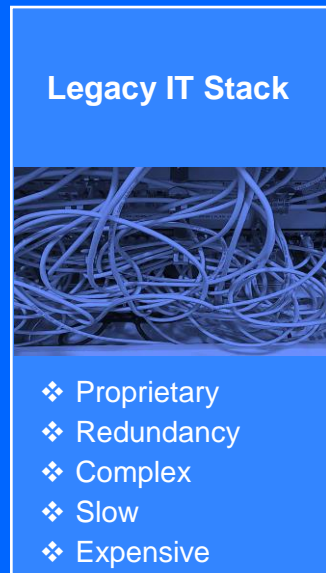
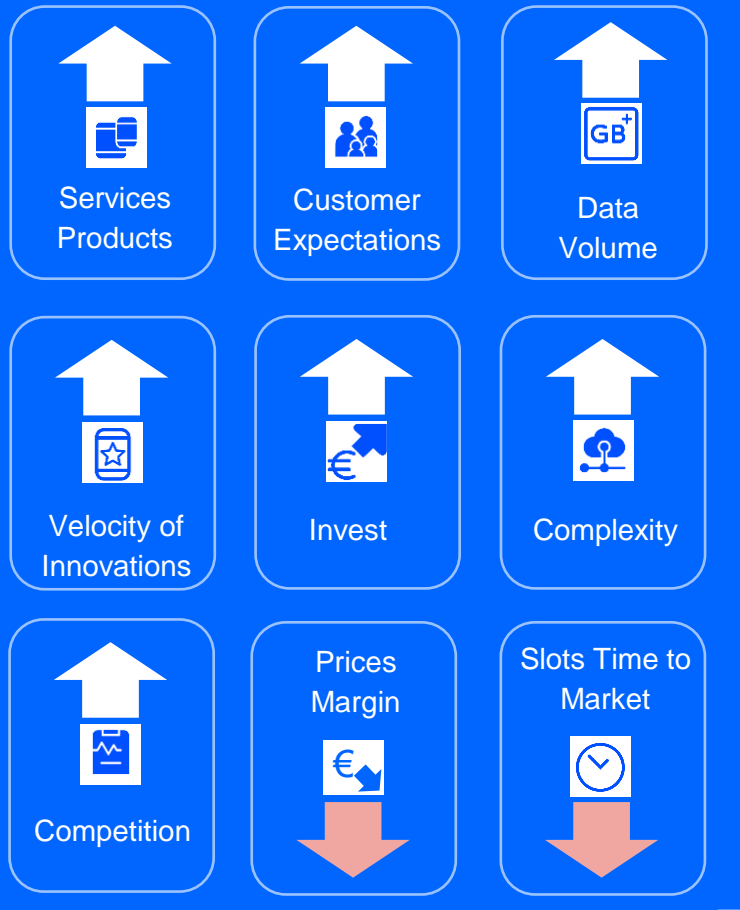


Consumer price trends for mobile services



# NEED FOR TRANSFORMATION / THE PROGRAM

## The Situation



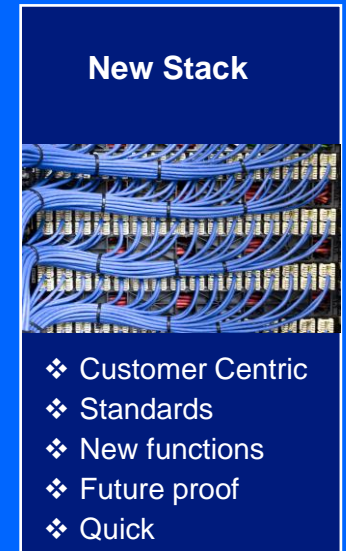
## The Transformation

Start of the largest and most innovative program for digital transformation in the teleco sector in Europe (Radical Architecture (I)Technology Transformation – RAITT)

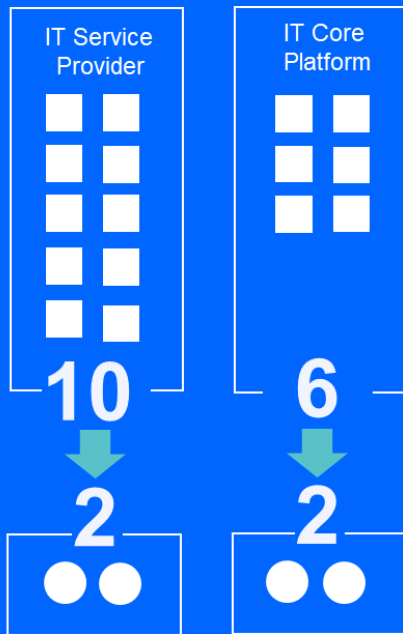
**Radical  
ALL**

**FAST  
3  
years**

**SELF  
FUNDED**

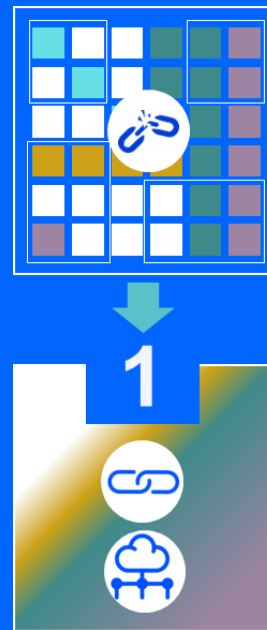


# TRANSFORMATION / THE DETAILS



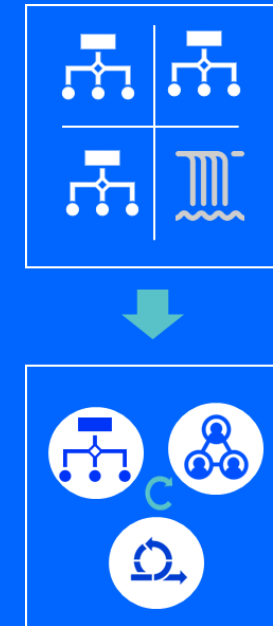
Reduction of the number of IT Service provider and the IT Core platform

**-30%**  
IT-Costs



- 1 IT Platform & switch to Omnichannel;
- All Business & Administration Units
- Standardized systems (e.g., Salesforce)
- Microservices & Full Cloud Integration

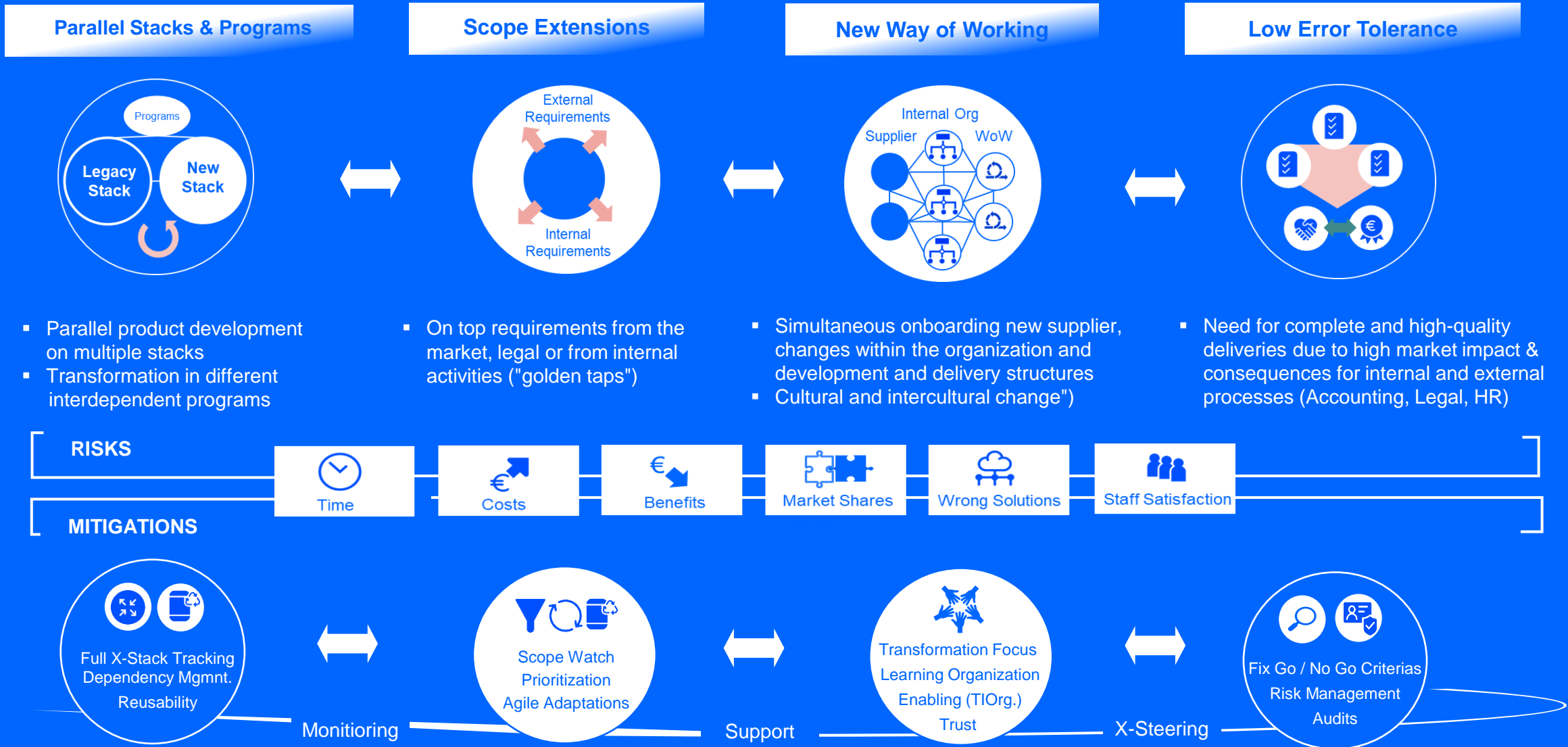
**+50%**  
min. Time to Market Speed



- Switch to fully agile / hybrid org structures
- Integration of all areas and suppliers
- Agile / iterative product development & delivery

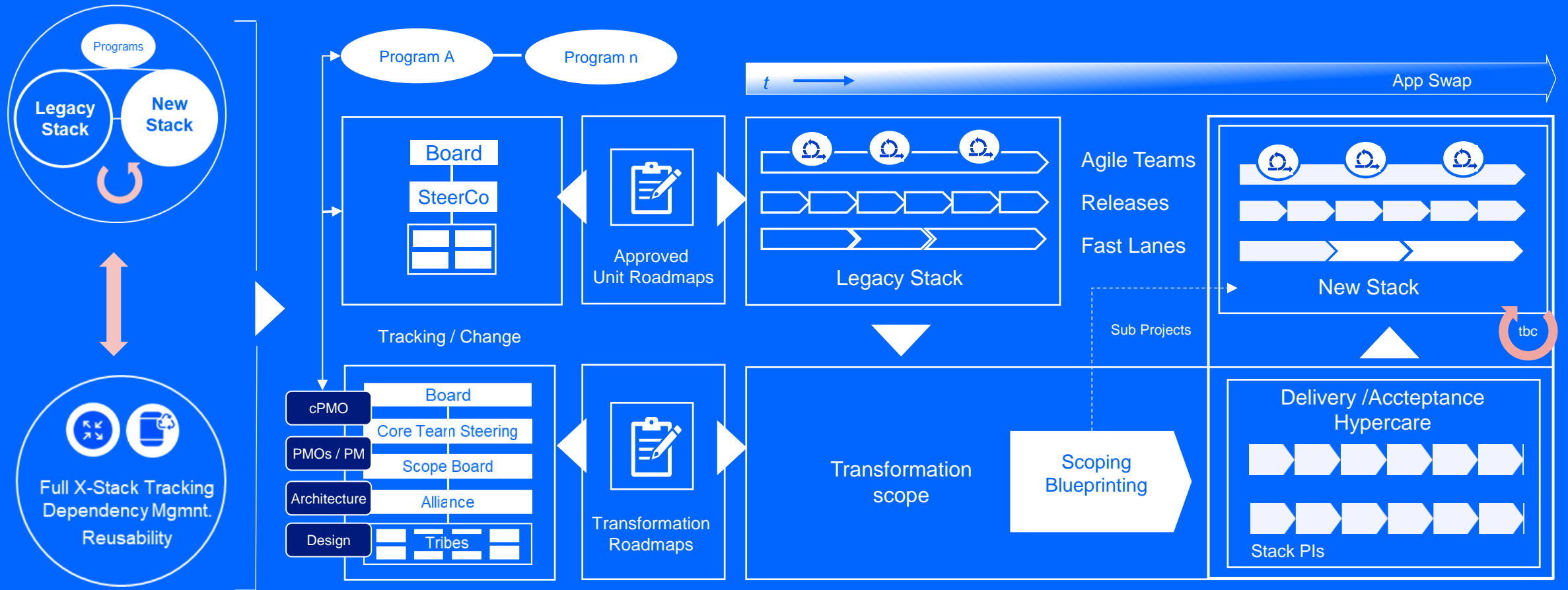
**-90%**  
up to Realization Costs

# TRANSFORMATION | CHALLENGES, RISKS & MITIGATIONS



# TRANSFORMATION I PROCESSES

## Parallel Stacks & Programs



# TRANSFORMATION I GUIDELINES ON HOW WE WORK

## We work hybrid



- Customized Spotify & LeSS framework
- Agile team structures
- Scrum ceremonies
- Sequential process phases



## We slice the work in smaller work packages



- Capabilities
- Features
- User stories
- Acceptance criteria
- Test plans & test cases



## We work in cadences



- PI = Program Increment = 8 weeks
- Sprint = 2 weeks



## We use a step wise approach to launch



- Incremental launches of capabilities & brands
- Building on each other towards the enablement of the **O<sub>2</sub>** brand as northstar



## We employ a “Re-use” scope and architecture guidance

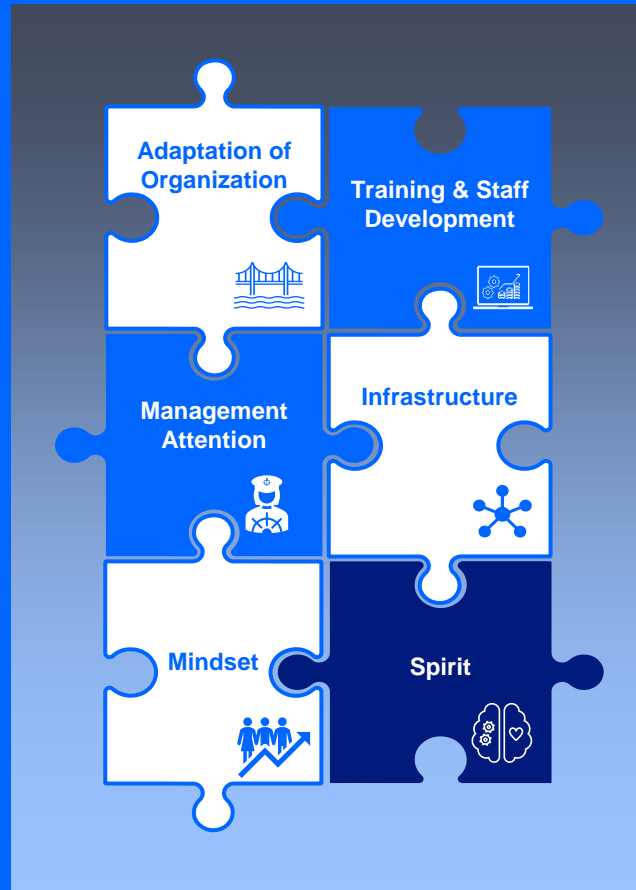


- Re -use of functionalities for all brands and products / services („white-label“ approach)
- Change from development to configuration



# TRANSFORMATION | ORGANIZATION

## New Way of Working



**Adaptation of the Organization:** Set up of an explicit organization for the transformation with employees from **ALL** areas of the company



**Trainings & Staff Development:** Establishment of a transformation academy and continuous training for **ALL** employees



**Management attention:** full support from **ALL** management levels; transparency through regular info meetings at every management level; clear responsibilities and decision-lines



**Infrastructure:** Availability of **necessary media** for the realization of the transformation, communication, monitoring and reporting. Physical pooling of the employees.



**Mindset:** further **reduction of hierarchies**, improvement of error culture, more **responsibility and trust** in the teams



**Spirit:** We continue to develop us based on more than 15 years of experience in agile work. We utilize the “best of all worlds”, and we learn from mistakes. **We are bold and live the transformation**



O<sub>2</sub>

Telefónica