

TELECOM'S AI-FIRST EVOLUTION FROM CONNECTIVITY TO COGNITIVE OPERATIONS

Telecom operators are trapped between soaring data demands and stagnant ARPU. Traditional cost cutting has hit a point of diminishing returns.

LEGACY COMPLEXITY

Multi-generational stacks (2G to 5G) create massive technical debt and fragmented data silos

CAPEX INTENSITY

Continuous network rollouts demand multi-billion-dollar investments that outpace organic growth, deprioritizing operations

PILOT PURGATORY

75% of AI deployments fail because they are treated as IT experiments rather than fundamental operating model shifts

DIGITAL-FIRST OPERATING MODEL TRANSFORMATION

We cannot just "add AI" to our business; it is essential to clean-sheet the work to embed AI as a production capability. Based on the success and failures of the recent past, we see 5 foundational elements that deliver sustained value:



ESTABLISH BASELINE AND POINT OF ATTACK

Establish baseline metrics (churn rate, fiber penetration, NPS, ARPU, headcount) to track progress against baseline

AI readiness assessment: Identify the 20% of activities that consume 80% of costs and get AI ready to be deployed



FOCUS ON SELF-FUNDING & RAPID ADOPTION

Prioritize business cases that create funding & cash generation (speed/scale matrix). Do not settle for long-pole items

Fund foundational changes (purposeful master data cleansing) vs. changes in hope of future savings



FUNCTIONAL → "MISSION DRIVEN" ORG

Significantly flatten the organization, replacing functional silos with cross-functional pods centered around end-to-end workflows

Enable humans to **shift from "doing the work" to orchestrating agent-driven flows**



SIZEABLE & MEASURABLE IMPACT

Set aggressive, measurable targets such as a 75% reduction in person-to-person interactions & tie to financials

Eliminate capacity when going live to ensure & accelerate adoption



GOVERNANCE ARCHITECTURE FOR AUTONOMOUS OPERATIONS

- Create an **empowered governance team with exec support and clear decision rights**, balancing speed with accountability
- Adopt a **pragmatic portfolio management approach** to identify, evaluate, prioritize, and sequence AI initiatives
- An **AI ethics board establishes guardrails**, risk protocols monitor accuracy, and decision rights **define AI agent autonomy levels**

HOW ALIXPARTNERS CAN HELP

Baseline & blueprint

We map your organization, identify high-ROI AI 'hot spots,' quantify each opportunity, and select the optimal delivery path: buy, enhance, or build

Sprint to value

We launch design sprints (hackathons) for prioritized use cases. We build prototypes, test with users, and validate adoption. Proven solutions ready for scaling

Governance and scaling

Transition-validated pilots into production using our Elevation platform to track value. We install a transformation office and execute necessary changes

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