CSPs make paradigm shift to become enablers of societal digital transformation

As communications service providers (CSPs) reinvent themselves as digital service providers (DSPs) it's not just their systems that are transforming, it's their customers as well. This shift in usage habits, expectations and demand introduces a new industry with new approaches for CSPs to engage in. Ben Zhou, the chief executive of Whale Cloud International, tells VanillaPlus that the technological foundation is already in place and IT solutions exist to simplify and accelerate the transformation of OSS and BSS and the digitalisation of telecoms and wider society in general

VanillaPlus: The shift from CSPs to DSPs is just one-letter difference. How do you define DSPs? What are the main challenges that CSPs face to become DSPs?

Ben Zhou: Digital service providers (DSPs) signify that communications service providers (CSPs) not only focus on the consumer market but also actively engage with enterprise clients and platform-based models. They provide infrastructure capabilities for the broader societal digital transformation through a B2B2X approach. This transformation makes CSPs more flexible and adaptable in the ever-evolving digital landscape, becoming an essential path to maintaining market competitiveness.

Although the future is unpredictable, transformation is not a static goal; it's an ongoing process. Success in transformation comes from continually identifying and solving problems during the process, maintaining a humble attitude, and approaching the market with a sense of awe. Having a mindset of respect and adaptability is pivotal for CSPs to

succeed in the ever-changing digital landscape.

In the process of transformation, CSPs may face the significant challenge of keeping up with the constant emergence of new technologies and the subsequent changes. It can become overwhelming due to the multitude of industry initiatives and to determine which initiatives should be prioritised. At this point, relying solely on individual efforts is unlikely to lead to success. Establishing strong partnerships with stakeholders from various domains becomes crucial to address the complexity of these initiatives.

VanillaPlus: We know that the main revenue for CSPs comes from the consumer market. How can CSPs diversify to enable sustainable consumer business growth?

BZ: In the consumer market, user loyalty and satisfaction are directly related to CSPs' performance. Therefore, providing smooth, intuitive products and services, and paying attention to user feedback help shape a positive brand image. ▶

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This may include simplifying billing structures, improving customer service response times, and continually optimising mobile apps.

As new customer acquisition in the consumer market becomes increasingly challenging, CSPs should focus on maintaining existing customers. Through personalised services, regular customer care and offering exclusive discounts, they can encourage users to stay within their network for the long term. Establishing a strong sense of community and user engagement is also a key factor in maintaining customer loyalty.

In addition, the importance of data in the consumer market cannot be underestimated. CSPs should establish a robust data analysis team to understand user behaviour, needs and trends. Through precise analysis of big data, CSPs can better comprehend user preferences, optimise products and services, and even develop personalised ▶

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promotional activities to enhance user satisfaction and stimulate business growth. Ensuring that operational decisions are based on objective facts, rather than subjective speculation, is a critical element in gaining a competitive edge in the market.

VanillaPlus: Many CSPs consider enterprise business as a crucial avenue for future revenue growth. However, connectivity services remain the primary source of income. What recommendations do you have in this regard?

BZ: As the tech industry continues to evolve, it's of importance for CSPs to strategically position themselves to capitalise on future opportunities. While connectivity services have been the backbone of our industry, it's clear that diversification is key to sustained success. In terms of supporting B2B operations, CSPs may consider adopting agile methods to facilitate rapid business development. For instance, supporting long tail products through cost-effective and rapid means, such as capability openness, application programme interfaces (APIs) and business orchestration. It's not necessary to pursue completeness, and manual intervention may even be permissible.

To adapt to the shifting landscape, it is crucial for CSPs to evolve into digital enterprise partners. Understanding the distinct pain

points and requirements of specific, targeted verticals helps CSPs develop specialised solutions and use cases that address their challenges and maximise their operational efficiency. Moreover, scaling these use cases to target a wider customer base enables CSPs to establish themselves as leaders in the digital transformation journey.

For connectivity services, CSPs are able to enhance profitability through differentiated pricing and value-added services. By driving intelligent network management and optimisation, they can improve network efficiency and reduce operational costs. Additionally, actively seeking collaborations with innovative enterprises to explore new connectivity services, such as IoT solutions, can meet the evolving needs of enterprise customers.

VanillaPlus: How can CSPs effectively address the challenges of ecosystem building, especially considering that their emulation of hyperscalers has not resulted in the desired outcomes?

BZ: Recognising the differences in organisational structure, mindset and talent between CSPs and hyperscalers, CSPs should initiate the journey by gradually opening up existing internal capabilities. Many CSPs have already taken practical steps in this direction, such as exposing network and communication capabilities. This approach allows CSPs to play to their unique ▶

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strengths without necessarily replicating the hyperscaler model, building a sustainable foundation for the ecosystem.

Besides, CSPs can transform traditional operating approaches and play a more prominent role as an infrastructure as a service (IaaS) provider. This involves providing more flexible and scalable infrastructure, offering support to other participants in the ecosystem. Becoming an IaaS provider helps attract more ecosystem partners and enables CSPs to take the lead within the ecosystem.

In addition, CSPs may employ a small-scale experimental approach, initially validating new capabilities and subsequently iterating based on experience. For example, in the case of artificial intelligence (AI) capabilities, they can be first applied internally to enhance efficiency and then gradually opened up to the entire industry. Through incremental steps, CSPs can mitigate risks and progressively master the application of new technologies. For instance, some CSPs have utilised video streaming AI technology to build intelligent data centres and then gradually sold video streaming AI capabilities to various industries, providing intelligent empowerment for diverse vertical scenarios.

VanillaPlus: What exactly does Whale Cloud offer to enable the journey for CSPs to transform into DSPs?

BZ: Whale Cloud is an international software technology and service provider, offering digital solutions to global CSPs, cloud infrastructure service providers, and government and enterprise clients. We have developed three major business lines: telecoms software development and services, cloud software development and services, and industry digitalisation solutions.

The company has been engaged in the telecoms software business since it was founded in 2003. With more than 20 years of experience, we have developed a strong understanding of communication network technology and the architectural capabilities for telecoms-grade highly available systems. We can provide comprehensive solutions in the BSS/OSS and big data domains for telecoms operation support systems. Currently, Whale Cloud's telecoms software products have been applied in over 150 domestic and international CSPs.

In the cloud software domain, we offer cloud management services to cloud infrastructure service providers, including cloud business consulting, planning, construction delivery, cloud migration, security compliance and more. Additionally, we provide products for cloud business operation support, multi-cloud management platforms, and cloud operation and maintenance management. With the flourishing development of the cloud computing industry, our cloud software development and service business has experienced rapid growth, becoming a key focus area. As a major partner of **Alibaba Cloud**, we are the largest cloud MSP partner and have successfully implemented innovative local public cloud (LPC) solutions in commercial cases across the Middle East and the Asia-Pacific region.

For industry digitalisation, we offer products and services to industries such as finance, retail, digital government and smart transportation.

Whale Cloud adheres to independent research and development, constructing the foundational software platform WhaleDI. In areas like databases, cloud-native, low code, DevOps, big data and AI, Whale Cloud has developed core technologies that are self-controlled. These technologies effectively meet the requirements of applications in scenarios with massive data, high concurrency and high reliability.

Whale Cloud's expertise in telecommunications, cloud infrastructure and industry digitalisation uniquely positions us to support operators in their transformation from CSPs to DSPs, enabling them to stay competitive in the market. ■

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