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Business Project Report
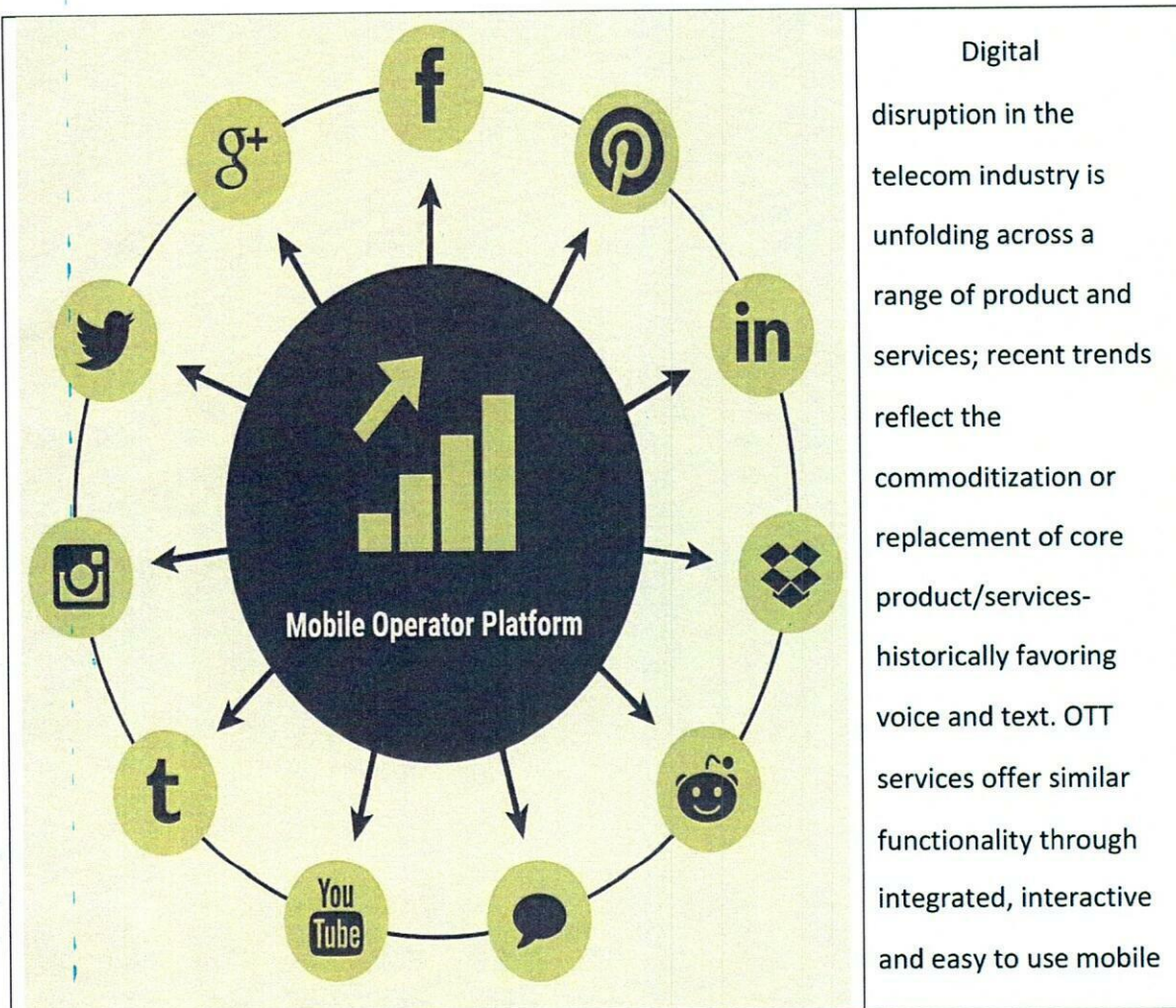
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Summary

Telecom industry is witnessing a massive change nowadays and following these winds, Jazz decided to jump into the digital era by launching an app Veon. Thus, starting a journey from telco to digital transformation. The digital transformation is not restricted to technology; it is encompassing all the departments like finance, HR, Marketing.

The attempt in the report is to critically analyze the impact of digital transformation specially w.r.t to veon app and effect on customers of Jazz.

Introduction

Disruption describes a process whereby an entity (disruptor) is able to successfully challenge established business; Kodak and Nokia are examples of established businesses that faced disruption. Disruptive firms start small, move along the periphery in pursuance of critical mass rendering innovative and interactive services. Firms that are un-responsive or late to the demands of disruption see business attenuate. Similar fate has been meted out to the telecom industry by the OTT services.

Digital Disruption

Digital disruption in the telecom industry is unfolding across a range of product and services; recent trends reflect the commoditization or replacement of core product/services- historically favoring voice and text. OTT services offer similar functionality through integrated, interactive and easy to use mobile

apps, paving the way to substitute mobile company`s core services and increasingly threatening the sole survival of telco's as a medium provider. As a peremptory response in the form of heavy investment in telecom platforms is witnessed, companies cannot survive without a digital strategy.
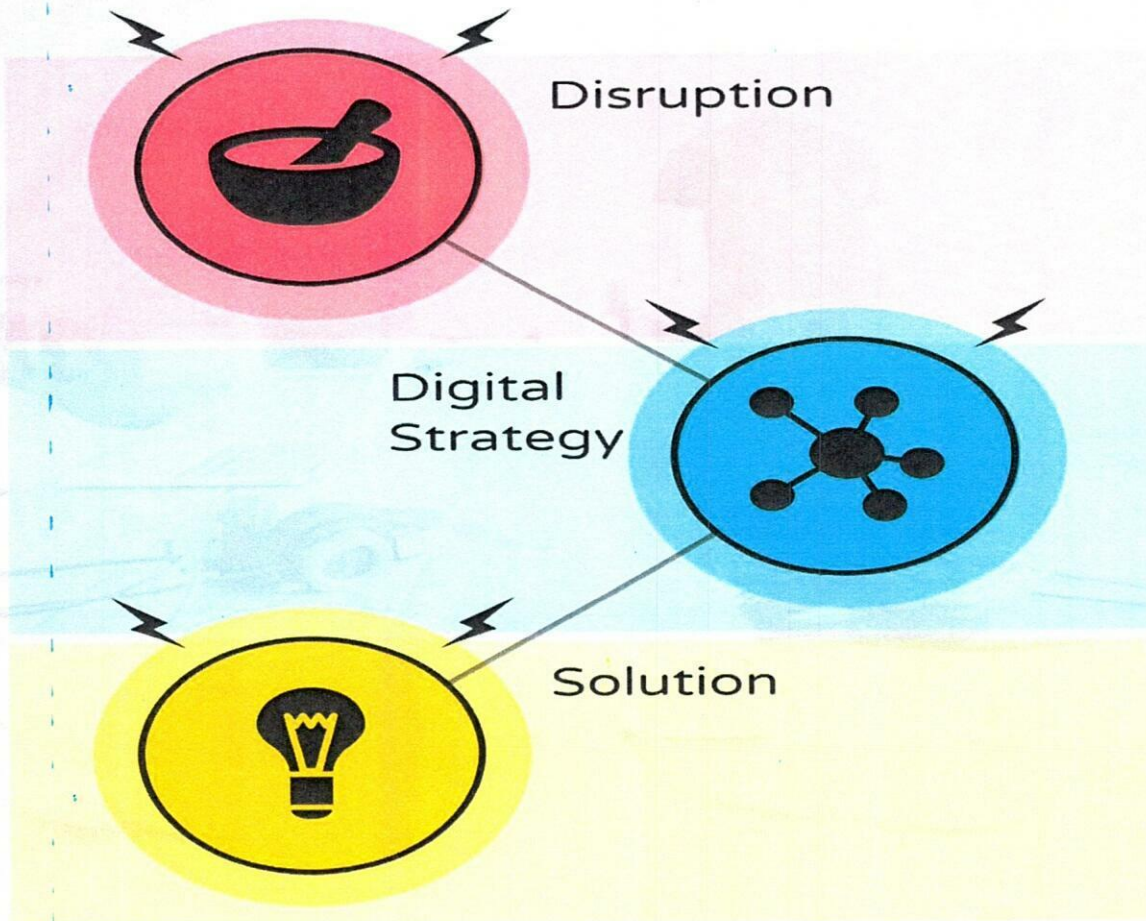
Digital Strategy

Prevalent flux situation in telecom industry demands digital strategy from companies. This digital strategy weaves itself from the business strategy with readily accessible digital technology (Social, Mobile, Analytics, Cloud, IoT) to achieve revitalization in the relationship

with customers. Contrary to the common perspective, the success of digital strategy pivots on the reinvigoration of relationship and not in the employment of particular digital technology. Nokia`s response to disruption focused on implementation of latest technology in its products irrespective of customer demands, subsequently Nokia failed in the smartphones market. Agile companies discern disruption at early stages and pioneer the digitization process, establishing first mover's advantage. Companies possessing high operational effectiveness will not be far behind in reaping eventual benefits of this disruption, even though the adoption of digital strategy did not occur at an opportune moment.

The disruptive threat in telecom industry emerges outside of telecom industry (In this case from IT industry), making it unique in its nature. Secondly, IT industry possess a high level of agility in product/service innovation. This agility has allowed OTT services to champion a new relationship with telecom customers by offering unique services like data communication, digital content, etc. This innovative and unconventional relationship subverted the capacity and sustainability of telecom services. Thirdly, OTT services face lite regulation from authorities, which provides an edge to such companies operating within the telecom industry. Endangered by multiple challenges, Veon introduces an app in the OTT domain.

Digitization Journey

Disruption

Digital Strategy

Solution

Veon Digitization Journey

Veon app launches itself with the digital strategy of developing into a personal Internet platform for its customers. The platform offers a unique value proposition (data connectivity, digital content) conflated with fixed telecom services, thus making the customers feel special. The launch of Veon app is an initiation of a journey from conventional telecom company towards a digital company, which Veon intends to achieve using operational and digital services backbone.

Companies need a digital strategy to navigate through the ongoing disruptive wave. In the digital strategy, companies integrate business strategy with readily accessible digital technologies, which are relevant to the corresponding industry. This strategy allows companies to accomplish responsiveness to continually changing market

4 ELEMENTS

Digital Disruption
Acknowledge

1

Digital Strategy
Devise

2

Operational Backbone
Improve

3

Digital Service Backbone

Create

4

Conditions. The digitized solution is a class of digital strategy with the focus on transforming the company's business model by reformulating what the company sells. Philips venture into personalized digital health solutions is an example of this type of strategy. Customer engagement is the other type of digital strategy having its focal point in loyalty and trust creation, Kaiser & Nordstrom opted this type of strategy to face disruption.

Preferring digitized solution strategy does not mean that companies are not involved in customer engagement initiatives or vice versa. On the contrary, it informs that the chosen strategy drives decision-making for company's products and services offering. For example, Apple offers excellent customer experience, even though it has digitized solutions strategy that is evident from services and products offered by Apple.

Veon app

Veon opted the digitized solution strategy by introducing an app. This app aims to shift existing telecom products and services provided by Veon to OTT services, illustrating a revamp of existing Veon telecom business model. Veon espoused this particular strategy due to the dwindling revenues and low levels of innovation in the telecom industry. Room of innovation narrows in the mature industries it also happened in telecom, forcing incumbents to venture outside the industry. The same reasons of mature industry, dwindling revenues, low level of innovation forced Philips to venture into personal health care systems.

OTT boundaries overlap with telecom industry thus providing perfect foray for Veon. With the launch of this app, Veon hopes to include a share of OTT domain into its revenues. Later on, following the disruptive innovation trajectory, Veon will challenge the business of incumbents in OTT domain.
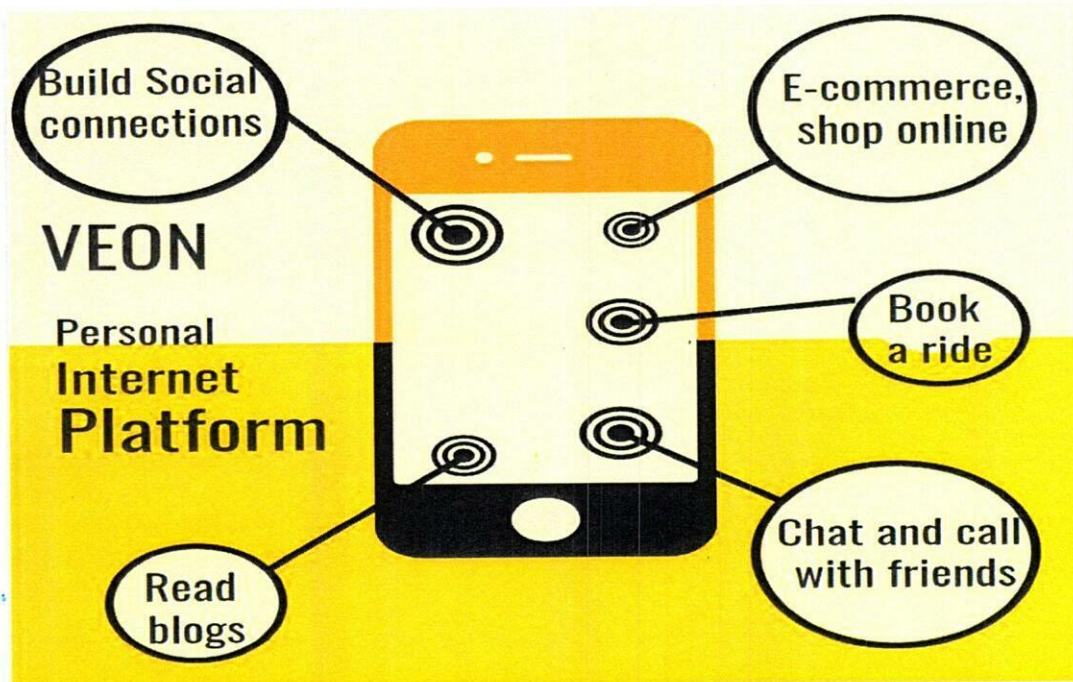
Customer relation

In this digitized solution strategy, Veon intends to revitalize its relationship with customers using an app. This reinvigoration revolves around the satisfaction of customer's daily requirements, which range from communication to blog reading to shopping online. People behave according to the circumstances dictating their needs of products and services. They need to book a ride in the morning and like to shop at evening. Gaining insights from multiple circumstances that surround customer's daily life, Veon app attempts to fulfill the circumstance-based requirement of the customer.

The Market has loads of digital products, which answer a specific need of the customer. One app is for ride booking, one for shopping, one for communication etc. This whole experience makes customer life difficult as she spends more time in moving from one app to another rather than enjoying benefits from the services provided by the app. Customer installs multiple apps, which consume more data bandwidth of the cellular plan thus putting extra load on the pocket of the customer.

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Veon app aims to cut through this clutter by providing all services in one place, thus providing customers their very own personal internet platform. This platform creates value for the customer by allowing them to save time, avoids the hassle, simplifies and reduces efforts in fulfilling daily needs. Providing multiple functions in one place will also use less data bandwidth of cellular plan making product usage inexpensive. Veon app lets customers chat, make calls, read blogs, listen to music and shop online. This novel and exciting experience are entitled as Personal Internet Platform.

Digitization
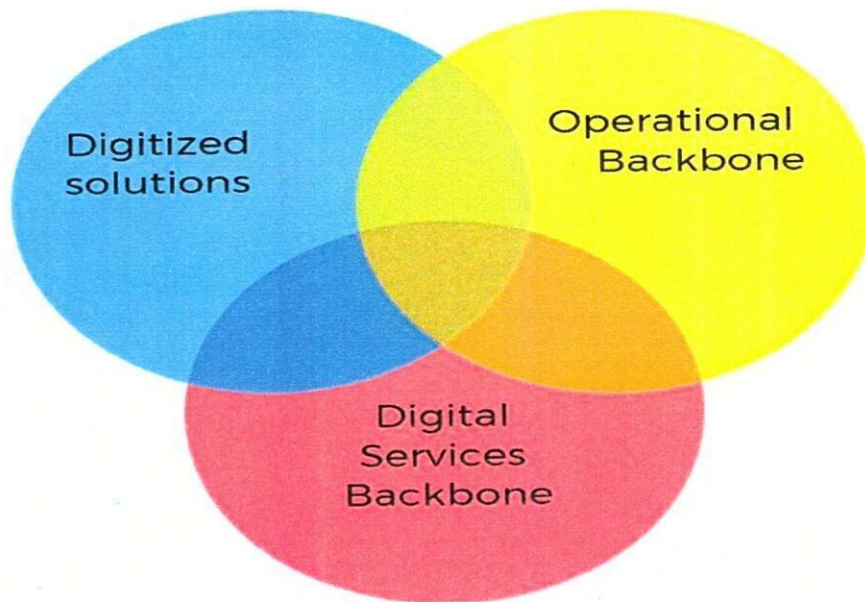
Operational Backbone

Operational backbone refers to the infrastructure and software used in the smooth execution of daily operations of the organization. Companies started investing in the operational backbone in the 1990s when the need for a smooth flow of information was required. In 2000s investment increased in this backbone to achieve high operational efficiency in the organization. Operational backbone differs from industry to industry, sales systems might be critical in telecom industry but it seems less critical in the health industry. The telecom industry's operational backbone includes CRM, SCM, inventory management etc.
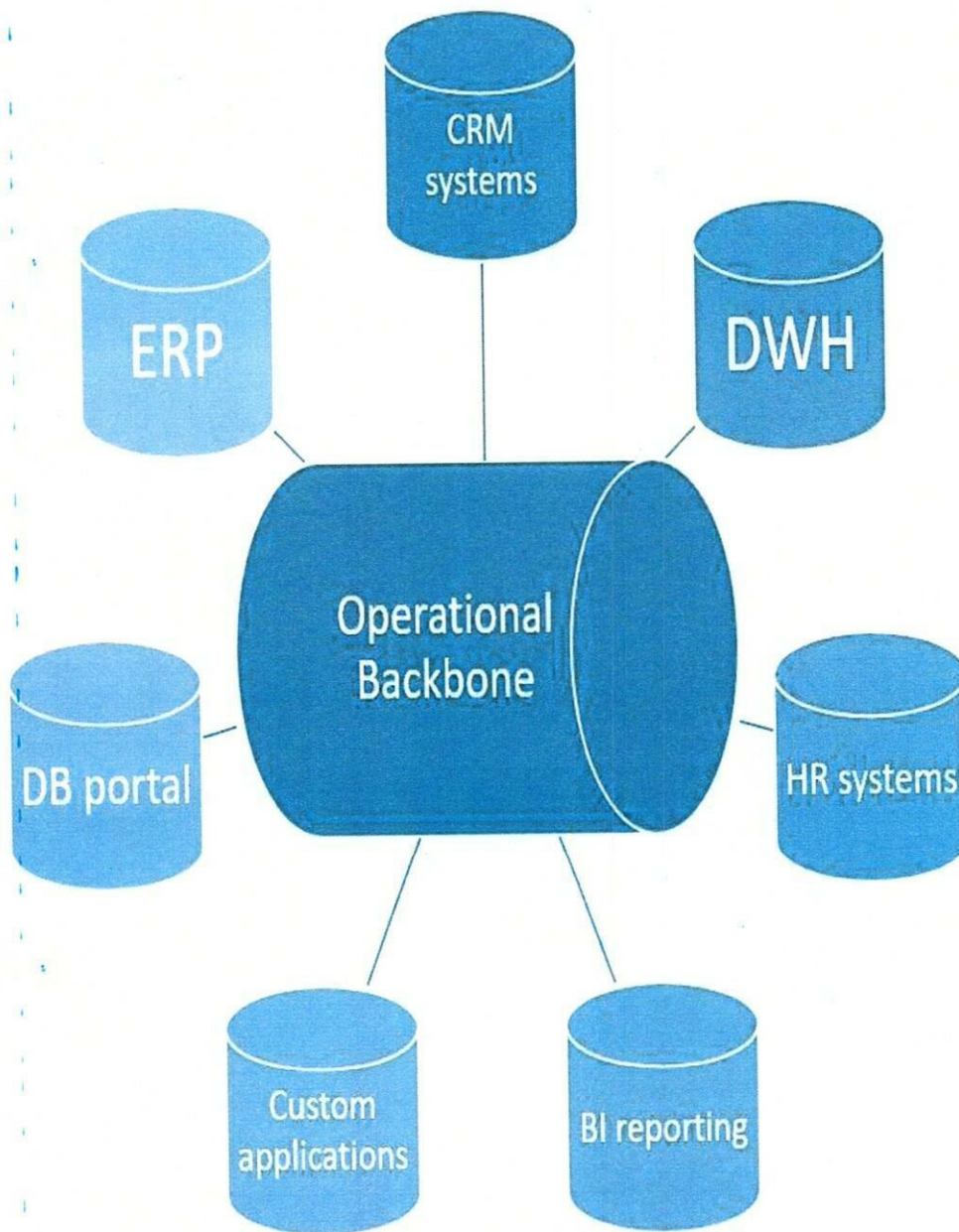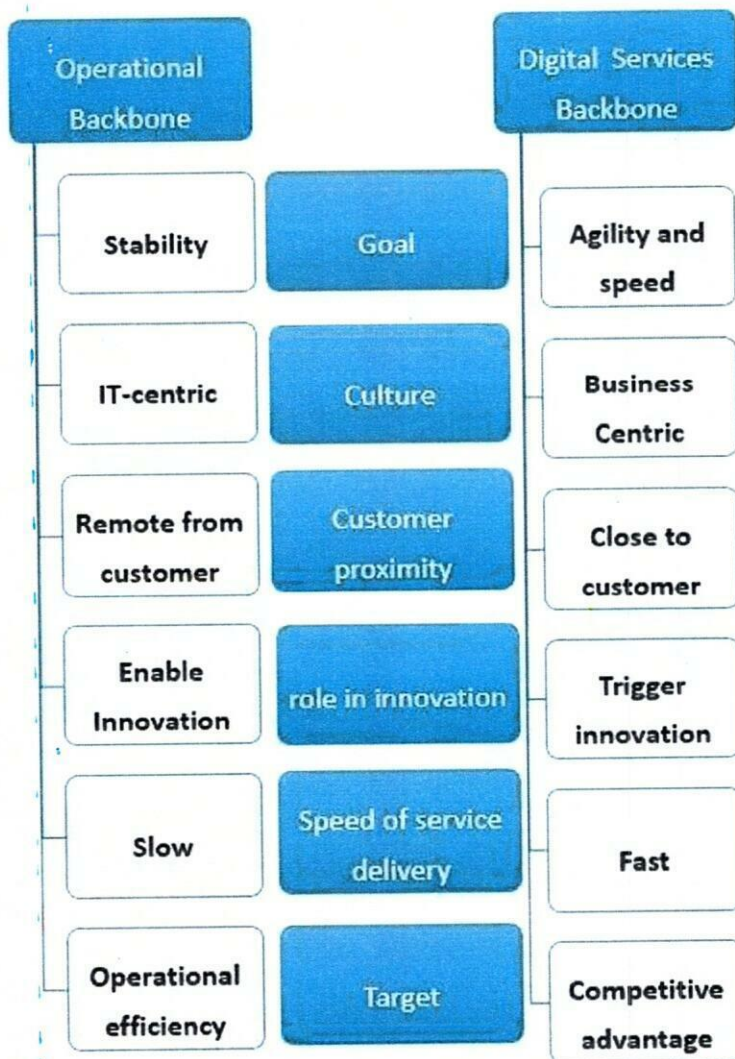
The strategy of investment in operational backbone needs to change now; earlier it was operational efficiency now it is to support digital transformation of the organization. Veon has huge footings in operational backbone through its partner companies in multiple countries that can be leveraged to support the digital transformation process.

Digital Services Backbone
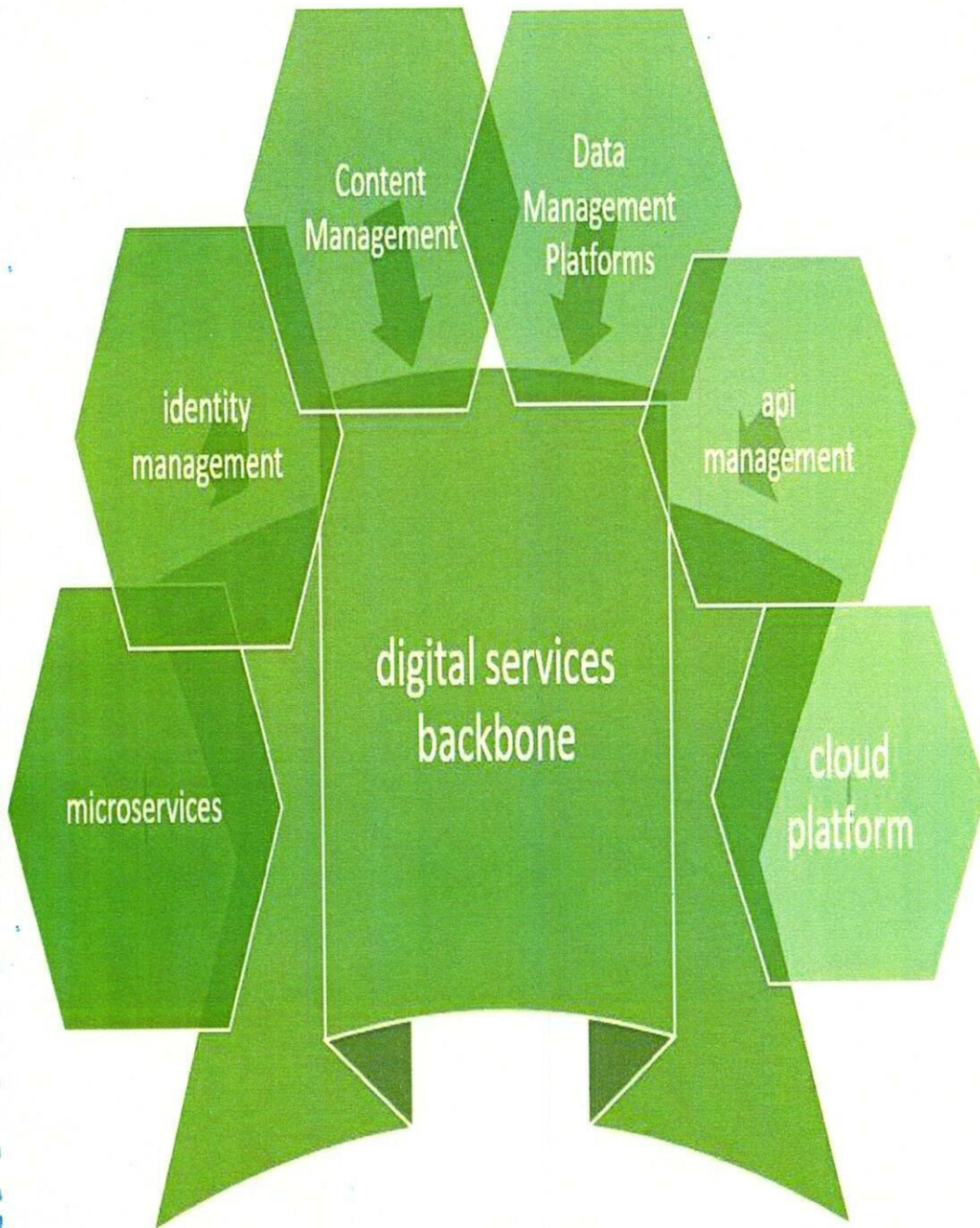
`Operational backbone does not suffice the need of this digital era, which requires robust innovation and new products. The ever-changing customer requirements and evolution

of digital era require a new type of resilient infrastructure, which can be achieved using digital services backbone. As in case of operational backbone, digital services backbone also include multiple platforms depending on the need of an organization. Each platform in this backbone responds to a different challenge of the digital world. For example, content management platform allows organizations to push the latest content to the customer , which can be in Veon app or Philips personalized health care or Expedia app. This helps to inform the customer about latest information.

Operational Backbone	Goal	Digital Services Backbone
Stability	Goal	Agility and speed
IT-centric	Culture	Business Centric
Remote from customer	Customer proximity	Close to customer
Enable Innovation	role in innovation	Trigger innovation
Slow	Speed of service delivery	Fast
Operational efficiency	Target	Competitive advantage

This digital services backbone allows companies to collect huge consumer data, which is a gold mine to gain insights into consumer behavior. This big data empowers companies to run analytics, predict customer needs and respond to the biggest challenge of the digital world, which is targeted and personalized products for customers.

In nutshell, Digital services backbone responds to the digital era challenges. This backbone conflated with operational backbone helps in moving the old telco towards the modern digital company to stand along with big tech giants.

Credits

Credit is attributed to Clayton Christensen and Jeanne *Ross.*