

# The Changing Role of IT in Telecom

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IT leaders will play a critical role in the transformation  
of the service provider industry

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As service providers embark on a global, industry-wide effort to transform their networks, business models and core value propositions, the new environment demands that CIOs understand not only IT trends, but also the critical business and operational needs to meet key service-provider objectives.

Certainly, that was a mandate made clear to me at Reliance Communications, when I took the helm of the IT organization in January 2006. Reliance Communications was founded in 1999 with the idea of providing consumers and businesses in India with affordable, accessible and ubiquitous access to mobile and broadband resources. IT began operations in 2003. The objective was, and remains, to offer the tools and technologies that will stimulate the innovation that enables our rapidly growing economy to advance its competitive position in a growing number of industrial sectors in a global environment. It thus follows that our own internal operations at Reliance should reflect the best practices in technology management. But, beyond this, it is also incumbent upon my team of more than 2,000 professionals to contribute to both the top- and bottom-line growth of our organization. This was achieved by creating Reliance Tech Services and running IT as a business.

## Multi-disciplinary, Business-oriented CIO

This mandate to contribute in a meaningful manner to our key corporate objectives introduces the first – and perhaps most important – “new reality” that CIOs in the telecom field must address. And that, of course, is that we can no longer afford to be pigeonholed as the masters of the technology infrastructure.

My own background as a Managing Director at a large management consulting firm prior to joining Reliance has been very useful. It taught me the importance of having a multi-disciplinary IT staff that understands the financial, operational and strategic imperatives of Reliance, as well as the key technology principles that optimize our investments in applications and information infrastructure.

I have made great efforts to attract personnel from different functional parts of the organization so that we can enhance our ability to quickly understand the direction in which we must go, and rapidly respond in an agile manner to the new opportunities and changing realities that Reliance faces every day. It is important to think of the IT organization as a business unit that must manage its own cost and profit centers to serve our internal clients’ efforts to advance their objectives.

## Integrating IT into a Service Provider’s Value Proposition to Customers

This represents good stewardship of IT resources. However, it is much more than that. At Reliance – and I suspect, other service provider organizations – the ability to integrate systems, share information and enable collaboration is now being recognized by strategic planners as critical to enabling the transformation of both back- and front-office operations. As Reliance introduces new business models and service offerings that mix, match and blend technologies (such as wireless, landline, broadband, Internet and DTH Satellite assets) the role of IT becomes critical, as it is no longer a support function but an integral part of the product. In the current environment, CIOs must ensure smooth customer-end-user experiences.

A good example of a “back-room” project that my team is involved with today is the construction and management of more than 27,000 mobile phone towers in nine months. We have been tasked with automating support for tower construction, maintenance and operations. Our objective is to reduce costs and improve operational efficiencies, while optimizing our tower investments to deliver new types of services to a growing customer base. The importance of smart allocation of IT resources will only grow as the industry in this market matures, competition increases, and our own consumers and business clients become more demanding.

### **Automation Contributes to Reuse ... A Major Source of Cost Savings**

In order for telco CIOs to deliver this level of value on a consistent basis across their enterprise, we have to become ever-smarter about how we reuse our assets and develop repeatable solutions. This is where leveraging concepts like Service-oriented Architectures (SOA) and enterprise systems architectures can pay dividends. My team has been methodically applying these principles to a variety of disparate product offerings from Reliance's distinct business areas – including mobile, landline, middleware, CRM and internal back-office operations – so that we can better share services and resources.

The math on this is fairly simple: The more we share, the more we save. And when we apply enterprise systems architectures in a disciplined manner across the various operational functions, we get the additional benefits of accelerating the deployment process, while improving the quality of the new service. Discipline, here, is key. It is easy to succumb to the pressures of the day and take shortcuts or otherwise do things to the detriment of the architecture. I have come to the strong conclusion that this is a big mistake. It is true that, in the early days of implementing enterprise architectures, it may take more time. But in the long run, the pace will pick up, and the quality and flexibility when making infrastructure adjustments in response to new requirements will rise to a level that cannot be replicated by an ad hoc approach to systems management. Today, reuse is an underpinning principle that contributes to Reliance's competitive strength. We are fielding some of the lowest operating costs of any major telco in the region and around the world. More than 75% of our assets are reused across all our major lines of business.

### **Conclusion**

There has never been a more exciting time to run the IT function of a communications service provider. CIOs today are being asked to make major contributions in the areas of operational optimization and new revenue generation. Meeting these new mandates, however, requires a new generation of IT leaders who are as agile in dealing with the business imperatives of the organizations as they are in managing the details of their technology infrastructure. Indeed, this broader perspective must not be limited to the CIO, but must be extended to IT staffers who are as committed to increasing ARPU as they are to meeting network availability and help desk performance metrics.

To that end, the role of enterprise systems architectures will be important because it links technology performance to a service delivery that is tied to critical business activities.

Certainly, this raises the stakes for telco CIOs. But from my perspective, it dramatically increases the contribution that my team makes to Reliance's success. ●

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