

Telecom on the Front Lines

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While so many businesses are forced to shutter amid COVID-19, Telecommunications is in midst of its biggest and most important surge—though it is likely too early to tell whether this surge will be positive or negative for the industry post-crisis.

As work and families are pushed to shelter at home, the ability to communicate has become a critical lifeline. Businesses are being run out of home offices. Schools have moved online. Frightened families are turning to streaming entertainment to get through the crisis. All of this puts tremendous pressure on the telecommunications industry to step up and keep everyone connected.

Egon Zehnder gathered 30 Telecom industry CEOs from Italy and other regions around the world to share how they are responding to COVID-19, what opportunities they see emerging, and how it feels to be the lifeline in the midst of a global crisis.

The Surge

While businesses all around them are scaling back, even shutting down, Telecom has never been more in demand.

“We are working to capacity whereas other industries are halted,” said one Hong Kong based leader.

“There is a tremendous increase in traffic,” confirmed another based in Italy.

Another European executive put the shift into wartime terms. “There is huge pressure on networks,” he said. “It’s a service to provide to customers and country.”

The pressure comes from all facets of the business. With workers relocated from offices to their homes, businesses now rely on their telecom providers to keep operations functional. Education has also moved online, with millions of school children now dependent on virtual classrooms. And everyone has turned to telecommunications to manage the fear and isolation of social distancing and stay-at-home orders.

“We have seen a substantial increase in the use of mobile,” said one executive.

Another used the terrorist attacks of 9/11 as a touch point to explain what's happening.

"People are locked in their houses. At first people were talking to their loved ones, trying to figure out what is going on, checking in with each other –this is normal. It was like this after 9/11 in the US," he said. In the COVID-19 experience, the use of telecom began in much the pattern of 9/11. And then there was a shift in usage as people adjusted to lockdowns and social distancing. "When people were told to stay in houses, traffic peaked on March 15. Usage is 90-100 percent more now than it was pre-crisis. Why? People are streaming – Netflix, or other services – and bandwidth to watch a movie or stream is very high; mobile usage increased 25-30 percent – YouTube is the most utilized activity along with long-distance school apps, since schools and universities have moved to virtual instruction."

The Challenges

The move to reliance on Telecom for daily life activities has exposed gaps in society, execs say. This is especially visible in cities that use fiber connections to deliver Telecom services. "Certain areas of society – remote or low-income – don't have fiber. They need hardware to accommodate online learning and working, so we have worked with organizations to supply these services to families who really need it so their children can learn at home. We also worked with online learning platforms so low-income children have access to the tools they need," said one leader.

Another company described halting debt collection and allowing customers to keep their service even if they are late with payments. "We believe the best way to increase internal morale is to help others."

Even while Telecom is being asked to step up and help other industries survive, it has also faced its own challenges in moving its workforce out offices and call centers and dealing with the emotional upheaval its employees now face. Telecom leaders find they must tend to the needs of their employees as well as their customers.

"I spent 30-40 percent of my time in January sourcing masks and sanitary items for in-store staff so that employees could be safe," said one executive based in Asia.

"I've spent a lot of time giving comfort, hope and purpose," said another, based in Europe. "I think that's very important."

Some CEOs also expressed that beyond care for their employees and customers they also feel a responsibility to help broader communities during this time. Some companies are offering pro bono infrastructure support and set-up for newly created hospitals, others have delivered communication devices (such as tablets) to hospital patients so they can stay in touch with friends and family, and data scientists are making resources available that can help to predict the evolution of the virus.

The Future

Amid the challenges, Telecom leaders say they are seeing areas of opportunity.

Many see the work-from-home process as opening the eyes of business leaders. “We have closed 70 office buildings and we may not reopen all of them,” said one.

Another executive has seen workers rise to the challenge of remote working, bringing in a new phase of energy and focus. The mood will have positive impact on business going forward, he said. “Focus on what matters. Remove the clutter such as meetings you don’t really need and prioritize customer and employees. Don’t focus on the other stuff.”

Some executives expressed hope that the experience will bring a new support for greater technological change.

“The government is more receptive to digital transformation,” said one executive in Italy. “We are able to put together solution sets, in spite of situation we are able to offer 5G services. We offer SmartCity solutions with the government and are working toward that more and more. We are looking forward at business cycles, and factoring BCP into long term planning. There is a unique opportunity to increase innovation that will make the world a better place.”

From those regions that have already experienced a COVID surge, they offer this advice for other firms approaching their own rise in demand:

- If you think you may need capacity down the road, add it now.
- Keep a focus on cyber security. When businesses move to remote work, more gateways are opened.
- Don’t forget the importance of your own leadership. “Visibility of leadership is more important now than ever, even if it’s virtual,” said one leader.

Ultimately, telecom executives expressed confidence in their abilities to step up and meet the demand of a shut-in world.

“Businesses are shut down but telecoms are resilient,” said one. “Our services are needed now more than ever.”

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Covid-19 Micro-Website

We have launched a micro website where this and other informative pieces are posted. This site will be regularly updated: [click here](#) for further details.

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