

- DR: [00:01](#) I am Danielle Royston, and this is Telco in 20.
- As an enterprise customer, do you know how hard it is to work with a telco? It's practically impossible to integrate with your network. And if you want to negotiate connectivity at a reasonable rate, forget about it! If you're not a huge enterprise customer, you are hosed. A few innovative tech firms have noticed this challenge and have taken advantage of it. One well-known example is Twilio, which has built a \$12 billion business by helping software developers easily access messaging connectivity, eliminating the need for anyone having to talk to a telco. But there's another company out there doing something similar: Gigs. Gigs is an API company that buys pre-negotiated connectivity, allowing any enterprise software developer to create and sell their own voice and data plans to their customers. Gigs abstracts away all the financial, regulatory and technical complexity that a business would have to go through if they were to go to an operator themselves. It can even launch an MVNO in minutes. Amazing!
- [01:12](#) Today on the podcast, I'm talking with Hermann Frank, Co-Founder and CEO of Gigs. He's going to tell us how the idea for the company was born, why customers love it, and why public cloud software is the future of telco tech. So, let's take 20.
- Hermann Frank is the co-founder and CEO of Gigs. Hi Hermann, welcome to Telco in 20.
- Hermann: [01:33](#) Hi, DR. Thanks for having me.
- DR: [01:35](#) I'm so excited to learn more about your company, Gigs. And so to start, you're a serial entrepreneur and your latest company is Gigs, which is an API that enables businesses to sell phone and data plans in 200 markets globally. Can you tell me how you came up with this idea?
- Hermann: [01:52](#) Sure. In 2019, my co-founder Dennis and I were working on a company called HyperMesh. We believe the telecommunications industry deserves an overhaul. Nothing has really happened. Everything is stuck in the eighties and all the progress that has been made in other industries just hasn't happened here yet. We developed a hardware software solution that enabled anyone basically with wi-fi to build cellular-grade networks. And it worked great in our apartment, but we needed

to test it at a bigger scale. So what we did is we built a public wi-fi network in Berlin, and it worked surprisingly well. We had 10 million users over the first year or so. And to monetize it, we did two things. At some point, we saw that customers use it on average 10 times for about 300 minutes, so we figured they obviously need connectivity when they're in Berlin. And we started selling eSIMs to bring them to the main network, to have them connect to LTE. And the way we did it back then was we bought a bunch of QR codes and then served them through an Excel sheet when someone paid with a Stripe checkout.

- DR: [02:59](#) Super startup-y.
- Hermann: [03:01](#) And that was the only way to do it too back then.
- DR: [03:04](#) That's awesome.
- Hermann: [03:04](#) And at some point, it didn't quite scale. We were running out of QR codes, and we also had companies in the ecosystem that we were talking to. "We see something you're doing there that's quite interesting. Could I do it for my travel company and sell data plans to people that go places?" Or, "I have an HR business. Could I offer phone plans to employees? Or, "I'm an e-commerce business and we sell phones, so would love to sell phone plans alongside. I've been talking to MNOs, MVNOs, and nothing came out of it."
- [03:33](#) So, we took that and our own needs and looked into the market and saw that no operator in the world and no startup is offering phone plans through an API, white label, or even embeddable solution of any kind. And at the same time, we were really familiar with companies like Stripe and Adyen in the payments space that basically enables everyone to put a payment button in front of everything they do and go live in a few days. So we figured something like that needs to exist in telecommunications, and why doesn't it? And that's how Gigs got started.
- DR: [04:08](#) That's awesome. And so tell me a little bit more about Gigs. What is it and how does it work? How do you buy it?
- Hermann: [04:13](#) Sure. Gigs is a telecommunications service platform that enables any business to sell phone plans, data plans through an easy-to-use API, and do so globally. Imagine you have a global e-commerce brand that sells phones and you operate in

multiple markets. You can integrate Gigs through an API. It's completely hosted, and you can start selling AT&T and T-Mobile plans in the US, Deutsche Telekom in Germany, and Vodafone in the UK. And a US customer will only see US options. You can send them an email with an eSIM and access to a plan management platform that they can use in their email. It literally takes seconds and very little input from the user, if any at all. So it's a completely frictionless journey to cell phone plans and very easy to integrate, so that really changes where you can embed, sell, and offer phone plans.

DR: [05:04](#) Well, I bet you your customers that are setting this up, they're amazed and wowed because that's not their usual experience in working with telecom products. And so my next question for you is what's the business value or the problem that Gigs is solving for businesses?

Hermann: [05:18](#) So most of our customers are not telecommunications companies and they're not looking to become one. They are established businesses that have a core business and connectivity is a feature, and there's a growing number of industries where this becomes a necessity or at least a great addition to their existing business line. But they're not experts. They don't have a telecommunications team. They just want a simple way to offer phone plans in a frictionless manner. And we abstract away all the regulatory, financial, legal complexity. We take away the negotiations with networks, so you can start with zero upfront knowledge about telecommunication and you can get started right away.

DR: [06:05](#) Yeah, and I think one thing that was interesting was that it's so much quicker. If you were to do this the old way, you have to go acquire the connectivity, build the end-to-end user journey. But how long does it take to set this up?

Hermann: [06:18](#) Yeah. Before, you needed 12 to 15 months to go through the entire negotiation period with a carrier integrating, you would need to build an entire team. You would need communications experts. We're now able to start an MVNO from, you give me a company, to, you can make the first phone call in 15 minutes. You're able to select a carrier you want in a country you want, put in the artwork, put in a price that you want to sell this particular plan at, with a host checkout where a customer can purchase the plan...

- DR: [06:52](#) And ship it.
- Hermann: [06:53](#) Yeah, and ship it. I think it took us 14 minutes when we showcased it a few weeks ago to one of our investors. So that's how much we've abstracted away the complexity of setting up your own phone service, and you can do so globally.
- DR: [07:06](#) That's amazing.
- Hermann: [07:07](#) We have a few early Stripe people on the team and they mentioned an example from back in the days. It seems Uber built its payment stack in-house and Lyft used Stripe. Uber had a team of about a hundred people on its payments team and Lyft had a team of about less than five, I believe, at the same time. And that is what it means to abstract complexity away to be a feature that a company uses versus building your own team and becoming a payments provider basically. So our customers don't want to become telecommunications providers, but they want to offer telecommunication in the same way they want to embed payments, not by building their own payment stack, but by integrating Stripe and starting to accept payments worldwide right away.
- DR: [07:56](#) Exactly. It's a point that I make all the time about using the software of the public cloud. A lot of the telco culture is, none of the stuff out in the market is good enough for telco, and so there's a lot of not-invented-here mentality. We can do it better ourselves. But I think your point here with Uber and Lyft is a really good one, which is you're going to use so many people to build something that is probably good enough and would take you a fraction of the manpower. And imagine Lyft, instead of hundreds of people, they had five people working on it and the other 195 people could go work on other priorities for Lyft. And I think that's something that the carriers themselves need to realize internally. There's a tax for building everything yourself and there's a huge benefit by using cloud services.
- Hermann: [08:42](#) Absolutely. The other thing is that each of our customers would have to do this again and again and again in every single market. So you're not done if you integrate AT&T in the US. If you also operate in the UK, you now have to go and integrate a second provider. And with Gigs, you are one and done. You integrate once and you can launch a service in any market you operate in.

- DR: [09:04](#) That's amazing. And so I understand that you guys are running on Google Cloud. Can you explain why you picked Google Cloud over AWS or Azure?
- Hermann: [09:12](#) It's a more modern service that got started way later than AWS. I think they could learn from AWS's mistakes. It's easier to use with smaller teams. It has simpler, more high level services, better documentation, and it's a more holistic platform with a more consistent UI for our needs. And we also use other augmented products from Google, like Looker, BigQuery, Spanner, that integrate nicely into it.
- DR: [09:39](#) So is your platform a multi-tenant platform? So for example, if you guys put a new feature, everyone is updated instantly? Or is it more customers are installed one at a time, but they're running at Google Cloud?
- Hermann: [09:52](#) No, there's no installation. You just use our service. It's all API-based, so our customers literally have to do nothing.
- DR: [09:58](#) But if you find a bug in an API and fix it, it's fixed for everyone that uses that API, I imagine?
- Hermann: [10:04](#) It's fixed for everyone instantly. Exactly.
- DR: [10:07](#) That's awesome. Well, Totogi does that too. We have a bunch of APIs. Same idea. There are services. We focus in monetization for the telcos. MVNOs could use this as well, when they're a thick MVNO and want to do their own charging. We cover both prepaid and postpaid, but same idea. When we update our APIs and our services, everyone that uses that API instantly gets the benefit. So whether it's a feature or a bug fix and it's really getting away from the way that old telco software companies think, where everyone has their own stack and everyone is separate and you're updating and upgrading one at a time, we're really trying to bring that telco tech modern thing that it sounds like Gigs is doing as well and doing really, really great.
- Hermann: [10:52](#) DR, that's the only way to do it. If you think about it differently, if you're still doing it differently, you're living in the past. So I think if you need to install instances, you're not going to scale too far.
- DR: [11:03](#) It's literally the worst. It's like torture. I was running a telco charging company, I was CEO a few years ago, and I was like, "It's

installed on-premise one at a time? They upgrade every five years, did you say? An upgrade takes 18 months?" I'm like, "What dark ages are we living in?"

Hermann: [11:20](#) Yeah, it's a great business model for legacy services, but it's not a great business model for the customers.

DR: [11:26](#) It's terrible. So I'm a foodie and I'm super competitive, and I hear that you guys have a super fun culture at Gigs, where at your company offsites, you combine these two things and you have cooking competitions with your employees, and so is it super fun? How does that work?

Hermann: [11:41](#) Yeah, it's called Gigs Table. So we do an offsite twice a year where we rent a large house somewhere, usually in the Mediterranean area.

DR: [11:50](#) Nice.

Hermann: [11:50](#) And every night or every second night, another team cooks for the entire company and it's taken very seriously. This year we were at the monastery in Portugal that was converted into a hotel. We were allowed to use their commercial grade kitchen, and we've cooked in bigger kitchens before, but this was serious.

DR: [12:12](#) Like a TV show?

Hermann: [12:13](#) Yeah. So we were 15 people in the kitchen from our team preparing three courses, and then 50 plates have to go out at the same time at a relatively high level of cooking. So it's really intense, but it's a lot of fun. Everyone takes a lot of pride in it, preparing great food for the entire team, and it gets competitive, but it's an amazing bonding experience every single time.

DR: [12:38](#) Well, it sounds delicious and super fun, and so, Hermann, great learning more about Gigs and this API that you've built. I think we're going to see a lot more companies like that in telco, and so congrats to you and your team and wish you guys the best of luck.

Hermann: [12:53](#) Thank you so much, DR. Thanks a lot for having me.

DR: [12:55](#) Awesome. Stick around because we're ending each podcast with a Telco in 20 takeaway. I have 20 seconds to tell you something you need to know.

Hermann shared a really good story about Uber and Lyft. You see, whenever an enterprise is trying to build out their business, they are invariably faced with a build or buy decision. Should we find a provider and buy it or should we build the solution ourselves? When it came to Uber and Lyft's payment processing platforms, each of these companies had to make a decision about which way to go. Uber decided to build its own platform, which took a team of several hundred people to do, whereas Lyft decided to buy their solution and used API company Stripe plus five Lyft employees to get the job done. Uber consumed hundreds of people's time and spent all that money on their compensation when they could have just taken five people, paid Stripe, and reallocated all those people to work on differentiating services for their business. This is a great lesson for telcos.

[13:55](#) Set aside your ridiculous vendor lock-in worries with the public cloud for two seconds and instead look at the insanely awesome opportunity in front of you. Just like Stripe gave Lyft the LEGO blocks it needed to build its payment platform, public cloud providers are giving you LEGO blocks to build better services faster. While you'll be locked into the provider you choose, just think of the gains you'll get in less time, with fewer people, by standing on the shoulders of these tech giants. You could reallocate all those bodies to work on things that drive your business forward. In a business like telco where the risk is real that you'll end up a dumb pipe and you don't know how to grow ARPU, why aren't you trying to use all these tech advantages at your doorstep? Companies like Gigs and Totogi are totally ready to help you get there, but you've got to have an open mind. So stop worrying about what might happen and start looking at what can happen. You know I'm being tough on you because I love you.

[14:51](#) In fact, I love you almost as much as I love the Telco in 20 Podcast. So go listen to more episodes, follow us on Apple Podcasts and Spotify, and leave us a review. Be sure to follow me on Twitter at TelcoDR and connect with me on LinkedIn. Visit our YouTube channel and don't forget to sign up for our totally amazing, awesome email newsletter on TelcoDR.com. Later, nerds.

Episode 66 | Deploy your MVNO in 15 minutes  
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