Episode 10
2021 Forecast: cloudy with a chance of OpenRAN
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Speaker 0   00:00:00   I'm Danielle Royston and this is telco in 20. How frickin' pumped are you to see 2021? Today, we are doing a special podcast to recap the biggest moves in telco and the public cloud in 2020. And my top predictions that will shape 2021. Are you ready? Let's take 20.

Here are the three big things that happened. First, uh COVID. I can't think of one person that isn't happy as a clam to see 2020 in their rear-view mirror. The best thing about COVID is that the virus helped propel telco towards the public cloud.

It wasn't just telco. It happened in all industries, from the biggest companies to mom and pop restaurants who suddenly had to go virtual overnight. The virus has been a big wake up call. Global data says 93% of IT decision makers are accelerating their cloud adoption plans as a result of the pandemic. I know of a few telcos that we're still using, wait for it, hand stamps and paper POs to do business in 2019. But I bet that's a thing of the past. As they adopt working from home, Zoom, DocuSign, and Salesforce, all using the power of the public cloud. I, for one, gladly welcomed the long overdue change coming to our industry. Because once you start living in a world where everything can be done from your phone or from home, you do not want to go back to the old way of working. So embrace it. And what that means is your organization is going to have to embrace the public cloud.

The second biggest thing that happened, Microsoft's Azure for Operators announcement. On our last episode, we talked with Yousef Khalidi, one of the founders of Azure and corporate vice-president for Azure for Operators. If you haven't listened to that episode, go check it out. In our interview, Yousef swears Microsoft doesn't want to compete with telcos. They want to partner with them and provide the software and ecosystem to help you cut costs and improve your revenue. Let's see if Azure can put their money where their mouth is and deliver some great stuff to telco. Goooo, Azure! But let's get real. Not everyone is running to sign up with Azure just yet.

The third big thing that happened was lots of big partnerships were signed between telcos and the BFCs in the past year. Examples like Orange with Google, Vodacom with AWS, and the Vodafone analytics deal with Google. This means the big tier 1s and groups are starting to make their move towards the public cloud. While most have been generic partnerships or resale deals, I'm keeping my eye on Deutsche Telekom, who's trying to move 60% of their applications to the public cloud with AWS and Azure saving triple-digit million euros annually. Annually. Wow. They just might be on to a really big idea. Hmm. But it's time to say adios to 2020 and look forward to 2021. What do I think is coming? Let's talk about my top three predictions.

For 2021, my advice to all telcos is be the firstest with the mostest. When it comes to the public cloud, no one got first place by watching what everyone else was doing. And no one got first

place taking the easy road. You have to work harder than everyone else. And you have to take calculated risks to experiment and try new things. Things that no one else is doing. Boldness like we saw in 1981, 40 years ago. In 1981, so many things happen. Things like the first IBM PC, the first wireless network - you guessed it, 1G debuted in a big way. MTV launched with a video by the Buggles, "Video, killed the radio star," declaring even 40 years ago, that data would win over voice. And a video game with a lead female character came out, which is one of the best video games of all time. I'm talking about Ms. Pacman.

But something really important was about to happen. The internet as we know it was about to be launched. ARPANET, the precursor to the internet, was going to move to the TCP IP protocol. That was a huge transition. Everything would have to be rewritten for the new protocol. Staff would have to be trained. Equipment changed, problem solved. Everyone had to be committed to the cause if it was going to be successful. Sound familiar? It's exactly what's going on now in telco. We need to shift and change everything to get ready for the move to the public cloud. It's all hands on deck.

So my first prediction for 2021 is a telco out there is going to successfully transition to the public cloud in a big way, do it right and show everyone else how it's done. Over the last few months, I've been talking to telcos all over the world – big, small, Africa, South America, Europe, even a couple of Island nations. And the move to the public cloud is a real thing. CEOs and CTOs I talked to are starting to inventory their applications, make plans and start moving. The companies that do that, and don't just lift and shift, but really embrace the software and the public cloud will see a 50% savings on their IT costs. It's easy to move the easy stuff, but I'll be watching for the real technologists. The bad-asses of telco that take some of the oldest, suckiest, super-unsexy legacy applications and refactored them for the public cloud for 90% savings. The teams that come out on the other side of that experience will be unstoppable.

My second prediction for 2021 is there will be teams that do it completely wrong because they are too fearful to really change. So they will take baby steps and it will be their downfall. It will be super exciting to see the winners, but there will inevitably be some losers. These are the teams that think public cloud is a place. And by virtue of simply running on a public cloud, you get all the benefits. Or that being in a Kubernetes container constitutes what it means to be cloud native. I feel sorry for how wrong these people are. Well, while you may not see the failure immediately, it will be the things that they do, or maybe more correctly not do, in the year 2021 that will really hurt them down the road. They will be the losers.

Here are the signs that you might be on the wrong track. One, your plan is to just lift and shift and you don't plan to refactor applications. Two, you're not using any cloud databases and instead continue to sign expensive Oracle license deals to use Oracle in the public cloud. Three, maybe you're trying to avoid vendor lock-in or you ask your vendors if they are cloud agnostic. And you think that this is a good goal to have. And finally you say out loud to other people that the public cloud is more expensive, or you think it's cheaper to run on-premise in a private cloud. Don't be that telco. Do the work, don't just lift and shift. Refactor your applications to deeply use the software of the public cloud. That is where the biggest benefit lies. Watch the

millions of dollars of savings and the new revenue opportunities create a business reality you never thought was possible.

And so my final prediction for 2021 – to win, you're going to have to experiment. So go experiment with OpenRAN because OpenRAN is the real deal. Did you hear me? Go experiment. The end of 2020 saw OpenRAN start to bubble rapidly to the service of telco conversations. And that conversation is going to get even bigger in 2021. People are always talking about the hyperscalers coming after telco. Just think what OpenRAN is doing to the incumbent vendors. Ouch. It's going to be super tough to be the hardware vendors over the next few years. Software chomps the crap out of their hardware.

I'm not sure most people will be crying too hard for them either. The Rakuten claim that operators can reduce cap by 40% with its telco-in-a-box network can't be ignored. It's too big of an idea. So I say, give it a go – start to experiment with it because it's ready for prime time. The big guys are already doing it. For example, Vodafone announced it will be deploying open ran technology at 2,600 mobile sites across Wales and the southwest of England. So be on the lookout in 2021 – OpenRAN is going to be huge.

So there you have it. My predictions for the coming year. I can't wait for next year when I can look back and see how awesome I did.

We have a special year-end Telco in 20 takeaway. I have 20 seconds to tell you something you need to know. During Jassy's keynote at AWS reinvent, he reminded leaders to set aggressive top-down goals. If you want to make a move to the public cloud, you know who sets aggressive top-down goals? My hero Elon friggin Musk. While we're over here in telco wondering if we should use the public cloud or not, Elon Musk is knocking the socks off his mission to Mars.

Remember back in 2016, when he said humans would be on Mars in 10 years? It's now 2020, and right on schedule, he thinks humans will be on Mars in six years, maybe four. Holy cow.

Let's talk about what that guy did this year. First private company to send humans to the space station and back. How about the fact that he completed 13 Starlink missions deploying low earth orbit satellites to rural areas? He launched the public beta of Starlink. They had their hundredth successful flight of the Falcon rocket, and he flew his BFR, now known as Starship up past 40,000 feet to the edge of space. By the time humans are landing on Mars, do you think most of telco will be in the public cloud by then? Or will we be still clutching our servers like caveman?

Personally, I like to use this time of year to write down what I accomplish and what I'm going to do in 2021. I have big plans. Do you? What are you going to do in the new year? I hope your answer is move everything you can to the public cloud. Whatever it is, tell me about it. DM me on Twitter @TelcoDr. Or WhatsApp me at nine-two-five telcodr. And if your plans include something cool and cloudy, raise your hand as a potential podcast guest. In the meantime, don't forget to hit that subscribe button, share our podcast with your colleagues, and if you

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