

DR: [00:00] I am Danielle Royston, and this is Telco in 20. Cheers from London. Telco in 20 is back on the road. This time, I hopped across the pond to catch a few Wimbledon matches, hit some tennis balls with Andy Roddick at the Queen's Club and sat down with my telco buddy and fellow tennis fan, Mats Granryd, the director general of the GSMA. At this year's MWC event in Barcelona, Mats Granryd announced the GSMA Open Gateway Initiative. If you haven't heard, Open Gateway is a framework of common network APIs that enables software developers to collaborate with mobile operators to accelerate the development of services and applications. Open Gateway is a big deal. There are now over 30 operators around the world that support this initiative.

[00:55] Open Gateway represents the biggest opportunity for the industry to make the switch from exclusively selling consumer plans and wholesale connectivity to instead opening up their networks to allow software developers to use it in ways we never thought possible via APIs. It's such an important topic that I visited Mats in person at The Shard in the heart of London to make a video version of the podcast. The views were incredible, and you can see it for yourself on our YouTube channel. You'll find the link in the show notes. Today, Mats is going to tell us all about the goals behind this initiative, why he thinks Open Gateway will help telcos recapture the revenue they've lost to the software vendors and how the key to making this work lies in attracting enterprise IT developers and building a great developer community. So let's take 20. Mats Granryd is the director general of the GSMA. Hi, Mats, so great to see you.

Mats: [01:50] Hi, Danielle. Great to be here.

DR: [01:51] Oh, my gosh, we're at the top of The Shard in the heart of London with this amazing view.

Mats: [01:55] Yeah, it's pretty nice, isn't it?

DR: [01:56] It's a great summer day and much better than the over 40 degrees that's in my hometown of Austin, Texas.

Mats: [02:04] Yeah, no, this is more comfortable, 22, 23 or something.

DR: [02:05] Oh, it's gorgeous and it's amazing. So I wanted to talk to you about the new GSMA initiative, Open Gateway, and then maybe chat a little bit about MWC24, which is, of course, my favorite event of-

Mats: [02:17] Sure.

DR: [02:17] ... the year, will always be so special in my heart. So MWC23 in Barcelona this year, Open Gateway was a big part of your opening keynote. So Open Gateway is an initiative, at least the way I understand it, an initiative that provides a framework of common network APIs that enable developers to collaborate with mobile operators to accelerate the development of services and apps. As of now, I think you have close to 30 operators on board.

Mats: [02:41] Absolutely, well-read. Absolutely. That's the case.

DR: [02:44] It's amazing. So communication platforms as a service or CPaaS is not new to Telco or to developer communities. I think this represents a killer business opportunity that telcos, for the most part, have seeded to the software vendors like Twilio and Vonage. So I wanted to talk to you about Open Gateway. I'm super excited about this initiative. I think it's a great, great business opportunity.

Mats: [03:07] Oh, good. I like that. Yeah.

DR: [03:07] Woo. Yes-

Mats: [03:08] I like that. Yeah.

DR: [03:08] It's going to be awesome. So my first question is what is the goal of GSMA Open Gateway from a telco perspective? What are the operators trying to achieve?

Mats: [03:17] Well, Open Gateway started really a year ago, and we had this big launch in Barcelona. We said to ourselves, "Let's not talk before we have done things." In Barcelona, we had actually done things. So we had launched a couple of APIs and the whole idea of Open Gateway is really that

5G has so much to offer, and we need to do a couple of things as operators. We need to monetize it, obviously.

DR: [03:40] Yes.

Mats: [03:40] We have a huge amount of capabilities in our 5G networks. So if we open up the networks, make sure that we invite hyperscalers, developers, app developers, use the credentials to solve a common problem, then we are in a completely different ball game. We will be back to roaming, but roaming from an API perspective, not just a voice. I think the thing we need to do is to understand three things: Number one, we need to go up the value chain and not just provide the connectivity for hyperscalers and others, which we will continue to do obviously, but we want to play a much bigger role. We can play a bigger role. Number two is that we need to look at this outside in.

[04:26] With that, I mean if we start as a mobile operator to develop one service, one API for a bank for instance, the bank would be, "That's fantastic, but I only have access to your customers, dear mobile operator. I won't have access to all customers. So therefore, it's better if we can get the bank to come to us and my colleagues, my competitors if you like, in one market to develop an app." That's what I mean with outside in. The third thing is for this STEM to work, we need to understand that we have to federate in a market and then eventually globally, like roaming, we work together. So those are the things we need to understand, and they are fundamentally different in this Open Gateway initiative. Also, 5G is more towards business-to-business. It is for you and me as well, obviously, better speed, lower latency and all that and better IOT connections. However, the business-to-business community is the one that would benefit the most-

DR: [05:24] The most.

Mats: [05:25] So if we are able now to open up our Komodo, if you would like, and then for people to come in and use the credentials-

DR: [05:29] Right.

Mats: [05:30] ... we will then have a much, much better position for us. We will be able to serve our customers, which in this case would be predominantly business-to-business-

DR: [05:37] Enterprises, yeah.

Mats: [05:38] ... yeah, and work together with hyperscalers and app developers.

DR: [05:40] Yep. No, that's amazing. So when you first announced this at MWC23, you had 21 operators on board, now you're up to nearly 30. So why do you think the telcos are so excited to jump and be a part of this initiative?

Mats: [05:54] Because it makes a lot of sense. It makes a lot of sense. We were 20, I think, in Barcelona and they are still the founding starters-

DR: [06:01] Numbers, yeah.

Mats: [06:02] ... yeah, if you would like, and now we have 30. It's more than 60% of the world's subscribers but it is the operators that are the leaders in the world, I would say.

DR: [06:11] But I think you're trying to go after new revenue, new opportunities-

Mats: [06:13] Absolutely.

DR: [06:14] ... 'cause it's not so much the subscribers that you already have on board-

Mats: [06:16] No. No.

DR: [06:17] ... you're trying to find those new pockets of revenue.

Mats: [06:19] New business-to-business, the banks, the aviation, the automotive, the ports - all these activities that we know will benefit from a much better, stronger connectivity and applications that goes beyond just one operator. It goes to the whole community, that makes the difference.

DR: [06:34] Yep, it really does.

Mats: [06:35] Yeah.

DR: [06:35] In that, do you think telcos and especially the leaders of the business-to-business, the enterprise leaders within the telcos have realized that owning these APIs, them being essentially owned by the telco and not owned by Twilio and owning the relationship with enterprise IT developers is the key?

Mats: [06:52] Yeah, I think working together is the key. We're going to put all these API in CAMARA, which is an open platform and you can pick and choose which one you want to have integrate into your network and off you go. What we are doing from GSMA is to make sure that we have agreements, interfaces between North, South, so from a mobile operator up to the hyperscalers and to the app developers and also East, West between operators. That's what we're working with.

DR: [07:15] All right, awesome. I think that Open Gateway is a way for telcos, and this is where I get a little bit controversial, and you know me, so it's a way for telcos to trade out declining and lower margin wholesale revenue, which is where the vendors are really growing. They're taking the wholesale bandwidth and then they're building their APIs on top of it and monetizing it. So do you think this is a situation where telcos with Open Gateway can now offer APIs that are cheaper for them to produce and then are now higher margin?

Mats: [07:45] Well, I don't know, but I think the wholesale model where we are providing merely connectivity will still be there. But that business model is not yielding the returns that we would like to have.

DR: [07:57] Exactly.

Mats: [07:57] Now when we have invested in all this 5G equipment, we see the capabilities, then we have to do something with that. We are sitting on this gigantic horsepower. The way for us is to actually open up and say, "Come, use us. Use what we have developed and what we have invested in." We will, of course, be part of it and we will ride up the value chain but we will work together with

several different hyperscalers, app developers, business-to-business customers to make sure that they get the service that they deserve.

DR: [08:31] So is the idea that the telcos will be building on their own a developer community? Is it a developer community owned by CAMARA?

Mats: [08:37] That's a very good question. We don't really know that yet. I don't think it's going to be operator by operator. I think we're trying to see if we can find communities of sort. We're having an event in Las Vegas with app developers to attract them, for them to understand that we are actually opening for business, exactly, which we haven't been, to be fair.

DR: [08:58] Oh, for sure. I think you're famously difficult to do business with, the telcos are very difficult to get access to the APIs. It takes a long time to sign a commercial agreement. I think where Twilio's really done well, just speaking about them as a vendor that's done very well, is that they've built this developer community that was so easy to use, pay by the use APIs.

Mats: [09:19] Yeah. That is very true. We have been very difficult to do business with. I remember when I was the CEO of Tele2 in Central Europe, even though we all wanted to do business with app developers, we just stumbled each and every time because we were a reasonably big company, and we had this thick of legal requirements and they came, five of them, and said, "Just no way,"- and everything just died. Yeah, and we need to change that. We need to be much more nimble, easier to work with, hence the community hence the idea of having these agreements. So, when you develop something for us, now, this is in the future, it will immediately get access globally. It's like roaming. Again, think of it as roaming, but from an API-perspective.

DR: [10:03] I think the key is, and I think in the old days, let's say 20 years ago, 10 years ago, all those APIs were going through the core of the network and your normal tech stack. Now with, I'm going to say at the public cloud, it gives you some avenues to move some of that traffic off so

you're not using the core resources that the subscribers are using. But now you can use the burstiness, the elasticity of a public cloud to take on extra traffic. I think where telcos get caught up is, "I don't know what you're going to do on my network and so I want to throttle you or hold you at bay." But being able to use the public cloud, I think you can kind of leverage those research-

Mats: [10:39] Certainly, that helps, but of course, there is the radio interface, and we need more spectrum. The more we download stuff over your mobile phone, the more we watch Netflix over your mobile phone, the more capacity we need, the more bandwidth of spectrum we need. Core is, in one sense, easier to fix, because it's more aggregated. Cloud is there for us and the internet is there and we have our own switches, MSEs and BSEs...

DR: [11:07] But the radio-

Mats: [11:09] But the radio-

DR: [11:09] ... becomes the throttle.

Mats: [11:09] ... is a throttling point. Of course, also more investments, and we don't know how much waste that is being transmitted when you download something and watch it, how much ads stuff that you haven't asked for is actually being clogged up in the system at the same time. So it is really a waste management issue as well.

DR: [11:28] It is, but the data just continues to grow, it's insatiable. And telcos, like you said, I think they're sitting on a huge gold mine. We need to crack the net on the monetization. I want telco to win.

Mats: [11:39] Yeah, because this is really important. If we continue to push down, only four or five big players are using our network to satisfy your needs and my needs, YouTube and Netflix and others, that means that we will be building networks, investing for the very few, not for the many. So we will then have to start to think about, should we build coverage capacity in the edge or should we just focus where we have the people, yeah, and that will be horrible. So we are working with something here in Europe

called fair share. Globally, we call it the investment gap, and some areas are not that key and others are very key, in Europe are very key. So fair share is really a way for us to say, "You know what? If you're using our network and in any way abusing it, you will have to pay for it." It's like if you go to the post office and you put one or two letters in it and you don't put the stamp on it, that's okay, we can handle it. But if you turn up every day with five containers, we will then have to build a new site. We need to do no shipping stuff for that to happen, to be able transmit it. It's the same thing here. If you come with the containers, you need to realize that, "You know what? I actually need to contribute some to that investment."

DR: [12:55] Got it.

Mats: [12:56] Or say five containers is now down to three envelopes [inaudible 00:13:00] because we're taking all the waste away. We have had different compression techniques, which means that we can actually push the same amount of content through and the same benefit that you would make would be much, much more efficient. This is all around having enough money to do R&D, to invest in networks, current networks, future networks, in security, in all these different [inaudible 00:13:24]

DR: [13:23] Well, I think this is the question facing the industry, how do we monetize our networks? If we're going to start talking about 6G, which we already are talking about 6G, we need to figure out a way how we're getting the ROI on the billions of dollars that go into building the networks. I think that's what you're talking about with fair share.

Mats: [13:40] Yeah, absolutely. Yeah.

DR: [13:40] So I think that back to Open Gateway, this should be the number one initiative of every enterprise VP at every telco, right?

Mats: [13:49] Absolutely.

DR: [13:50] This is such a huge opportunity for them. So as we were talking about a couple of minutes ago, I think a key is getting these IT enterprise developers, actual coders, and



so how will the telcos attract those developers? These developers know Twilio APIs, not to pick on them but they're the big guy in the space.

Mats: [14:09] Yep. Yep.

DR: [14:09] So the Open Gateway APIs are incompatible with the Twilio APIs, and so is the idea to get them to switch off of Twilio and using Open Gateway? Is the vision that developers will begin to rewrite their apps and use the Open Gateway APIs? Is that the idea that-

Mats: [14:25] Well, let's see. We are testing a whole bunch of different avenues here, and I think we're plowing in uncharted territory, if you'd like. I don't know. Maybe it's going to be a combination of both or maybe we'll find new developers that are completely hooked to the Open Gateway initiative or there will be a combination. I don't know yet. It's still very, very early days. We launched this, as you rightly said, in February of this year, and now what five, six months later, we're here. So give us maybe another year or so and then I'm sure we would have more understanding of what is the best way forward?

DR: [14:59] Right. Yeah, no, that's super key. So MW24, I'm sure you're already thinking about it, in Barcelona-

Mats: [15:05] Oh, yeah.

DR: [15:05] It's coming up in February, and I'm sure you're putting together the themes. The themes have got to include AI or generative AI, and so what are you guys thinking about that? I can give you a couple of taglines. I would suggest a tagline with AI in there like Brainstorm or Trailblaze or AIM, I don't know. Are you guys already talking-

Mats: [15:24] AIM is good, I like that.

DR: [15:26] AIM?

Mats: [15:26] AIM is good, yeah.

DR: [15:26] AI capitalized? A little marketing for you. Yeah, so you guys starting to think about AI and-

Mats: [15:33] Well, absolutely. The themes that will come up in 24 is around those things, more 5G and maybe 5G evolution, Open Gateway, guaranteed a lot of Open Gateway fair share-

DR: [15:46] ... take a whole hall and do a hackathon.

Mats: [15:48] We're going to do that in Las Vegas now 'cause we have Las Vegas in September I think it is, and then you have Kigali in October, in Africa. So they're slightly different, but then Barcelona comes quickly. I actually think that Barcelona will be AI, Open Gateway, fair share, but more applications around 5G because 5G is different than what 4G, 3G, 2G and 1G was. It is more business-to-business, hence, it takes longer time to fully realize the capabilities of it. So I think we should stay in the 5G mindset and then look at the applications that we can do.

DR: [16:23] Yeah. Well, I think this represents the first time that networks could be technically leveraged and monetized through technical pathways. Right?

Mats: [16:32] That's a good way to put it.

DR: [16:32] Way to this point, it's been marketing bundles, plans and tariffs and things like that. But now, and API represents building apps that you don't even know what the use is going to be, and do you need to know? You don't. You're like back to pay for what you eat, right? You're like, "You use a lot of my APIs? You're going to pay more. You're testing a little mobile app. That's not going to take off. I don't want to go through all the effort of signing a big commercial agreement if you're just playing and neither do these little developers and startups. But if you're going to use a lot, I want you to pay for it."

Mats: [17:03] Yeah. Absolutely.

DR: [17:04] Right?

Mats: [17:04] That's it. That's it.

DR: [17:05] So I was at Wimbledon and I managed to get a Wimbledon ball. It's from this year, Wimbledon 2023. It's

my gift to you. It's a used ball. It's a used ball, but it's a Wimbledon ball.

Mats: [17:19] Who has played with it, anyone famous?

DR: [17:21] Yes.

Mats: [17:21] Stefan Edberg?

DR: [17:21] In COVID, I bid on a charity package at Andy Roddick's Foundation. He focuses on underprivileged children that slide in the summer from their education, so he does educational camps, and it's really great. I was on the leadership council there for a couple of years, and so I bid on this package, but it was during COVID and Wimbledon was canceled in '20 and maybe even '21. Then '22, it was a little bit light, so this year I came. So with it, I got a hit at Queen's Club, which has the best grass he says of any grass court in the world, due respect to Wimbledon, but it was really amazing. But we walked on court, and I was hitting with Andy and he is so gracious and nice. On the court to us is Stefan Edberg, who's won 6 Grand Slams. I think he's won everything twice except for the French. He lost to Michael Chang in '89 in the finals. He was there hitting with someone for charity. Andy and I took on his charity partner in a tiebreaker, and I can say legitimate-

Mats: [18:22] Did you win?

DR: [18:23] ... I beat Stefan Edberg.

Mats: [18:24] How good isn't that, huh?

DR: [18:27] It was amazing. So Mats it's always great to see you. Thank you so much for coming on the podcast and talking to us about Open Gateway.

Mats: [18:32] Super. I appreciate it.

DR: [18:34] Looking forward to MWC24.

Mats: [18:34] Thank you for the tennis ball.

DR: [18:35] Yeah, you're welcome. Awesome.

Mats: [18:35] Thank you.

DR: [18:41] 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. Getting the operators to agree to a common API interface was needed and is absolutely key to getting something like Open Gateway to work. It's a great first step, but there are two other critical ingredients needed to make Open Gateway a roaring success. First, operators need to build a killer developer community so that software developers can easily access technical documentation that facilitates building new applications. Good news, that's the easy part. The other thing we need to do is figure out how we're going to attract the hoards of software developers to actually use Open Gateway APIs in their application. That's the hard part. Obviously, software vendors like Twilio have already cracked this nut. The open question is, how will Telco operators do it too?

[19:35] I think the answer to recapturing this lost revenue lies in figuring out how to leverage telcos' enterprise relationships, and the legions of developers in their IT departments. If we can figure that out, Open Gateway will be a huge success, and I have a way for telcos to attract those enterprise devs. If you want to find out more, I'll be announcing a new Totogi CPaaS offering with a twist on September 5th as part of Telecom TV's Cloud Native Telco Summit. You're not going to want to miss it. It's definitely must see tv. Shoot me a DM on LinkedIn or Twitter at TelcoDR for more details. While you're at it, sign up for my must read email newsletter and check out our kick-ass YouTube channel. Then go listen to more Telco in 20 episodes, like our first podcast with Mats back in Episode 28 and then hit that follow button. Share our podcast with your colleagues and leave us a five-star review. Later, nerds.