

# Digitalization of industries and IT development: during crisis and beyond

## Analyst outlook update

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# Orange Business Services today



**7,3 billion €**

revenues in 2018



**+ 3 000**

enterprise customers



**25 000**

employees

half of them in international



**2 millions**

SME customers



**+ 200 countries**

« Global Vision & Local Care »

# What's the subject?

Highest ICT spenders are impacted most...

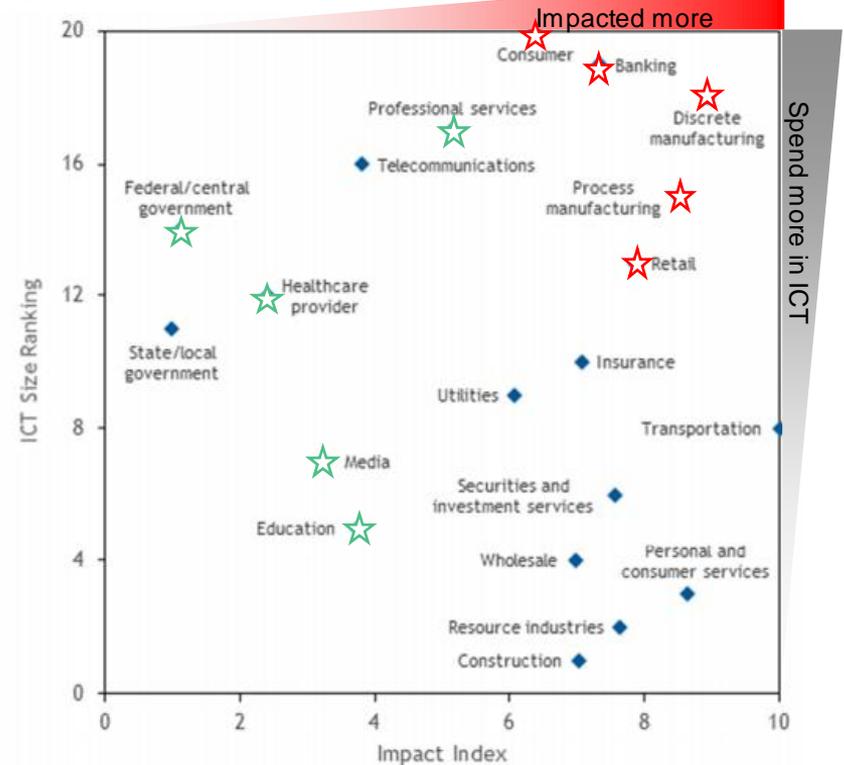
...and they are our customers

We want to anticipate their needs and get ready to help them live in the new normal

What challenges and processes will happen in the end of 2020 and 2021?

Government and healthcare are out of the scope

Impact Index and ICT Size Ranking by Industry



# Industry and manufacturing (incl. extractive)

## COVID impact and prediction:

Discrete manufacturing 9/10

Process manufacturing 7/10

Resource industries 6/10

Short term: **negative**

Long term: uncertain

**Mergers and acquisitions:** new projects for IT and processes consolidation

**Focus on remote work and Health and Safety, automation of repetitive tasks, wider acceptance of unmanned vehicles**

**New customer behavior:** shift to e-commerce

*“Last pandemic did give way to the ‘roaring twenties’...”*

**Diversification:** new markets, new challenges



# Banking, insurance and payments

## COVID impact and prediction:

Banking 5/10

Insurance 5/10

Short-term: **negative**

Long-term: uncertain

**In longer term:  
infrastructure shift to  
mobile-native and cloud-  
native**

**Shift from customer  
acquisition to retention:  
new ways for customer  
interaction and big data**

**New customer behavior:  
get used to digital  
channels and remote  
payments**

*“Significant negative impact across the entire value chain but ultimately “forcing” through necessary business model change”*

**Remote work – new  
reality with all security  
implications**

Sources: Gartner, IDC, GlobalData, May-September 2020



# Retail

## COVID impact and prediction:

Retail 8/10

Short-term: **negative**

Long-term: uncertain

**E-commerce** will drive digital transformation and tech investments

**Reviewing store presence, reinforce multichannel, engage customers through web, SM and streaming**

**New competition: faster, agile, better logistics and supply chain**

*“Fewer non-food retailers will mean fewer suppliers and prices will rise”*

**Less competition: weaker players close emptying niches for new ones**



# Transportation and tourism

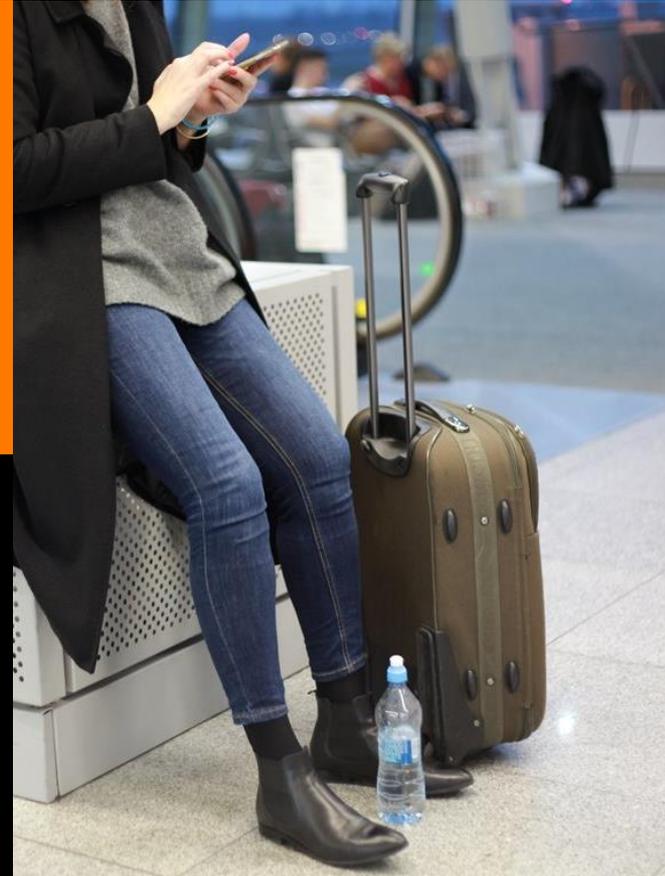
## COVID impact and prediction:

Transportation 9/10  
Short-term: **negative**  
Long-term: **negative**

**How to plan unplanned?**  
Turn Irregular Operations  
into opportunities:  
predictive AI, big data

*“Airline CEOs predict their businesses will be smaller, leaner and more agile for the next two to three years”*

**Demand for travel will return in waves as restrictions will be lifted (or re-introduced). A new normal will emerge**



# Telecom and IT

## COVID impact and prediction:

Telecommunications 3/10

Short-term: **positive**

Long-term: **positive**



*“In many ways the telecom sector is built for the demands of COVID-19”*

**Hardware: PC, Servers, Smartphones, Printers are most negatively impacted  
IT projects on hold, but yet not canceled**

## Now: eApplications and remote work

Unified communication and collaboration, e-commerce platforms

## Mid-term: security, reliability

Cyber-security, health and safety, process automation, helpdesk automation

## Long-term: Scalability and infrastructure, supply and demand prediction

Cloud, WAN, AI, Big data, Edge comp.

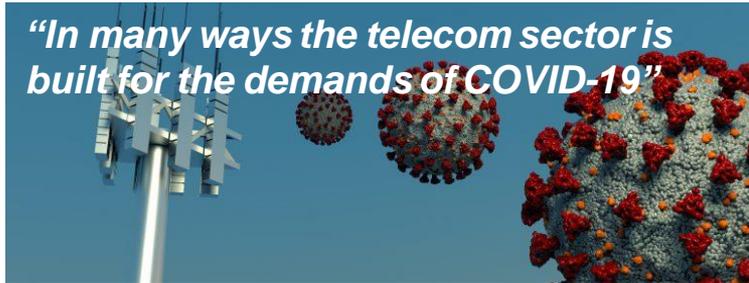
# IT and enterprise services, Telecom

## COVID impact and prediction:

Telecommunications 3/10

Short-term: positive

Long-term: positive



## Demand evolution

Now: eApplications and remote work

Mid-term: security and reliability

Long-term: scaling and infrastructure

Sector	Mid term	Long term
Enterprise technology and services	Adapt <b>pricing and contract terms</b> to help clients to recover. Restart of delayed projects. Reduce reliance on China. <b>CX projects</b> are driven by more digital awareness	Sensors market is up uplift in cloud demand, robust home working solutions, and automation. More demand on technology to <b>serve existing clients</b> better.
Telecom	Security, multisourcing, network will grow, digital channels develop	More acceptance of AI and data technology for cx innovations. Industries will be more digitally transformed. Remote work is a new norm. Digital self service accepted by customers

Where Will the Industry Invest	Positive Outcomes for the TSPs
<b>Unified communications, mobile app development, data center, cloud, security</b>	Increase in demand for remote work collaboration and communication tools. Demand for better network connectivity

# How our customers face changes? Mini survey.



**83%**

Of employees work remotely on average

**71%**

is sure that part of their employees will continue working remotely

**43%**

See increase in cyber attacks

Large IT projects:

**51%** paused

**37%** no change

**12%** canceled

# Summary



**Top spenders are also top impacted companies and our biggest customers: FMCG, Manufacturing, Retail, Banking**

**We can help them with overcoming M&As, entering new markets, diversification, shift in consumer behavior and new norm of remote working**



**New opportunities can also be found in less spending but less hit verticals: Education, Media, Healthcare, Government**

**They can demonstrate demand in more innovative services, but can be uneasy to enter**

Impact Index and ICT Size Ranking by Industry

