A strategic C-suite playbook for navigating the 5G world

By 2023, 5G will make up 1/5 of all mobile data traffic and is forecast to drive a $12trn economic opportunity in hardware, software and services.1

However, telecom executives are progressing much further with developing 5G technologies than building out actual business use cases and commercial strategies.2

The current status of 5G strategy development (%)

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3 Markus Aqua, “Bridging the gap to 5G revenue streams”, BearingPoint. Available at: https://www.bearingpoint.com/en/our-success/insights/5g-revenue-streams/

Roadblocks to 5G roll-out

Uneven impact
Some sectors will be transformed by 5G while others will feel little effect.

High cost
5G requires significant capital investment.

Unclear commercial prospects
Revenues could be five to seven years away.3

Regulatory uncertainty
5G requires complex spectrum licensing processes and introduces new security risks.

How can telecoms turn 5G into a viable business model?

Revenue
Spend is the short-term hit to generate long-term returns, but operators must also reap both top- and bottom-line benefits.

Carefully target industry verticals based on specific 5G benefits—low latency, network flexibility and device density—and create value propositions, offering both

Avoid fixating on specific use cases. Discover or create new marketplaces and revenue models.

Make up for the outlay by reaping both top- and bottom-line benefits. Carefully target industry verticals based on specific 5G benefits—low latency, network flexibility and device density—and create value propositions, offering both.

Culture
Enable enterprise agility through edge computing. (Cut costs and expand services.)

Calculate how each of 5G's benefits—low latency, network flexibility and device density—could address challenges or present opportunities within verticals.

Avoid fixating on specific use cases. Discover or create new marketplaces and revenue models.

Collaborate and share insights as part of a more dynamic and open ecosystem of players.

Shift from a mono- to multi-product mindset to understand the needs of a wide spectrum of clients, from factories to stadiums.

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Security
Brace for new cyber threats. 5G opens the “attack surface” by bringing more devices and opening up networks. The telecoms industry faces DDoS (distributed denial of service) attacks almost twice as often as the second most targeted sector (financial services).

Cyber-proof potential new entry points for hackers that the growing role of software in the 5G ecosystem creates.

Scrub data and silence threats. Cyber-proof potential new entry points for hackers that the growing role of software in the 5G ecosystem creates.

Agility
Enable enterprise agility through edge computing. (Cut costs and expand services.)

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Enterprises should have a good grasp of all potential entry points for hackers that the growing role of software in the 5G ecosystem creates.

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