



From telco to techco:

Enabling the future of digital transformation



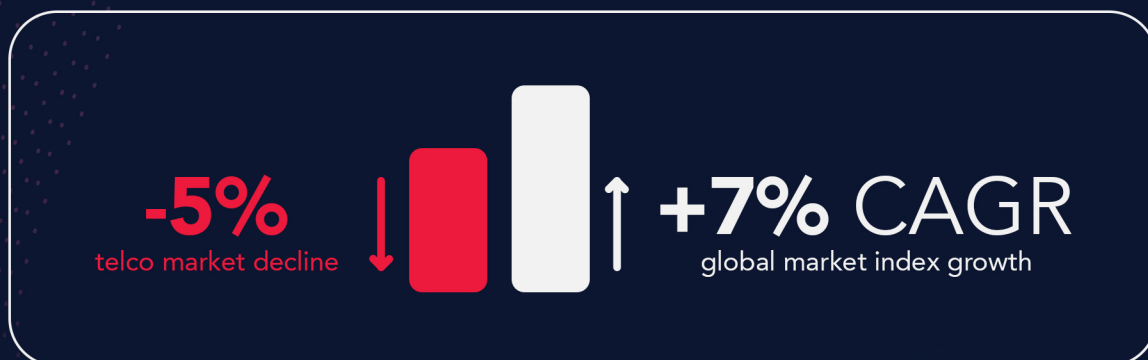
Time to evolve

The telco (telecommunications) industry is at a crossroads. It's no longer just about providing connectivity. It's about driving digital transformation.

Over the past decade, big tech and over-the-top (OTT) players have laid siege to telcos' value propositions. OTT companies (think Teams, Zoom, WebEx, Slack, and WhatsApp) rely on telco networks for their success, yet telcos have struggled to monetize these interactions.

At the same time, global enterprises are embracing digital transformation, relying on technologies like cloud computing, artificial intelligence (AI), and edge computing to drive innovation.

Telcos face declining profitability, even as the digital economy booms. A recent report by Ernst & Young revealed a 5% decline in telco market capitalization against a 7.1% annual growth in global market indices, driven by many of these big tech and OTT players.¹ This stark contrast highlights telcos' urgent need to evolve.



Executing a transition from telco to techco (technology company) represents more than a strategic pivot; it's a survival strategy. By moving beyond connectivity to offer advanced digital solutions, telcos can redefine their value in a rapidly changing landscape.

Telcos have a clear opportunity before them: businesses need partners that can help them navigate their digital transformation, and telcos are uniquely positioned to deliver.



The challenges telcos face today

Telcos have built the backbone of the digital world, yet they face significant challenges:



OTT competition:

OTT providers have shifted customer expectations and captured a significant share of digital revenues. Telcos are left managing the infrastructure while OTT players profit from the services.



Rising network demands:

The explosion of edge-to-cloud traffic has pushed telcos to expand their networks, but without corresponding increases in revenue.



Profitability pressures:

Declining market valuations and shrinking margins make it harder for telcos to compete and invest in innovation.

These factors have made techcos highly valued by investors and stock markets, further fueling the shift to the new business model. According to STL Partners, despite generating similar revenues, leading telcos have a significantly lower combined market value than techcos.² This is because investors view techcos as having greater growth potential, making them more attractive and valuable in the long term.

Supporting enterprise digital transformation

Enterprise customers are leading the way in digital transformation. They're reimagining their operations, adopting new technologies, and building smarter, more connected systems. Telcos can play a critical role in this journey, providing the tools and services businesses need to succeed.

Why digital transformation matters

Digital transformation isn't just about technology – it's about reshaping how businesses operate and deliver value to customers.

By adopting advanced technologies like high-speed, low-latency networking, flexible compute and storage infrastructure, advanced security, and data-driven intelligence, enterprises can modernize their operations at scale. These tools improve efficiency, foster innovation, and deliver better customer experiences, ultimately driving revenue and profitability.

Essential capabilities include:

Programmable networking:

Lets businesses control and customize their connectivity in real time, ensuring optimal performance for specific use cases like video streaming, autonomous vehicles, or real-time analytics.

AI & machine learning (ML):

Analyzes vast amounts of data to uncover insights, predict trends, and automate repetitive tasks. Manufacturers can use AI to predict when machines might fail, reducing downtime and improving efficiency.

Digital twins:

Create virtual versions of real-world systems, allowing businesses to test scenarios before making changes. In construction, this means planning buildings more efficiently; in healthcare, it means simulating medical procedures.

Zero trust security:

Assumes no one can be trusted until verified, offering businesses strong, adaptable defenses against threats. With more devices and people remotely connected to critical data, businesses need robust cybersecurity to automate threat detection, prevention, and responses.

Edge computing:

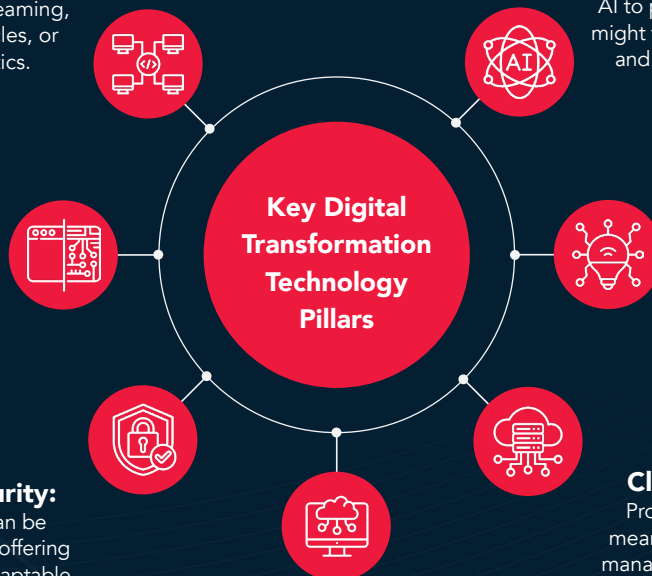
Processes information closer to where it's generated, whether that's a factory, a retail store, or a hospital. The lower latency speeds up decision-making and ensures data remains secure.

Cloud computing:

Provides companies the means to host applications, manage data, and scale their operations seamlessly. This allows geographically dispersed teams to collaborate in real time, boosting productivity and reducing IT overheads.

IoT (Internet of Things) solutions:

Enables devices, robots, machines, and sensors to share real-time data. In logistics, for instance, IoT enables smarter warehouses by tracking inventory and optimizing delivery routes.



Telcos are perfectly positioned to deliver these capabilities, utilizing their networks and expertise to support enterprise transformation.

The path to techco: A vision for telcos

Embracing the techco model calls for telcos to reimagine their role, adopt new technologies, and deliver holistic solutions that create value for customers. Here's what the journey to techco looks like:

Expanding beyond connectivity

Traditional telcos focus on connectivity – managing the pipes that carry data. Techcos, on the other hand, provide comprehensive solutions that integrate connectivity with cloud computing, AI, and advanced applications.

Leveraging new technologies

The techco paradigm calls for telcos to adopt cutting-edge technologies and services, including:

Intelligent network fabrics:

Networks that adapt to user needs, delivering high-speed public and private wireless connectivity with built-in security.

Multi-access edge computing (MEC):

Processing power closer to users, enabling real-time decision-making for industries like manufacturing, healthcare, and logistics.

AI & ML:

These technologies help telcos analyze vast amounts of data, optimize network performance, and support industry-specific use cases through partner ecosystems.

Open interfaces:

Encourage customers and ecosystem partners to programmatically control network and compute infrastructure through open interfaces.



Cloud-native infrastructure:

Flexible systems that allow telcos to offer programmable services like network slicing, traffic management, and scaling on demand.

Public cloud integration:

Seamlessly connecting telco services with cloud providers like AWS, Microsoft Azure, or Google Cloud.

Advanced security:

Robust security across all layers of the technology stack protects data, networks, and applications from evolving threats.

Industry-specific applications:

Partnering with software developers to create tailored solutions for verticals like retail, transportation, and healthcare.

Unlocking revenue opportunities

The techco model lets telcos monetize their infrastructure in new ways. Instead of just selling data and SIM cards, they can offer premium services like edge computing, digital twin simulations, and advanced security.

Differentiating through ecosystems

Telcos thrive by building ecosystems. By partnering with software providers, device manufacturers, and cloud platforms, telcos can offer bundled solutions that meet diverse customer needs.



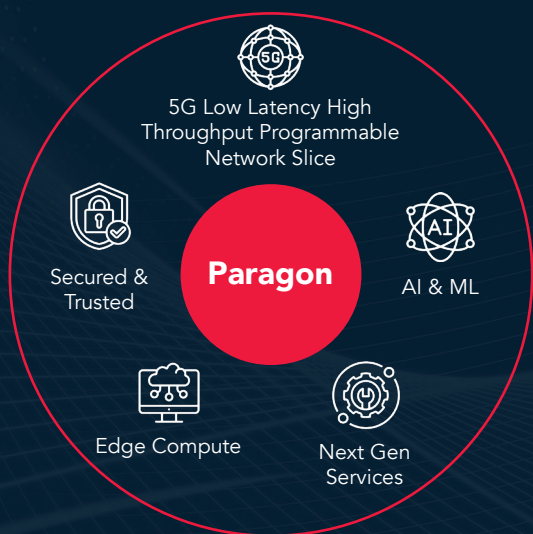
Singtel Paragon empowers the techco evolution

Singtel Paragon is the platform that makes the telco to techco transformation a reality. Designed to simplify operations and unlock new revenue streams, Paragon unleashes the benefits of advanced technologies like 5G networks, mobile edge computing, public cloud integration, and AI and combines them into a single cohesive solution.

How Singtel Paragon works

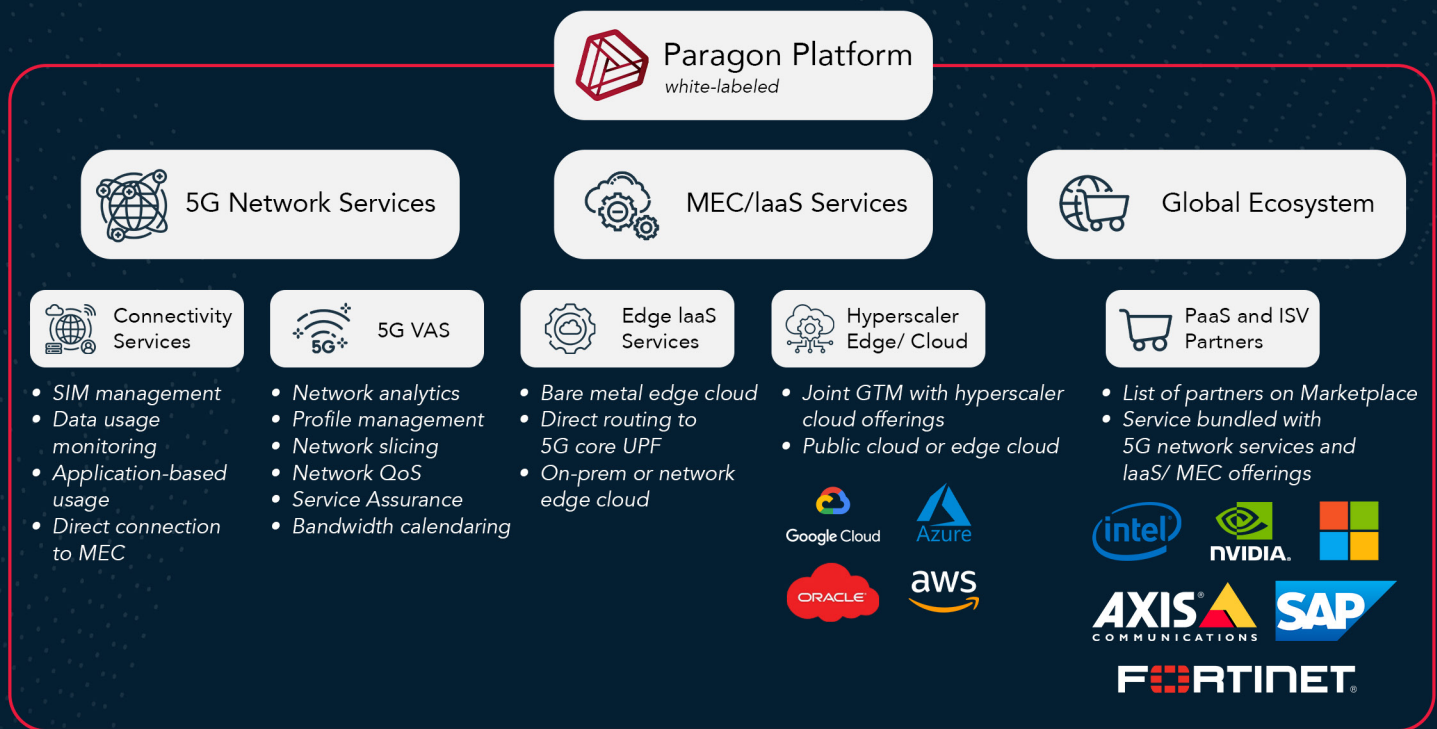
With Singtel Paragon, telcos can shift from being connectivity providers, managing their networks, and offering full-service techco services through a single, unified platform. Here's what it brings to the table:

- **Connectivity management:** Easily activate and manage 5G network connections throughout their lifecycle. Telcos are in control in turning connections on or scaling them to meet demand.
- **Edge computing:** Deploy and manage mission-critical enterprise applications closer to where they're used. Whether it's a factory running AI-driven machines or a retail store analyzing customer data in real-time, Paragon supports edge computing on telco or customer-owned infrastructure.
- **Network slicing:** Deliver customizable connectivity experiences tailored to specific enterprise needs. For instance, a hospital could have a secure, high-priority network slice for life-saving applications, while a retail store might prioritize real-time inventory tracking.
- **Multi-cloud management:** Simplify how businesses deploy and manage workloads across multiple public cloud platforms. Paragon makes it effortless to choose the right cloud for each workload, reducing complexity.
- **Advanced network services:** Use open APIs to unlock powerful capabilities, including:
 - Device location tracking for smarter logistics
 - Authenticating enterprise customer connections without additional credentials for seamless security
 - Ensuring network quality on-demand to meet the needs of high-priority applications
- **AI Cloud services:** Provide enterprises with affordable access to AI technologies leveraging next-generation GPUs hosted in liquid-cooled, energy-efficient data centers.



Why Singtel Paragon stands out

- **Single pane of glass:** Manage everything – networks, clouds, and applications – in one place.
- **Revenue diversification:** Unlock new revenue streams by offering premium services to enterprises.
- **Future-ready:** Accelerate Industry 4.0 deployments, from AI-driven factories to smart cities.



Transform your telco today

The telco-to-techco journey begins with Singtel Paragon. This platform empowers telcos to expand into new markets with innovative solutions, monetize their networks and applications, and support enterprise customers on their digital transformation journeys.

Five global telcos have already adopted Singtel Paragon to accelerate their transformation: AIS (Thailand), Chunghwa Telecom (Taiwan), MASMOVIL (Spain), Telkomsel (Indonesia), Singtel (Singapore), and Maxis (Malaysia).

Join the global telcos already transforming with Paragon. [Schedule a consultation today](#) to discover how Singtel Paragon can drive your success.

Awards



**Future Digital Awards 2025
- Telco Innovation**

Best Network Orchestration Solution in Telco
- Platinum Winner Singtel Paragon



**Carrier Community Global
Award 2024**

B2B Enterprise Service of the Year
- Singtel 5G



**Frost & Sullivan Best Practices
Award 2024**

Asia-Pacific 5G Enterprise Technology
Innovation Leadership Award



**Frost & Sullivan Best Practices
Award 2024**

Asia-Pacific 5G Enterprise
Company of the Year Award



**Frost & Sullivan Best Practices
Award 2024**

Asia-Pacific 5G Enterprise Enabling
Technology Leadership Award




**STL Top 100 Edge Computing
Companies 2024**

Singtel Paragon




**World Communication
Awards 2024**

The Platform Award



**Asia Pacific Cloud & Datacenter
Awards 2024**

Delivering The Edge - Singtel



**Asian Telecom
Awards 2024**

B2B Client Initiative of the Year (Singapore)
- Singtel 5G



Reference

1. Joongshik Wang, Bastien Puech, and Anshul Mahendra, *How can telcos capture the B2B opportunity in an increasingly competitive space? Unlocking the B2B potential for the telecommunications sector* (EY Parthenon, 2024)
2. Nicola Warren, *Telco to techco – what does it mean?* ([STL Partners](#))