



KPN - TAKING BOLD ACTION TO POWER INNOVATION

VIDEO TRANSCRIPT

or those of you who've been here for the della session now, we're talking about another great, great client for us and great partner, KPN. We add in the Netherlands, I think more than one person out of two is watching TV on your buffer. And this guy, and this guy is the guy that leads TV in the Netherlands. So I'm very happy here and thank you for being part of this. Thank you for inviting me. Sure, sure. We want to create three other every day. So it's, it's like rock music at a basket of sociali e much better than India, right? So you want to introduce yourself? eah, I'm like stated here, working within KPN, a company that's the national heritage, I think, telco side, so we're ready to increment operator already transformed herself the last 5 years significantly from its telephony partner to broadbands with a large amount of fiber, we have to be rewarded. It's quite recently as having the best mobile network in the world after quite a lot of hard work. And also our media has grown the last couple of the ten years. So we transforms already much more to transform in the next years. And we're going to talk specifically on TV site where you're doing so that I get very good. And I'm, you know, alassi, I'm part of Accenture products and platforms. That is a group inside Accenture that beats commercial products, commercial software platforms. And we work, of course, together with the other Accenture entities like constant media consulting team, technology, outsourcing song to create these important transformation progress. So the way we like to work is with clients like Kavya and that have an ambition that

wants to grow and give us a challenge for us for, so we don't like, what did I just give the people and say, okay, we want you to develop this, but we want really to embrace this kind of challenges from our clients. And I think there was one of the best examples in the last year for me. I think some of you been already here in the previous session, but I want to just recap what we see in the industry, especially on the Telco and cable companies. We see that many, many of these companies are positioning themselves as an aggregator. I think these, especially in Europe, I think at the difference between KB and say the European Telcos and the S companies in the Telco edia Space is that the level of scale that Europe is much more limited. So also the level of investments in terms of content production is limited. And so the telcos are really creating a large ecosystem of content and third-party services. And that's exactly the case of AP . We're doing this in a perfect way to to create customer engagement and to get the data, the data. I think what I've seen really the big change in the last , months, especially under pandemic is these ambition of start thinking about how can I collect the data. We recently had some clients that asked us to be also introduced into the advertising market, telcos. So think about how much data a telco has and what are the opportunities they have to monetie this data. And if they play as an aggregator, this isn't even a chance more because when you aggregate multiple services, you can, you can discover everything.



you can discover how many people are in the family, what time are they getting back home or leaving the home. And which subscriptions your kids have. Do they have all KPN or they have also competitors, right? So without even knowing that the identity, so in full respect of GDPR compliancy. So it's really the third criterion can increase the addressable market by playing as an aggregator. And this data can be used to monetize more depth traditional products. So as I said before, you have on the right side this digital products. You can even give for free, right? The Telco can give it for free to gather data and use the data to sell more fiber or to sell more mobile subscriptions or broadband and mobile phones, right? Because that's kind of exchange between the digital products and the traditional products is I think, I believe is what can make telcos growing like AP. That's another important element we've seen before we tell us, but also KPN Kiviy and built a very important engineering capability. So the data client of ours since. So in the last maybe eight years, nearly nothing. They're ready. They're really embrace that files many years ago. I think it was probably one of the most brilliant example in Europe was for some period, really an example for other telcos. The way you embrace the child. Working with data to drive engineering. I think we have been and we try to become that again. So that's more or less the journey. We're not really having engineering people looking at not only how many lines of codes and delivering, but thinking about what is my productivity. So how many story points I delivered last sprint and how can improve that? And what is the business outcome I created? Not just delivering in line of codes, but how did they impact the KPIs of my business in the value stream, right? That's something that the business appreciates into the technology and the technology should strive to call, to connect with the business. Having different roles in the same squad, but all of them thinking about the same KPIs. These, that's why we introducing Hebbian since the beginning of value three. So really why how you're getting your revenues from where? So which products are you're driving? You're sharing reduction, you derive your customer engagement. All these KPIs are observed by the product managers.

And the product managers think about an hypothesis saying, I want to influence much better the charge on this segment, I make an hypothesis. I stopped developing software, and I connect these with my value three. And at the end when I wrote and when I roll out this feature Introduction, I can check if this is happening. It's just not happening. I just shut it down and move to the next type of disease. This is what we call fail fast. And I think we're really enjoying life. We keep you in working this way and that's very, very interested. And I mentioned, I think it's also the other way around. I think the current situation. We come back to AP. I think more specifically a couple of seconds. I think working with a lot of engineers on our side, but also on the side of Accenture because you at the end are delivering us the basic products We do integrated, I think, also has a negative thing maybe in it that's also find that r should be so more steering on it or shouldn't you add the prioritization and the cooperation on what you have to move fast. You also have to decide where to invest on and where to really focus on. And that means also that's combining two cultures, that Accenture culture which is quite focused on delivery and on home time, everything being checks and the AP culture being more like, let's try it and let, let's get started. I think that is a culmination and also we decided to embark on once more last year to really bring that together. And I'm saying that because I think engineers, I'm also an engineer originally. I think there are two basic people really creating the show, but some steering is also needed. Some project management and delivery is also needed. Next to the technology integration, I think also the way of working. And sometimes it feels like a clash even within Teams, but it's also needed to create something new, to create a new setup and also has been the reason the last year to really say now let's embark on a new era, on a new journey together for a couple of years at least. And then the agony I fully, because there was a lot needed to come to this, to this trend, to tackle



them and to come to the right answers. I need engineers, but also need steering and it's good platforms, you need good cooperation. So bringing that all together, I think as the real critical mix of the thing, definitely, Definitely experimentation, culture, KPN as is. We'll see later also some other elements. So let's, you want to comment about keeping a little bit. I think I already was mentioning about KPN. What are we? We are a company that's really in the society like a little incumbent telcos will be. But I think running a lot of mobile, a little fixed, but at the same time, starting ten years ago with our journey on a media sites. At that time we only had a very DVT market share around to four or 5% of the country was watching TV through KPN. That has grown over the last years. And I think especially in the first five years of the ten years period we were mentioning, we did grow to one-third of the nation is watching TV through KPN. We have been doing because we extended the feature set with creating replay, with creating a catch-up with recordings. And that's what PVR with the little things that currently are quite common and are quite used by everybody. And that's all I'm five or ten years ago. It was still quite a challenge to go through it then they also did the broadcasters. We're having to adapt things when we were doing it. We needed to adapt to the old model of technology and how we were controlling it. So that happens. In the meantime, he kept on extending our base so more apps, Alright? Of course that for k, we have IPTV set of boxes. We have all the screens more or less. And we did ignites the last five years as well, smart TVs, iPhones, whatever. But at the same time we are, I think very important States right now. I think like at least in Europe, a lot of over-the-top is really hitting in. So it's not like there is some over it, It's open Netflix, but it's all over the place. I think half of the advertisement in Holland is about streaming part at parties. And how to come to not only have relationship with them, partnership with them, but also to create a new setup. That's also a thing we are doing or thinking. But also in the future site network PVR is there people get used to catch up everything. It's already common, but what's next? What about it's really recommendations.

What about really bringing stuff like integrations and good search engines? I think that's also is requiring a new set of more or less that we are creating. Not only on the way of working together with Accenture, but also on the technology side. Because at the same time having a service for ten years, you can also imagine legacy is also hitting in that moment, you have platforms for ten years. You have Settle boxes that are 12-years-old Jeff, as stuff that has also its goods, delivering the best MPS on the market. But you know, it's not good enough anymore, so you should change it. And that's exactly the point we are at the moment. I have. The disadvantage of being in the Telco income. And Telco is that people do expect you to deliver the best quality always. And to be honest, my board is expecting me to do that every minute of the day as well. So I there's something in how do we change that together and that's, I think, where we became last year. Things shoot change. Some part of the legacy should really be, we should be phased out, but get over it. It shouldn't be a new, much more flexible setup to embrace all these new innovations. And at the same time we should keep it stable. And how can we do that together? I think I said doing it with good engineer's only on KPN site. It's not enough. I'd like to have partnerships for me to major partnership is with Accenture to create that new space, that new technology space, but also the new way of working. And at the end on top of that, of course, the most important part, the new value, because that's what we do it for. Yeah, I think that is the step that will come quite soon after. But that's all the three aspects we do. Combine things. Yeah, Indeed, indeed that now what I appreciate that and I really blow me out. When during the pandemic they came to us and saying, We love the platform, we have p, But this time to change again, right? The last change we made in KPN, we unified our products. So now there is a unique set of APIs serving unicast, multicast, unique set of microservices. Now, they came to us saying, we want to increase our efficiency,



we want to increase our speed. We are now convinced about the Cloud. So we want to move completed the platform from the data center to the Cloud. And these under pandemic. So I think I really recognize the barrage of KPN in embracing these challenging initiative under such a complex period like Katie, tell us we discussed. But it's also needed. I think it's not only decision about but it wasn't easy. No. True. Maybe a little bit easier moment now because we did last week, the last part of our Cloud migration. So debts, having talked about it's five weeks ago, maybe I would have said something else, but right now, it's already a little bit more comfortable. Yeah, the first piece of the, of the art has been delivered. So checking a box, but I've Cloud is also needed. I think not because only we want to focus more on disservices, we want to focus as CAPM more on the customer experience, which at the end is what it's all about. An abstract more from infrastructure Doris, I think the clouds and important step forward, but it's also to create opportunities to have better services on top of it. So that, that, that's for me another in the same coin and flip of the coin. The other side, I think it's also needed for death. And keeping us on the on-prem thing is not only less cost efficient and less flexibility and everything should be aligned internally. That is what we're fixing as well. But I think it's also about the possibility to really automate and standardize more and then focus really on the customer side of things. And I think you're right that I think KB and probably my experience across the globe, one of the first client measuring the net promoter score. I seen your management and all of you are really obsessed by net promoter score. Yeah, I was discussing before like the KPIs that turquoise absurdly should change. You've been pioneering this as I think that MPS on the service is really important. That's at the end where the mouth of the customers go into notes, tourists but through to its neighbor or to his friends. And having an NPS That is significantly over 2025 plus that's a higher even enough. I think that's very important in the growth ten years ago. But also for the change that we're going to make. Because in case people say to each other a, that this service is stable and his goods, but also they are

introducing cool things on it. I think then the whole machine and the whole commercial machine has really helped much more than having other sounds, other noise around it. At the same time as I just mentioned, it's always critical. We do check a lot of metrics, but one of them is also about the, the messages of people on Twitter, for instance, within, really, within seconds I see things happening. There are moments when something is wrong, it's directly visible, and it's also a reason that we should be very strict on it. I would do it. Yeah. So they came to us just in a nutshell saying, Okay, I want to adopt cloud. And I think this was the first important programming KPN, leveraging Amazon Web Services. We want to increase our time-to-market because of course, the datacenter is a major impediment when you have to provision hardware and IP addresses and you have to deal with a lot of cables. And we want to have a simplified TV operating model. Means having these squads, having people collaborating much better, removing barriers. Of course, they have big investments in fiber and they see this as the current strategy. Investing in automation so that the software is really coming out from our software repositories then goes in pre-production and production. I think for the first time I've seen performance test happening in production. Really this, this is really a sign that it can happen much, much easier and much faster than before. Because probably with the amount of customers they have now on the platform is also complex to simulate that amount of time. But we'd with multivariate testing, Kennedy testing and this kind of mechanism. It's possible to test the new feature directly in production rather than the traditional I test it and I deployed it. Don't call it trial and error. It's the tuning and tweaking. Its otherwise my board members getting really set up. What are you doing as someone called fail-fast? But I don't want people to ask. And social interaction again, they are following the customers across



all the digital properties, really. That's what they, that's also an area I think for more in the future. I think that that's one of the things on top of a Cloud-based. But also I think we're going to mention that as well to microservices based architecture. I think parts of that microservice should be filled with the social components and warming the interaction directly towards the customer. So that's not there yet, but it's something that we are looking at and we're working on more or less at the moment. Because I personally think that that is part of the cool stuff that you should have in order to have a rule in households and have a rule not only for our gray bolt people as me, but also for my, for my child of seven years old. It was never watching the TV. I should attract them there. I should bring him to the screen and you should also have a feeling like their school stuff to be done there. Yeah, yeah. Alright, so in a nutshell, I'll did we shape the program bin for initiatives? Of course, the journey to Cloud, where we lift and shift at all our platform microservices into Amazon. And also in this case, KPN was now to start playing with Amazon native stack. Starting from the container, the container sensation. Firms that already, I think maybe recognizable within more operators, but we have big discussions about this secure enough and how can we work on it. We did not start with TV. We did start on some other systems and our policies on it. I think we're at a critical face. We did that two years ago. So it's really come to policies about everything on privacy without security and everything too. We have also the reliability in place to do it. And it's not too difficult. But I think the policy part was for an incumbent talc or at least was very important to have it. Because that's not a technical, but it's at least a contractual basis. You can put it on. We did it and I think then we'll adjourn journey to Cloud seems like read It's only lift and shift. I think that the last nine months we did it to get Arthur starting in January, preparing all the scripts, testing them, having low test, having all the setups with Amazon in place. We started in June more or less with the migration itself, only small numbers. One of the important things that I learned is that I have to align every minute

with our call centers and with the people in the operation side. So we create it's real small batches to align constantly so we can, on the day we can decide yes or no whether there is something an outage. I don't know whatever service that's not a day to do it, so stop it. But also to older migration scripts that were there. I think they brought us really a flawless migration at the end. And I'm dare to say it's here in the room because normally maybe it's a word, but after all the testing and all the activities we did, there was not a I don't know the English word, but a number of people falling out of the process was really limited to less than 100 and then 1%. So it was really flawless in a way that we could migrate customers with all their settings, older recordings, older preferences in a flawless way. I think that has been also very important because otherwise our call centers would have exploded most probably it goes missing. A couple of recordings are missing, your preferences are missing, whatever is already a reason to explode as a customer. So we were able to do it flawlessly after six months of preparation and three months of execution. I think that was a great job. Yeah. But there is one more Tacoma think Go-To-Market services. So somewhere next year, we should do in your role as well. So the analytics is central in their strategy. And now every time we deploy new feature, the feature counts with the data collection framework. So for us the definition of done over feature is not to put the fissure in production, but having the data coming. Because these Is creating the value in the liver in a fissure. A fissure that is blind in production doesn't bring any value, right? So you should design the feature, the microservice with the right datasets that can come having data quality testing frameworks and the so that the data can be consumable in a much easier way. The deaf time and effort by consolidating code base of the over-the-top TV applications.



Of course, KPN, all kinds of applications. They are now starting. We're not starting experiencing and prototyping some frameworks to reduce the complexity of managing these large amount of applications. Yeah, think about also ADS allows you to develop all the business logic server side. So we do not just manage the user experience in terms of look and feel of the applications, but you can create a new API on the fly. You connect it with a collection of content. You don't touch the applications. That is reducing by 40% or even more. The amount of lines of codes you develop inside the application that reduce the application sites. It allows you to download it much faster. It allows you to maintain it much easier at a lower cost. That's also an important point and not only buds developing, it's also about maintaining. And in case you have less code, it's easier to automate it answered to maintain, it's automated. And at the same time, have again, the developers focus on new developments and not on maintaining stuff. And I think that's also one of the critical points for the years to come or two-quarters to comb to really show it. Because then we have the opportunity to create that new things is that they are only working on the concept we're working on. We have around 6677, I think codebase at a moment for iOS, mobile, Android, mobile business Divi, web TV, smart TV. Now you can add in another couple of them. All of them is, you need also to have control over it. You need to maintain it. And that's one of the things we do next to do microservices code-based thing, to have the frontend convergence as well. And it was a big debate internally because a couple of my developers, we're really talking about native development. We believe in Android, we believe in iOS native. Eventually, I think after a couple of trials were at the moments that we can say yesterday also, they are convinced to do it a little bit differently. And with this mill t equals bathroom ideology, I think it's there to really help us. It's not a promise anymore. It's really a thing that can help us in merging things and then focus again on the innovation part. Yeah, I think this is another confirmation about this attitude, this culture of KPN, of experimenting, continuously experiment new stuff, and

checking where deficiency can come from. Where did That's the nice part of our company. Yeah, yeah, exactly. So the last thing is of course, that the three initiatives at the beginning, we'll create efficiency, are creating efficiency that we re-invest in innovation. So without increasing the amount of investments into the platform, they can take the money from one side. Switching off the data center, simplifying the effort for managing applications and reinvest this money into pure innovation for the business, True? I think this will be really the next year. Yes. Yes. That's because most probably older technology people here in the room would recognize discussions on the commercial side take nine months on general before and we have a real requirements set and then they expect you to deliver it within within two months or something. I think still to win something in at nine months is also part of this, this idea. So there's still room for improvement, to be honest, but okay, let's see how far we can get it. And I would say we as essentially we accepted the challenges. We didn't say this is an amount of people take them and deliver. But we said, no, we want to, we want to bet on our ability, join ability to reduce these, to increase this efficiency and reinvest this money. So these are the kinds of programs we love because we can play with many different things and have an impact on the customer, P&L, right? Rather than saying a person costs \$1 per day, right? I think that's also where we merged. Very good. Together. Yeah. Yeah. It was also in the commercial thing. I fully agree there was a commercial block. Yeah. So that's the program the program phases. We're just now close the phase one, I would say. And so all the customers now are getting TV from the Amazon EBS instance Accenture video solution instance. Both IPTV, OTT, how many customers you make data more than two millions, millions. I'm not going to mention the real numbers. I'm not allowed to say that. The face tool will make another step in with deploying the new release of ABS by increasing this time to go live.



By increasing even more the the isolation of microservices. Think about where are also thinking new way of managing the roadmap of the product where you don't get any more. A major release like you get abs seven, but you get a new release of a single microservice. You can plug in and keep it there. Backward compatibility with the other Microsoft. This is really accelerating the innovation rule. And they are also building their own microservices with the same standards. So these new hexagons can plug-in in a unified framework that can scale, not just in terms of number of customers, but in terms of can scale in terms of efficiency. So you don't have to increase the efficiency to manage the platform all the time. And then of course, the last point is about what you mentioned about the output. So what are we giving back to the business? So I like to think about the capacity that an engineering team can deliver in four different buckets. That is the pure innovation. So what the business is really perceiving as a value, that is the technical debt. There is something you have in the platform and that you have to deal with is like a reminder. Remember we talked about the cholesterol lights. So you need to control the cholesterol because otherwise you get a stroke. But the business does not understand it. So you should do that. You should spend money. Because if you reduce your technical debt, you can deliver innovation much faster and much cheaper. Yeah. So at the end, there is a business case saying when you keep both of them under control, you reduce your cost of poor quality. That is the third bucket of capacity you're spending. And the 40s developer enablement, KPN, spent time in learning about Amazon Cloud. All this has been managed all these four types of capacity. So the number of people we have in place, they're observing everyday innovation, technical debt, cost of poor quality, and develop an enablement.

The sum of these four gives the total capacity. But that's also an important reason why I think the technology and the business should lead together. Yeah, I have one of them being in control, but to really have that partnership in it. And that sounds fluffy. But I think at the end that's a real critical thing as well. Because in case it's only technology, there will be the wrong things on the market when it's only business, you forget to do the other things like you mentioned, which are very crucial to have the best quality, to have the best output at the end as well. It's not only about the future for indeed, that's the difference between a custom system and a platform. A platform should really look at these four metrics as well. Okay, So I think that that's all if anyone has any questions, we have 1 min or 2 min to take any questions. Of course. No questions cannot be the case. Alright. So thank you again for your attention and your time spent with us. I hope you enjoyed the sessions and enjoy the show. Thank you. You're welcome. Thank you.

Copyright © 2023 Accenture
All rights reserved.
Accenture and its logo
are registered trademarks
of Accenture.



EBS instance Accenture video solution instance.
Both IPTV, OTT, how many customers you make
data more than two millions, millions. I'm not
going to mention the real numbers. I'm not
allowed to say that. The face tool will make
another step in with deploying the new release of
ABS by increasing this time to go live.

Copyright © Accenture
All rights reserved.
Accenture and its logo
are registered trademarks
of Accenture.