

The Future Of Enterprise Connectivity

How MNOs Can Solve The eSIM Dilemma

Discussion Paper

September 2020

MNOs are in the dilemma that revenues from enterprise business will decrease, no matter if they support the highly requested eSIM or not.

The MNOs' Enterprise eSIM Dilemma

Key Question

Should MNOs offer eSIM to Enterprise customers?

Option

Option 1

Don't Offer eSIM
To Enterprise Customers

Challenge For MNOs

- × Enterprise customers increasingly **demand eSIM** in their tenders.
- × The **addressable B2B market is shrinking** if MNOs limit their offering to physical SIM cards.

Impact For MNOs

Decreasing Revenue ↘

 **MNOs' Enterprise eSIM Dilemma**

With the current **enterprise strategies**, MNOs will **lose revenues** no matter if they offer eSIM or not.

Option 2

Offer eSIM
To Enterprise Customers

- × **Easier MNO switching.** Enterprises can provision new eSIM profiles at the click of a button.
- × This leads to **price competition** through lower switching barriers.

Decreasing Revenue ↘

To address this challenge, MNOs have to offer value propositions beyond connectivity to their enterprise customers.

Enterprise Customers: Need For A New Strategy

 **MNOs' Enterprise eSIM Dilemma**

With the current **enterprise strategies**, MNOs will **lose revenues** no matter if they **offer eSIM or not**.

MNOs Need A New Enterprise Strategy



Understand The Pain Points

MNOs have to get a better understanding, where their enterprise customers are struggling.



Go Beyond Connectivity

MNOs can support their enterprise customers with way more than just connectivity.



Find A Strong New Value Proposition

To compensate for the eSIM's reduced switching barriers, MNOs have to find new ways to attract and retain enterprise customers.

Connectivity-, device-, and expense management are painful activities across all enterprise roles.

Enterprise Pain Points



Role

Procurement

Goal

Buy affordable connectivity that fits my company's needs



Fleet Manager

- **Fast setup** and roll-out of devices and connectivity
- Ensure **device security**
- **Manage devices** with low effort



Business-Line

- Provide the **right connectivity** for each team member
- Keep **costs within budget**



End-User

Seamless connectivity everywhere

Challenges

Low bargaining power

"Switching operators" is not a credible threat due to high switching and logistics costs.

High manual effort

Low degree of automation and separate systems for device and connectivity management.

Complex expense management

Keeping connectivity costs in budget is hard due to complex and separate expense management.

No self-service functionality

Full dependency on fleet managers and SIM logistics processes.

With a Unified Enterprise Connectivity solution (UEC), MNOs can address all enterprise needs with a single solution and leverage the eSIM's capabilities.

 Enterprise Services Beyond Connectivity

Real-Time

Connectivity Management

Operator switch at the push of a button, and immediate eSIM profile provisioning.



Transparent

Central Expense Management

Standardized reporting and billing data available in one central interface.



Integrated

Device Management

Built-in security and device management capabilities like access control and remote wiping.



Unified Enterprise Connectivity

eSIM-enabled

The eSIM enables for the first time a useful integration of device and connectivity management.

Such a Unified Enterprise Connectivity (UEC) solution relieves pains across the entire organization.

Enterprise Pain Points Relieved

Stakeholder	Procurement	Fleet Manager	Business-Line	End-User
Goal	Buy affordable connectivity that fits my company's needs	<ul style="list-style-type: none"> ▪ Fast setup and roll-out of devices and connectivity ▪ Ensure device security ▪ Manage devices with low effort 	<ul style="list-style-type: none"> ▪ Provide the right connectivity for each team member ▪ Keep costs within budget 	Seamless connectivity everywhere
Challenges	Low bargaining power	High manual effort	Complex expense management	No self-service functionality
UEC Benefits	Higher flexibility in connectivity negotiations due to easier operator switching	<ul style="list-style-type: none"> ▪ No SIM logistics due to instant eSIM profile provisioning ▪ Instantly connected and set-up devices due to integrated device management ▪ Advanced security applications through eSIM capabilities 	<ul style="list-style-type: none"> ▪ Smooth cost control through integrated expense management ▪ Cost reduction through easy over-the-air operator switching, depending on country, operator, and price 	<ul style="list-style-type: none"> ▪ No waiting times through instant eSIM profile provisioning ▪ Self-service capabilities through all-integrated connectivity management

The first MNOs to offer Unified Enterprise Connectivity will make its enterprise business less dependent on connectivity and have a strong new proposition.

Unified Enterprise Connectivity: Benefits For MNOs

Unified Enterprise Connectivity:
Advantages For MNOs



Unified
Enterprise
Connectivity



New Value Proposition With **Strong Lock-In**

- **Solves** actual **enterprise pains**.
- **Requires deep integration** into enterprise processes and systems.
- Leads to a **new, inherent lock-in**.



High **Revenue Potential**

- Enterprises have a **high willingness to pay** for services that **reduce overhead** and create **additional value**.
- Enterprise connectivity generally lies in **high-ARPU** segment.



MNOs' Enterprise Business Becomes
Independent From Pure **Connectivity Offers**

- MNOs switch from "**Connectivity Provider**" to "**Solution Provider**".
- **Large potential customer base:** including enterprises **outside of MNOs' home markets** and those **locked-in** to other MNOs
- Strong **first-mover** advantage

Digital Oxygen has a strong record in telecommunication and specifically eSIM, IoT, and connectivity projects.

Digital Oxygen eSIM Expertise

eSIM Experts



Axel Meiling

Partner

Experience

- 18 Years in Telco
- 8 Years in Consulting
- Inventor of numerous telco patents



Michel Zwijnenberg

eSIM Advisor

Experience

- 20 Years in Mobile Telco
- Founder of one of the first European MVNEs
- Founder of the largest IoT Service Provider in the Netherlands

eSIM and IoT Expertise (Selected Projects)



eSIM Implementation For A Leading European Telco

- ✓ Knowledge on the current state of customer-driven business processes
- ✓ Enabled the most successful launch of the Apple Watch Series 3 in Europe



eSIM MVNO From Scratch

- ✓ Full project management from eSIM strategy development to implementation
- ✓ Partner sourcing and contract negotiations



Development of Mobile Consumer IoT Proposition

- ✓ Evaluation of the IoT/M2M market
- ✓ Development of consumer IoT market success factors



eSIM Mystery Shopping

- ✓ In-depth understanding of existing pitfalls in logistics and customer interaction processes
- ✓ Understanding of the customer demands at the touchpoint



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