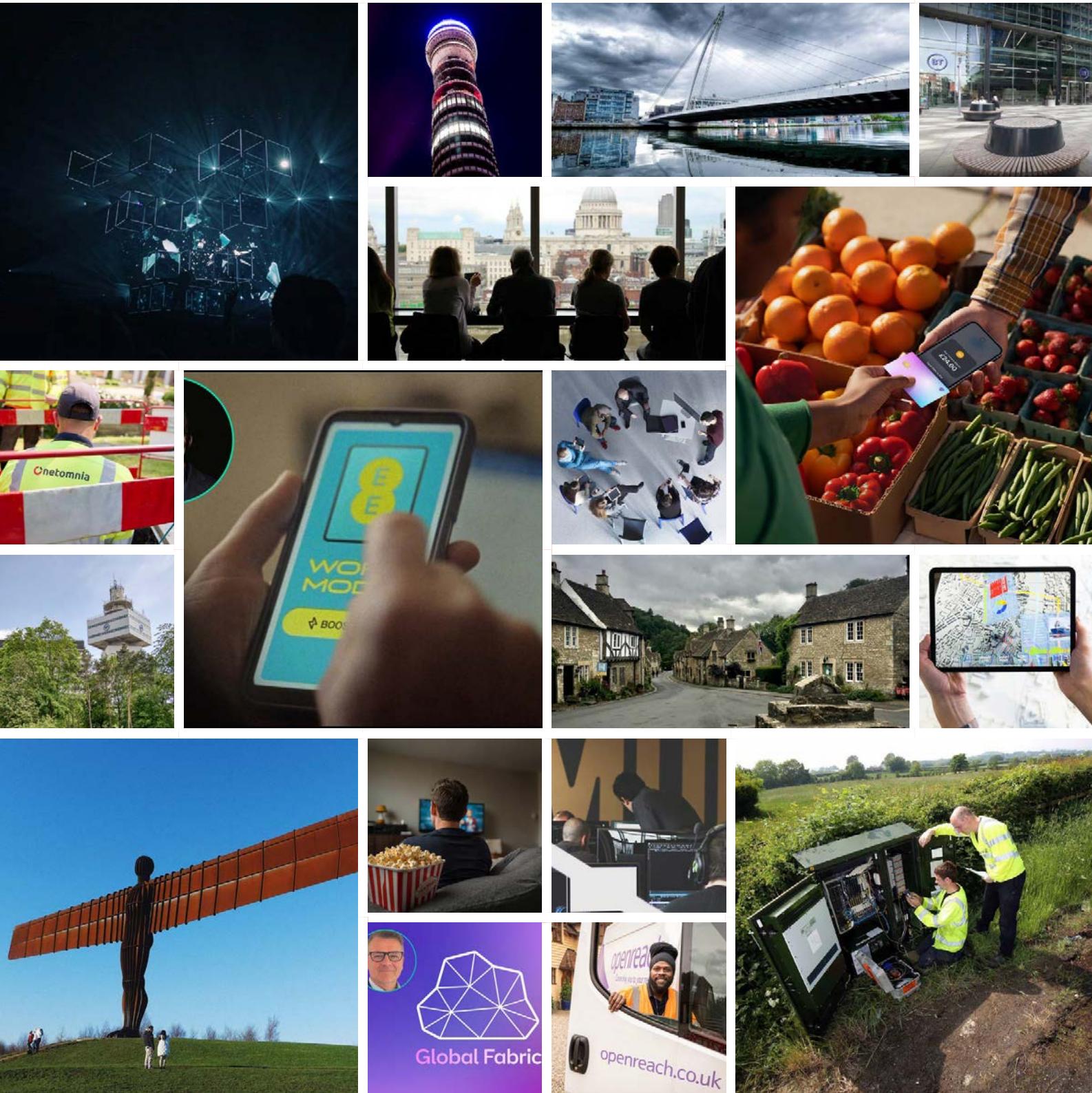


# Report #353



# BTwatch

Your Monthly Executive Briefing | **Mapping the activity and strategy of the UK's largest telco** | April 2024 Release



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## Watson calls for investor patience

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## Ireland sale back on the cards

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## BT redraws Local Business map

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## Executive brief

**GROUP:** BT's Chief Security & Networks Officer

**Howard Watson has called for investment discipline and investor patience** as the

industry begins to see the “*light at the end of the tunnel*” for costly cyclical network upgrades and expansion projects. He went on to urge operators to hold off on launch of 6G until use-cases and customer demand require it, to avoid falling foul of the “*over-provision paradox*”. [pp.6–9.]

Reports indicate that **BT Ireland may be up for sale** after BT appointed Citi to advise on a potential transaction. The Group attempted to sell the business in 2019 as part of a wider BT Global slim-down — an effort that ultimately came to nothing but was followed by exits from several local operations across Europe and Latin America. [pp.10–11.]

Elsewhere, **BT Tower has been sold to experiential hotel operator MCR** and is set for a radical change of use. The site, which BT has occupied for decades, no longer plays a central role in the Group's broadcast services provision thanks to the deployment of cloud-based and digital networks, and is the latest in a series of under-utilised real estate assets that BT has sold off in its cost rationalisation effort. [pp.12–14.]

In an interview with *BTwatch*, Netomnia CEO **Jeremy Chelot accused BT of ‘hijacking’ the One Touch Switch scheme** and participating in its delay. Chelot said he would “*take the power away*” from BT and peer Virgin Media if he were in charge. He has since been added to The One Touch Switch Company board. [pp.15–17.]

**TECHNOLOGY:** Incubation arm **Etc. has teamed up with financial technology platform Adyen** to develop a *Tap to Pay* application for small businesses. BT said it has “*an ambitious roadmap*” for the app and that it will expand on it over the next twelve months, working with Adyen. [pp.24–25.]

**Changes at Adastral Park have seen the Network Services team take on an even greater role**, said to better reflect its presence at the Suffolk site. This comes amid a series of other changes at the park, including a two-year rationalisation programme announced in 2023, but BT has sought to assure that Adastral remains “critical” to Group operations, with a particular focus on networks R&D. [pp.26-27.]

**Howard Watson has predicted a 5G standalone launch later this year**, but with the Group unwilling to rush a go-live despite falling behind its rivals. Speaking at MWC, Watson said that BT is “ready”, but waiting for the “right device ecosystem” and “some great services with slicing”. Rivals Virgin Media O2 and Vodafone UK have set limited commercial 5G SA networks live and are preparing to expand reach, meaning BT may have some catching up to do when it finally flicks the switch. [pp.28-30.]

**CONSUMER:** In conversation at MWC, BT Consumer CEO **Marc Allera** said EE, along with the rest of the mobile sector, needs to fight more to remain “relevant”. Allera is focused on building a brand that “resonates” with the public through prioritising connectivity-adjacent services, before leveraging BT’s network strengths once relationships are built. Partnerships and investments in high street stores are part of a ploy to drive customers towards the EE ID platform and into the operator’s clutches. [pp.35-37.]

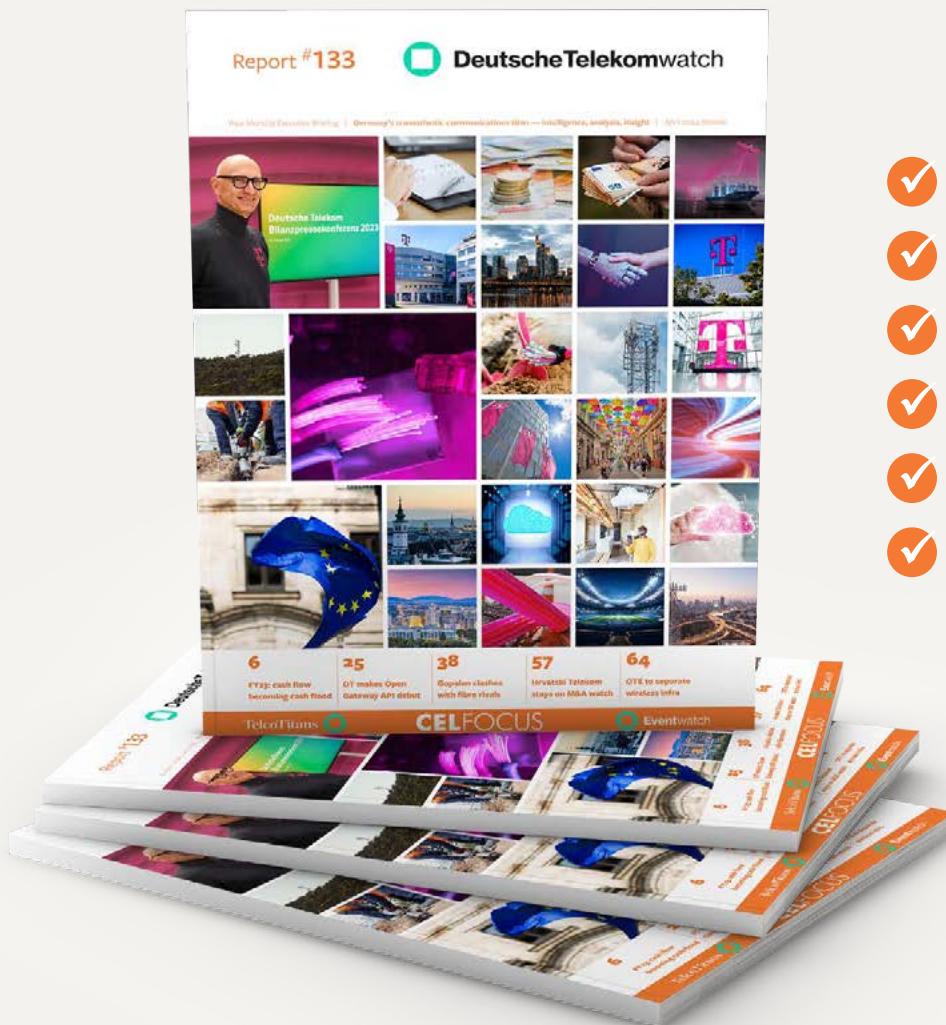
**BUSINESS:** A handful of changes in the evolving BT Local Business partnership roster reflects an apparent willingness for BT to shake up its SME IT services delivery model. BT Business has redrawn the map in some areas to give preferred partners a wider remit, which in turn has pushed other partners out of the picture altogether. While some reports suggest that the evolution may reflect more changes to come, BT has reiterated that the Local Business model still holds value to the Group. [pp.41-43.]

BT used MWC to promote the *Global Fabric*, launched in 2023 and set to go live in the latter half of 2024. While Sustainability Director Sarwar Khan took to the stage to speak of the platform’s green credentials and BT Business CEO Bas Burger highlighted its reliability and stability for enterprise customers, Business CTO **Colin Bannon** spoke to *Telco Titans* about the technology that underpins *Global Fabric*, and the reason he sees it as a “*generational shift*”. Bannon pitched the product as a “*re-platforming*”. [pp.44-46.]

**OPENREACH:** The UK government is grappling with the problem of connecting the 100,000 or so ultra-remote premises that are beyond the scope of commercial fibre build plans and existing rural subsidy programmes, including *Project Gigabit*. BT shared its position at a Westminster eForum policy conference, urging the government to consider additional public funding and changes to the broadband *Universal Service Obligation*. [pp.53-55.]

# Out Now.

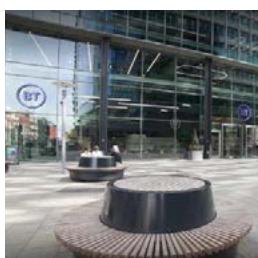
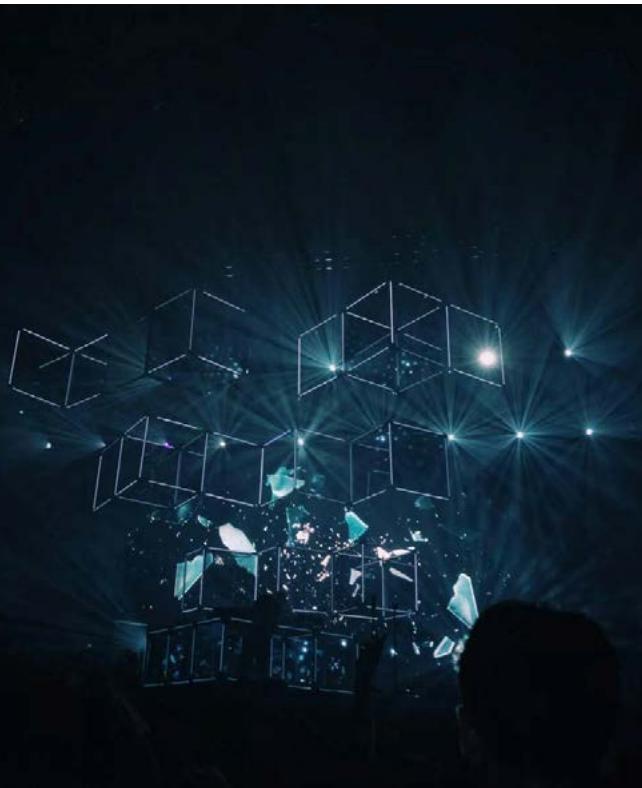
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## Group

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### ELSEWHERE IN GROUP



Image: Unsplash / fabio

## STRATEGY

### BT seeks patience and discipline in new digital reality

- *FutureNet World:* BT's Howard Watson joins Vodafone's Andrea Donà to lay out telco demands as the industry is redefined but costly infrastructure remains critical.
- Watson urges telco peers to wait on 6G until early-2030s, rather than force it out in late-2020s.
- Donà wants 'a lot more money' to free Vodafone from legacy burden and focus on innovation 'north star'.

During a CxO keynote panel at FutureNet World in London, BT's Howard Watson and Vodafone's Andrea Donà shared the stage to talk about the need to rethink investment priorities, timings, and scale to support the industry.

#### Watson wants time and discipline...

Watson, BT Chief Security & Networks Officer, asked for more time — both from investors and from operator counterparts such as his co-panellist, Vodafone UK Chief Network Officer Donà.

*"It's almost five years ago that Andrea and I were obsessed with who was going to be first to launch 5G. We beat him by a month, but does that matter now? Not really, from a customer point of view".* He suggested that a race to launch 6G, for example, would risk a lack of discipline.

It is discipline that Watson sought to encourage among operator peers, particularly as the “*current investment environment*” tends to demand quick wins over longevity.

He explained his view of the cyclical nature of investment in the industry: “*cycles of heavy investment, and then periods of monetising that investment*”. He sees no inherent problem in that, but warned that “*much of the investment community have forgotten that piece*”.

**“** *With today’s desire, as a public company, for immediate returns it is getting harder to find new investors who are patient enough to accept the fact that we’re going through high investment now where ROCE [return on capital employed] may be less than WACC [weighted average cost of capital] for a period of time.*

*But it will come good. It will come good provided we, as the technologists, have some discipline with how fast we want to refresh the stuff. Which is why you’ll hear me talk about let’s not rush to 6G, let’s make it 2032 not 2028, Brisbane rather than Los Angeles when we get obsessed with the Olympics. ”* — Watson.

Watson spent some time warning that a focus on ROCE may detract from long-term value creation, but used BT’s investment in fixed network infrastructure as an example of the benefit of planning for the future.

**“** *What we need for our industry is a period of time where we monetise our investment that we are, right now, focused on making.*

*There is some light at the end of the tunnel: for the first time in my 40 years in telecoms I can absolutely say that we will have removed the access bottleneck from our desire of what to do with FTTP and with 5G. We will also at the same time build a converged, cloud-native, co-opt capability on an all-IP core network. So we have simplified the infrastructure, so far, and now we have the opportunity to start using that investment that we have made so we can get to the point where we can launch new services at lightning speed.*

*I’m really optimistic about the second half of the decade when we will see that payback on this investment phase, particularly on the fixed side where we’re building fibre for the next 50 years, not just the next ten years until the next ‘G’ comes along. ”* — Watson.

For all the bonhomie between the two technologists, Watson’s depiction of **WACC** **outweighing ROCE** as a natural, albeit challenging part of the investment cycle may not be music to Dona’s ears, with Vodafone UK highlighting its ongoing struggles to make a return on capital as a reason to support its merger with CK Hutchison’s Three.

## ... Donà wants more cash and to move fast...

The panel's focus was on 'redefining the telco'. Donà, Vodafone UK Chief Network Officer, used his slot to describe the introduction of new business models as the 'north star', "not only for operators but for the whole industry".

Asked whether he is satisfied with Vodafone's standing on this journey, however, he said "it is tough because you've got all the legacy you need to address".

**“** *We are constantly battling against inflationary pressures, energy costs, interest rate hikes... and if you don't inject those new business models then you're not going to survive. ”* — Donà.

Innovation (and survival) does not come cheap, he added.

**“** *It's a constant battle between spending money — you have to spend money to address the legacy — and at the same time keep ahead of the game in terms of the new capability. That is the constant battle that every day you're fighting.*

**“** *I would love to have a lot more money to be able to address the legacy a lot quicker so that I can unburden myself and then drive a new capability. ”* — Donà.

## ... but both just want to be friends

Donà and Watson used their closing remarks to talk up the potential for the industry if partnerships become more central.

**“** *The reality is, there is a big pie out there for us all. We just have to acknowledge the fact that we might take a smaller slice by cooperating together, but it's still a sizable slice. We just need to get over that. ”* — Donà.

For Vodafone, Donà said he is avoiding partnerships for their own sake but is prioritising "clear relationships" that "are strong and deep", not tying with "a jack of all trades that just skims the surface".

He introduced a metaphor of marriage early on in the keynote to paint a picture of the perfect partnership at Vodafone, built on three pillars: a willingness to address the "baggage" (or, the legacy and not just "fancy new stuff"); a compatible culture; and organisation in place to "keep it simple".

Watson took the metaphor a step further to say that BT has accepted that its customers are looking for "polygamous marriages", where enterprises can tap into multiple hyperscalers for cloud provision. "Where we have a great opportunity is being that multi-cloud orchestrator". Global Fabric got a mention here, as it has when any BT exec has been given half a chance in recent months. "That will be, in my mind, the next accelerant for public cloud adoption".



## Solving paradoxes through partnerships

Watson identified two areas in which partnership between operators would make a “*really big difference*” to the industry.

He referred to the “*over-provision paradox*”, a concept he has spoken of before to describe the introduction of a new technology with far greater bandwidth than is required by early demand. While operators migrate customers to the new technology the old is kept running, “*burning energy*”. “*It always takes us too long to do that journey*”, he said, as he did when speaking at 2023’s [DSP Leaders World Forum](#) (BTwatch, #345).

He then introduced a second paradox, the “*simplification paradox*”, which describes operators’ constant effort and investment to “*simplify our world, get to a single strategic platform that we’re trying to make ever more complicated by adding lots of new and brilliant capabilities*”.

**“***Finding a way to solve those two paradoxes, working together, would make a really big difference to our telco industry.*” — Watson.

On the same day at the *FutureNet World* event, Watson was [called to the stage for a second time](#) to collect a special **Technology Leader of the Year** award in recognition of his “*outstanding industry contribution*” over a 40-year career. He dedicated the award to the “*7,300 people who work in Networks at BT*”.

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Image: Pixabay

## BT revives Ireland sale talks — report

- BT reportedly considering BT Ireland sale, appoints Citi to advise.
- Move comes four years after previous attempt to divest was abandoned.

BT has appointed advisors to support a potential sale of its Irish business, according to [Sky News](#) reports.

Sources told the outlet that talks are in their early stages, with Citi in support.

A BT spokesperson has since told *Sky News* that “no decisions have been taken” regarding the Irish business, but that “we continually review our operations to ensure they align with our global strategy”.

**BT Ireland** provides enterprise services and network infrastructure, with no consumer offering. In the year to 31 March 2023 (FY22–23), BT reported £298m revenue in the Republic of Ireland, up 4.9% year-on-year. The year’s performance reversed a trend of annual revenue decline that stretches back to FY15–16.

BT Ireland is led by Managing Director **Shay Walsh** who took the role in 2015. BT Group claims to employ more than 650 people in five cities across the Republic of Ireland.

## Reviving Jansen's dream, setting Kirkby's ambition?

Such a deal would revive the prospect of a sale last attempted four years ago.

In 2019, then-BT Group Chief Executive Philip Jansen was seeking to divest the Irish business in a €300m (£264m, at the time) deal with London investor Mayfair Equity Partners, when (BTwatch, #304–#305 and #311).

The [eventual abandonment](#) of the Mayfair deal in 2020 was said to have happened because of a “*change of heart*” on BT’s part, with some reports suggesting that the *coronavirus* pandemic played some role in altering BT’s outlook.

BT Ireland was retained and, a year later, the Group appeared to commit further to the Republic when it [chose Dublin](#) to host its procurement business BT Sourced.

While the BT Ireland sale never materialised, Jansen did oversee success in the wider slim-down of the Group’s non-core overseas assets. It came as BT Global moved away from owning international networks and instead took an asset-light approach that builds on products and services from a range of partners, with a BT connectivity wrap.

The sale of BT’s managed ICT services business in Spain was confirmed [in 2019](#), followed by an offload of local businesses in France and 16 Latin American countries [in 2020](#). More recently, BT Italia confirmed the sale of regional fibre operator BT Enia [in late-2023](#), having already offloaded its IT outsourcing subsidiary and two other business units [to Telecom Italia](#) three years prior. Pullback in [Belgium](#), Germany, and the Netherlands has also been conducted in the past four years (BTwatch, #311, #316–#317, and #321).

Meanwhile BT Ireland remained as an awkward fit within the Group, as part of the UK-focused corporate and public sector unit within the BT Enterprise division. With its responsibilities spilling over borders as it provides services across the island of Ireland, extricating the business from the Group while maintaining BT’s UK presence in Northern Ireland may have been a complication that deterred deal-making, especially away from the spotlight on asset disposals that was trained on Global. However, with the integration of Enterprise and Global into a single unit under Bas Burger, the CEO who oversaw Global’s restructuring, enthusiasm for slimming down BT’s presence in the Republic may be greater.

BT Group CEO Allison Kirkby [joined the Group](#) in early-2024 by saying she was “*fully supportive*” of the existing strategy, but said she was looking to lead BT into its “*next phase*”. Despite being in the post for three months now she is yet to give any real indication as to what her priorities will be. Indeed, her only public address has been a markedly brief, prepared statement to introduce [BT’s Q3 results](#) in February, on her first day as CEO.

Sky News framed the BT Ireland talks as Kirkby’s first corporate action as CEO.



Image: BT

## MCR becomes BT Tower custodian in £275m handover

- *BT Tower is set to become landmark experiential accommodation via a £275m deal with MCR Hotels.*
- *BT to vacate after decades-long ownership, with networking capabilities no longer necessary in cloud-based, digital world.*
- *Part of wider Group real estate rationalisation and cost simplification programme.*
- *Two-year wind-down anticipated.*

BT is to monetise and vacate the iconic and near-60-year-old *BT Tower* in a move that is said to preserve the London skyline and represent progress towards the cloudification and digital transformation goals of the Group.

The Group has agreed to the sale of the Fitzrovia site to MCR Hotels for £275m. MCR, which operates more than 150 hotels including the also-repurposed TWA Hotel at JFK Airport in New York, will eventually add the Grade II-listed tower to the portfolio, opening it to guests and “securing its place as a London landmark for the future”.

Payments for the sale will be spread over “multiple years”, with BT kit removed “progressively” ahead of completion. No firmer time frame has been given, but it appears the handover will take at least a few years.

## Cloudify, simplify, rationalise

*BT Tower once provided microwave-based connectivity, but aerials were removed “more than a decade ago” as part of a wider digital transition.*

**“** *The BT Tower sits at the heart of London and we’ve been immensely proud to be the owners of this important landmark since 1984. It’s played a vital role in carrying the nation’s calls, messages and TV signals, but increasingly we’re delivering content and communication via other means.”* — Brent Mathews, Property Director, BT Group.

These other means include BT’s fixed and mobile networks, recipient of billions of pounds of investment.

*BT Tower had also been a key site in BT’s early foray into low-power wide area (LPWA) network technology (BTwatch, #283), and was flagged as the highest building in the world to have an IoT base station. However, after plans emerged in 2023 for a nationwide LPWA network rollout led by the Group’s Division X, BT has gone quiet on the technology since the commercial innovation unit was folded into the product division of the restructured BT Business.*

The tower continues to play a role in the Group’s content and distribution business BT Media & Broadcast as a key interchange point for live television. However, the division is transitioning to cloud-based services via its Vena platform — a migration that is well underway and will “allow for a more straightforward move to more modern and efficient premises”, BT said.

A similar rationale was given when the Group sold its former headquarters, *BT Centre* at 81 Newgate Street, in 2019. That move was said to enable a shift to more ‘efficient’ offices at *One Braham*, Aldgate, better suited to collaboration and modern ways of working (BTwatch, #328 and #332).

Another example of BT selling off its under-utilised assets in the capital is 2023’s sale of a network of underground tunnels which formed part of the *Kingsway Telephone Exchange*. Bloomberg reported that the network of underground tunnels were sold to former Macquarie Group executive Angus Murray, who has plans to turn them into a tourist attraction (BTwatch, #349).

The *BT Tower* sale, like that of *BT Centre*, is part of BT’s work to simplify operations and lower costs, a programme that has included rationalisation of a sizable real estate portfolio. Announced in 2018 and initiated in 2019 as a five-year programme, 300 offices are to become around 30 regional ‘hubs’, dubbed the Better Workplace scheme.

**BT Tower** has also been a regular for events, with the rotating space at the top ever-popular and extending a fine view of the City. The 177-metre structure is an iconic part of the history of BT and telecommunications more broadly.

- In **1961** construction began on the tower, commissioned by the General Post Office to house microwave aerials for transmission of telecoms traffic from London to the rest of the UK.
- Construction was completed in **1964** and it formally opened in **1965**, with a revolving *Top of the Tower* restaurant offering panoramic views of the capital.
- A **1971** bombing at the site initiated a steady closure to the public before doors were shut in **1981**, bar for corporate events.
- Since **1984** BT Tower has been operated by BT.

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Image: Netomnia

## REGULATION

### BT accused of 'hijacking' One Touch Switch scheme

- As TOTSCo publishes a new September 2024 go-live date, Netomnia CEO Jeremy Chelot calls out UK's larger providers as holding up OTS progress.
- Alleges BT and Virgin Media are playing a role in over-complication of what could be a "dumb" hub.
- Chelot proposed a homemade proof-of-concept, but claims TOTSCo turned it down.
- Urges larger fines, better enforcement to encourage OTS implementation, enable easier churn — and Ofcom threatens the same.

The UK's consumer *One Touch Switching* (OTS) programme is expected to go live in September 2024, but doubts remain about the viability of the newly revised timeline. Jeremy Chelot, CEO at fibre altnet Netomnia, has told *TelcoTitans BTwatch* that OTS "will fail" unless major changes are made.

Specifically, he pinned the blame on BT and Virgin Media. He said the pair, which sit alongside Sky and TalkTalk on the board of The One Touch Switching Company (TOTSCo — established to manage the deployment), are "*running the programme*". "*Like anything run by BT and Virgin Media, it balloons very quickly, gets bloated very quickly, and it becomes so hard to deliver*".

Ofcom unveiled OTS in 2021 to enable simpler consumer switching from one provider to another. It was due to go live in April 2023. In late 2023 TOTSCo determined a revised March 2024 deadline was untenable, and in March it announced a new 12 September go-live date. "*All parties can achieve this date*", TOTSCo claimed, after discussions with CPs.

TOTSCo told *BTwatch* that the "*announcement of a revised planned go-live date, including TOTSCo's path to go-live, will galvanise other industry players to expedite their plans*".

## 'There was never any intention to deliver it'

Speaking to *TelcoTitans Infrawatch* before the new date was set, Chelot said that when TOTSCo was set up tier-one operators BT, Sky, TalkTalk, and Virgin Media invested money and took seats on the board. “*They took control of the technical deployment... BT and Virgin Media hijacked it*”.

**“***This is the single biggest change on the consumer side which is going to drive change for the better for consumers. For example, for a consumer to churn from Virgin Media they have to call, and when they call they sit for 45 minutes on the phone. As soon as [OTS] is implemented, at the press of a button I can make a Virgin Media churn: a Virgin Media customer can churn without ever having to talk to Virgin Media. That is why they don't want this thing to be implemented.”*

— Chelot.

Chelot went on to allege that the award of the contract to Tech Mahindra to design, build, and operate the *TOTSCo Hub* for the OTS system was only made a month before the platform was supposed to launch. “*They never had any intention to actually deliver it within the timeframe that was given — that was never in the intention of anybody*”.

When presented with Chelot’s claims, TOTSCo told *TelcoTitans Infrawatch* that transparency in its governance practices is “*fundamental*”.

**Ofcom** said in late-2023 that it was monitoring the situation “*closely*”. Following news of the new September timeframe, the regulator confirmed that it may open “**individual investigations**” into the CPs after OTS is launched to determine whether conduct was as expected. This scrutiny will not be limited to the UK’s larger players, but will extend to any providers that have not engaged with the OTS implementation.

Netomnia is not the first altnet to [call out the role of tier-one providers in the hold-up](#).

- **Lit Fibre** Commercial Director [Avril Webster](#) told *TelcoTitans Infrawatch* that there has been “*some procrastination*” from larger players in delivering the programme.
- **Community Fibre** CEO Graeme Oxby told large operators and TOTSCo to “*pull their socks up*”.
- **Uswitch**’s Ernest Doku welcomed the new timeline but lamented that this is the “*third target date*”, and prices have risen in the meantime.

All the while, the TOTSCo **Board of Directors is in flux**. Gita Sorensen, INCA’s representative on the board, and Justin Hornby, Vodafone’s rep, both resigned in March 2024. Sorensen headed the new infrastructure providers constituency, while Hornby stood for medium retail providers. [Sorensen cut a frustrated figure](#) during INCA Conference 2023, when she called out CPs for slow progress and described a “*cliff edge*”, with operators teetering at the top. Dee Cheek (BT Principal for Regulatory Affairs), David Rodman (Director of Regulatory & Public Affairs at Virgin Media), and Ben Shaw (Head of Industry Engagement at Sky Broadband) all remain on the board. In the weeks since speaking to *BTwatch*, Chelot was himself appointed to the TOTSCo Board of Directors as a representative for new infrastructure providers.

## 'There is a better way, and I've built it'

If Chelot were in charge of OTS implementation, he would “*take the power away from BT and VM — that’s the single biggest change that I would do*”.

He also called for tougher enforcement and fines for any operator not ready for OTS.

He claims to have gone further than dreaming up a manifesto for change, however. Chelot said he told Ofcom in late-2021 that the original timeframe was unrealistic and, in his spare time, “*built the One Touch platform in three weeks, just as a proof of concept to show them that I don’t understand why it will take years*”.

**“** *You’ve been at it for two years; it took me three weeks. Why is it that difficult? ‘Oh Jeremy, you don’t understand, it’s complicated.’ I say that you have made it complicated. This could be very simple.*” — Chelot.

His alternative three-week fix removes the middleman (the *TOTSCo Hub*), and opts instead for a peer-to-peer, decentralised model.

“*The only thing that needs to be managed is a directory*”, Chelot explained, “*and you remove the bottleneck because people just implement their interfaces*”.

One of his many complaints about the current initiative is that while the *Hub* was “*supposed to be dumb*”, it is instead being made “*intelligent, complicated*”. “*If they had kept it dumb like my proof-of-concept, you can set it up within weeks*”, and can “*scale to the size of the UK without an issue*”.

**“** *We did this just for fun. You keep telling us it’s hard, we think it’s easy. They never told me why my hub doesn’t work.*” — Chelot.

Read more from the *TelcoTitans Infrawatch* **interview with Chelot** [here](#), including a profile of Netomnia, its NetCo/ServCo split strategy, and why he thinks M&A runs the risk of watering down efficiencies that have become the altnet’s differentiator.



Image: BT

## PEOPLE

### Peoplewatch: data, AI, and cybersecurity in the spotlight

- Technology — Data & AI swaps, Etc. named new Head of Product.
- Consumer — Lyca Mobile poaches BT talent, Consumer makes CX change.
- Business — new CFO in India and senior cybersecurity swaps.
- Alumni — ex-BT CEO Gavin Patterson takes on X3T post.

#### Technology — Séainín McCoy, Holly Curry



**Lisa Perkins**

BT

- BT has announced another major change at **BT Networks**, with impacts at R&D hub **Adastral Park**. **Lisa Perkins**, Director of Adastral Park and Research & Realisation, will leave the Group (see [separate](#)). **Pete Bell**, Managing Director for Fixed Networks in the Network Services unit, has taken on responsibility for the strategy and operation of the Suffolk R&D centre. Bell has held senior positions across BT and Openreach for a number of years, and reports to Chief Networks Officer Greg McCall. Perkins has been at BT for over two decades. Her departure and the change in Adastral Park leadership is said to reflect the large presence of the Network Services unit at the site which — according to BT — remains “critical” to Group operations.



**Maria Cuevas**

Adastral Park

- BT has named the inaugural fellows under its **Tech Fellowship programme**. Launched in 2022 out of BT Networks, the fellowship claims to develop specialist skills in-house. The first Fellows are **Maria Cuevas**, Networks Research Director; **Dave Harcourt**, Chief Security Authority & Automation Director; **Andrew Lord**, Senior Manager for Research, Optical Networks; and **Andy Sutton**, Principal Network Architect for Wireless Access. Howard Watson, BT Chief Security & Networks Officer, said “*the diversity of thought coupled with technical knowledge and skills that is enabled by the Tech Fellowship programme will be a key element in enabling BT Group to continue to be a great place to work as well as a company that is at the forefront of technology innovation for our customers and society*”.

- **Séainín McCoy** has been appointed Director of **Data & Artificial Intelligence** Network Attached Storage. She was Senior Manager for Technical Solutions before the move, focused on TV and broadband.
- **Holly Curry** has been named Head of **Product** at incubation unit **Etc.**, responsible for **Data Platform Startups**. Previously, she was Head of Digital Marketing Hub at Etc., having joined from Sky early in 2023.

### Consumer — Ketan Hindocha, James Smith

- **Ketan Hindocha** has left BT for mobile virtual network operator **Lyca Mobile**, where he was appointed Group Director of Customer Care. He was previously Director of **Quality, Compliance & Customer Resolutions** at BT Consumer, responsible for *BT, EE, and Plusnet*.

Hindocha is one of a handful of **senior Lyca appointments** in recent months, all of which have notable experience in UK telecoms, as the group overhauls its leadership team. Nikos Paraskevopoulos, formerly Chief Financial Officer (CFO) at Vodafone Group Technology, is now Lyca Mobile CFO; James McQuillan, who brings experience at TalkTalk and Tesco Mobile, was named Country Manager for UK & Ireland in December; and Lawrence Corbett, one-time senior figure at Virgin Mobile, joined as Chief Operating Officer at a similar time.

- **James Smith** has been handed the **Colleague Experience** Director post on a permanent basis, having held it *ad interim* since late-2022. Smith was, prior to his temporary role, Marketing Technology Director at BT. He now designs, builds, and runs the IT for **BT Consumer** brands. Over the past year he has facilitated the launch of cloud-backed IT solutions for in-store and contact centre ‘guides’, part of BT’s ongoing CX improvement initiative.

### Business — Naveen Agarwal, Gopal Bindal, Jonathan Francis Roscoe...

- **Naveen Agarwal** has been promoted to **Bespoke Operations Director** at BT Business, based at the Group’s Kolkata offices. He was previously Senior Manager and Head of Indian Operations.
- **Gopal Bindal** has been appointed **CFO** for BT in India. It marks a step up for the former Financial Controller. He has replaced **Salil Goyal**, who left the Group at the end of 2023 and is yet to take up a new position elsewhere.
- **Jonathan Francis Roscoe** has been named **Chief Technology Officer** Data Services, Global Secure Solutions, a role which includes work to develop AI-powered solutions for BT Business customers. He was Chief Researcher for Automated Detection & Response before the change.
- **Oliver Vaun-Davis** has joined BT as Head of **Cybersecurity Alliances**, where he said he will “drive continued growth across its cybersecurity partner ecosystem”. He was Alliances & Marketing Director for EMEA at identity and access management software provider ForgeRock until early-2024, but left when ForgeRock merged with Ping Identity (after it was acquired earlier in 2023).

## Alumni — David Lockwood, Neal Milsom, Gavin Patterson

- **David Lockwood**, former Vice-President of **Defence & Security** at **BT Global Services** and current CEO at Babcock International, has joined the board of directors at engineering business **John Wood Group**. He left BT in 2012 and has since taken on CEO spots at Laird and Cobham and a Chairmanship at KTN.
- **Neal Milsom** has been named **CFO** at **Digital Barriers**, the Vodafone-backed UK video surveillance technology specialist. Milsom was CFO at Orange for eight years before moving to **EE** in 2011 with the same title. He left BT Group in 2016 and was, most recently, an independent consultant. Milsom joins Digital Barriers at a tumultuous time, with falling revenue and widening losses (*Vodafonewatch*, #225).
- Former BT Group CEO **Gavin Patterson** has taken up more board seats. One, at alt.net software-as-a-service solutions provider X3T, came weeks after it signed a merger deal with **Strategic Imperatives**. The Patterson appointment came with commitments to expand into “*global markets, such as America*”. Patterson joined alongside former O2 UK Chief Operating Officer Derek McManus and Thomas O’Neill, founder and CEO of US-based public relations and government affairs consulting firm O’Neill and Associates. Another, at Norway-based educational technology company **Kahoot**, saw Patterson appointed as Chair as it begins a new chapter as a privately owned business with M&A ambitions. Kahoot was delisted in January 2024 after it was acquired for \$1.7bn (£1.3bn) by a group of investors, including Goldman Sachs Asset Management, General Atlantic, Kirkbi (the investment fund for the family that owns Lego), as well as company management.

## Ecosystem — TalkTalk, YouView

- **Susie Buckridge**, who previously led BT-back TV platform joint venture **YouView** as CEO, was named CEO at **TalkTalk**, heading up the consumer business under Group CEO Tristia Harrison. She has replaced **Adam Dunlop**, who has not confirmed his next step.

At the start of March 2024 TalkTalk Group formally split its PlatformX Communications (**PXC**) networks division from its TalkTalk consumer business, prompting the change in management. The two now trade as separate entities, with PXC led by Tom O’Hagen.

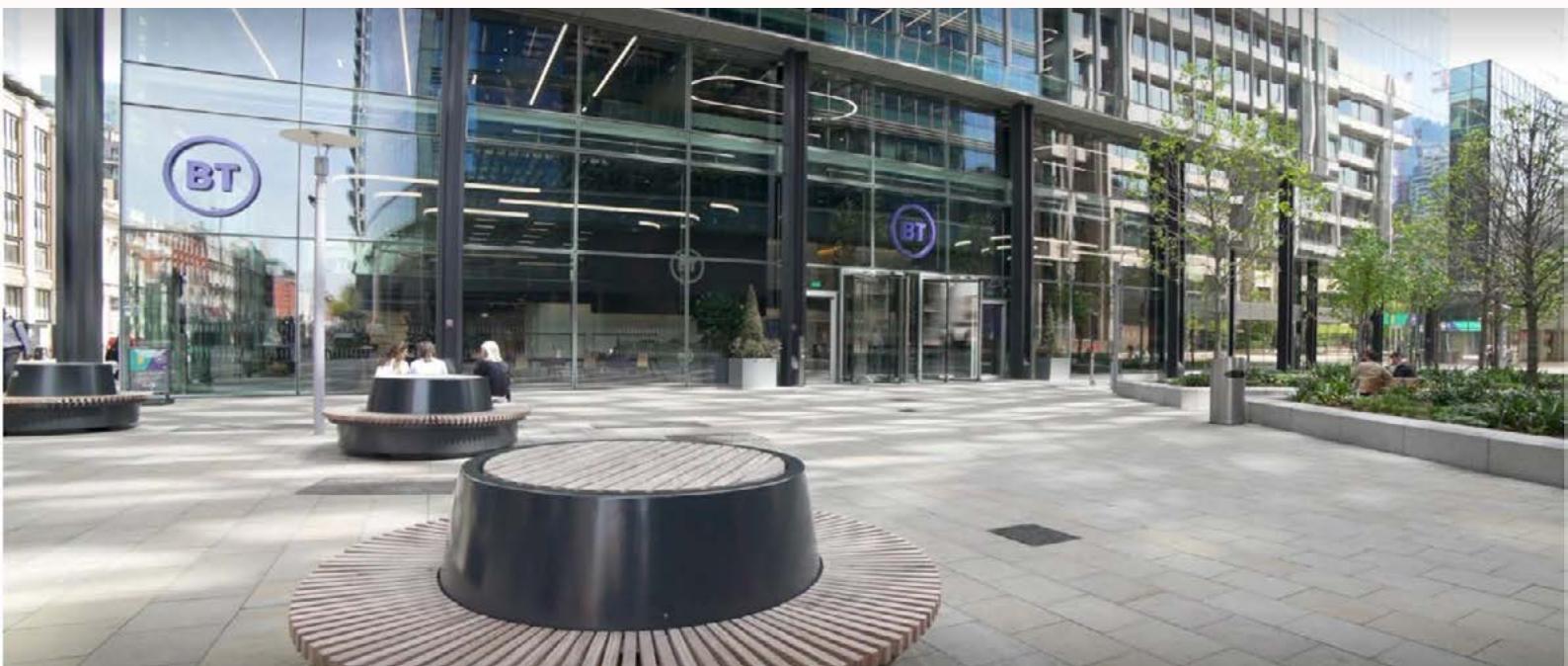


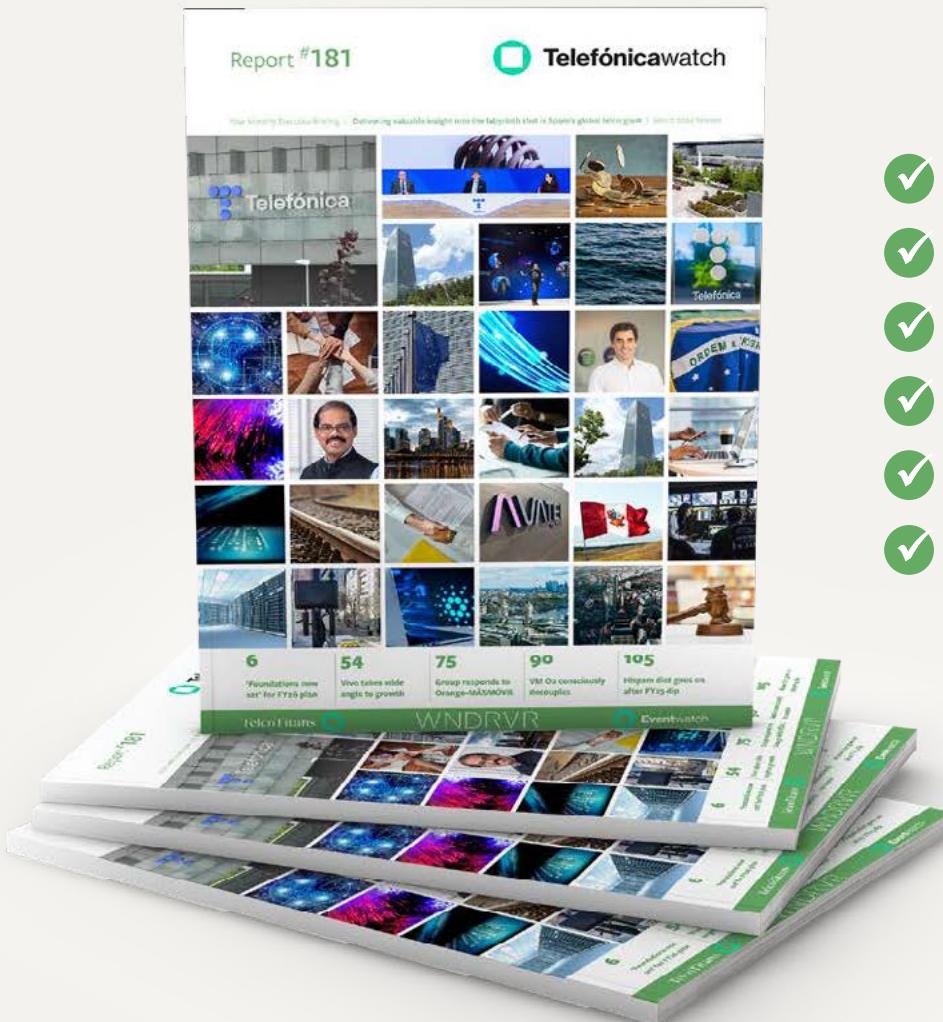
Image: BT

## ELSEWHERE IN GROUP

- **Phones 4u collusion drama continues with impact on EE still uncertain; BT shareholder Patrick Drahi works to cut debt pile.**
- **BT has continued to face backlash as it considers the future of its Enniskillen call centre in North Ireland.** Various reports claim around 300 jobs are at risk. A survey conducted by the Communication Workers Union (CWU) found that 86% of staff do not want to leave the offices, with many feeling they are being “hounded out of their jobs”. The CWU has said it will do “*everything we can*” to preserve the jobs at the Enniskillen site (*BTwatch*, #352).
- **Patrick Drahi**, BT’s largest shareholder via his Altice UK, **has reportedly said he is not set to sell his 25% stake in the Group**. The *Mail on Sunday* reported that the French business mogul is neither looking to increase the stake (or take over BT) nor is he considering reducing his holding. This comes as Drahi works to reduce his substantial debt pile — said to be worth around £48bn — by selling assets elsewhere. Altice France, for example, has agreed to sell its media business to French shipping company CMA CGM for €1.6bn (£1.4bn). Altice UK has a 25% stake in BT, having first picked up a 12.1% stake in 2021. Drahi has regularly denied any intention to launch a takeover bid, a move which would attract intense regulatory and political scrutiny (*BTwatch*, #347).
- **The proposed creation of a joint venture between Vodafone UK and Three UK is headed for a longer, more in-depth investigation**, as expected, after the UK Competition and Markets Authority (CMA) raised concerns that the deal would leave consumers “worse off”. In its initial decision, the CMA flagged that the merger would create fewer wholesale options for mobile service providers, lead to higher retail prices, and potentially disrupt the country’s network sharing arrangements.
- **The Phones 4u saga shows little sign of abating**, with the Court of Appeal now set to hear objections to the initial ruling that there was no relevant collusion between UK MNOs, EE included. Questions to answer will include whether EE’s efforts to mislead Ofcom should be considered part of a pattern, what significance should be attributed to Vodafone UK and O2 attempting to fix 4G pricing, and whether Telefónica’s loss of evidence should be considered intentional (and incriminating) destruction. The further deliberations are set to add to the already substantial legal costs incurred (£100m+), and appeals are only heard when there is a “*real prospect of success*”.

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## Technology

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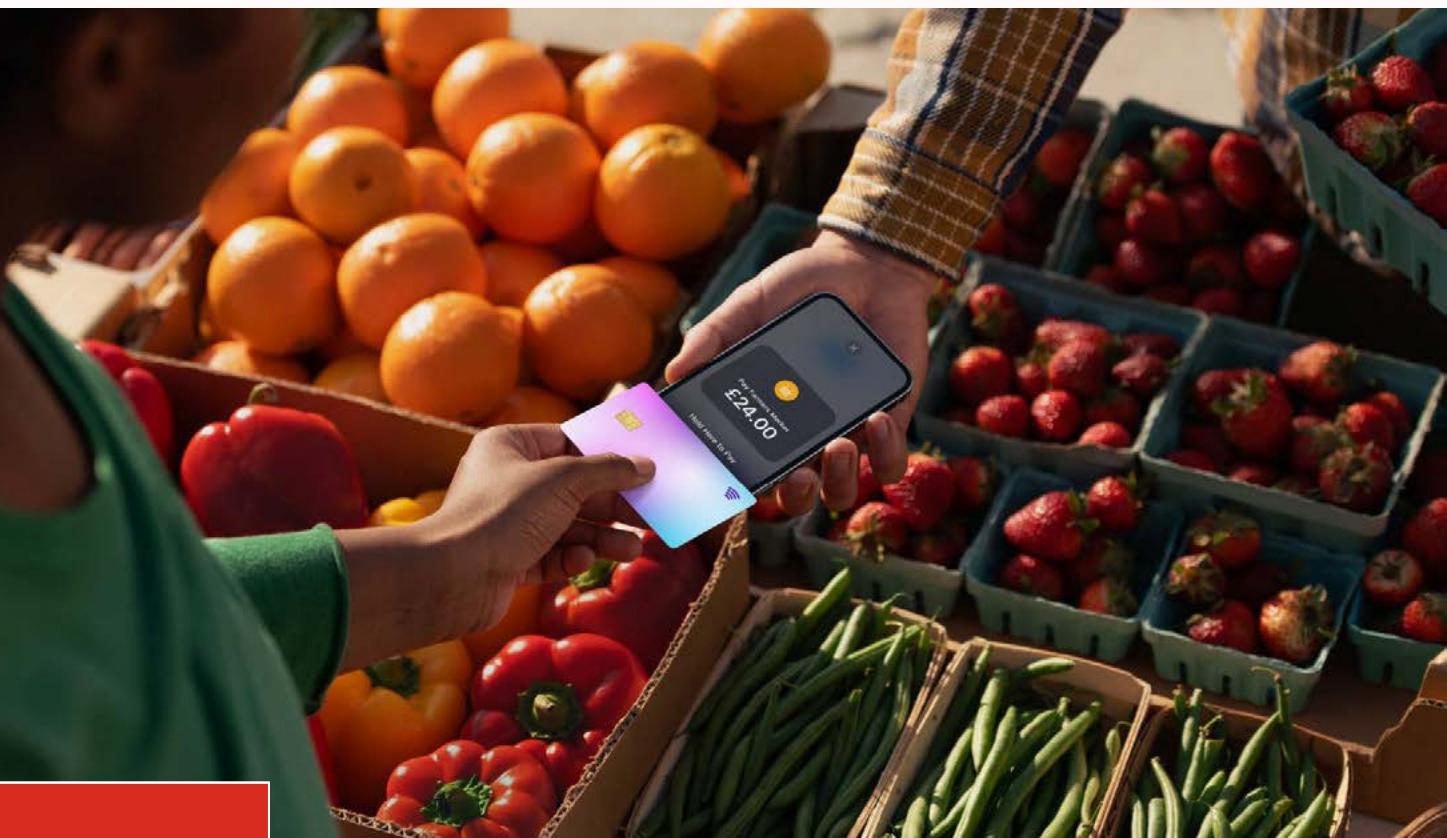


Image: BT

## DIGITAL

### BT startup arm ties with Adyen on Tap to Pay app

- BT offers more flexible payment options for its small business customers, but only on *iPhones*.
- Group indicates that *Tap to Pay on Android* is also in the pipeline.
- Adyen scores with BT partnership as it builds its UK business.

BT's incubation arm Etc. has strengthened Group engagement in financial technology with the launch of a new *Tap to Pay* application for small businesses.

The app was developed in partnership with fintech platform specialist Adyen and works in combination with *Tap to Pay* technology on an Apple *iPhone*.

According to BT, the app allows merchants to accept in-person contactless payments made with physical debit and credit cards, *Apple Pay*, and other digital wallets using only their *iPhone*, "with no extra terminals or hardware needed". BT charges a 1.4% fee for every transaction made.

The Group has said that the service will also be made available for *Android* smartphones, but has not specified when.

Apple launched its **Tap to Pay** service for US-based merchants in 2022 and the functionality was introduced to the UK market in July 2023. Adyen also launched its *Tap to Pay on iPhone* service in 2022, followed by *Tap to Pay on Android* in July 2023. Adyen's *iPhone* service is now available in Australia, France, the Netherlands, the UK, and the USA, while the *Android* service is currently only available in Singapore and the USA. Other providers that compete with Adyen in this field include Square, Stripe, Zettle by PayPal and more.

## Trust is a team effort

Amsterdam-based Adyen, which has a UK banking licence, provides payment and billing software that integrates with the *iPhone*'s own functions. The provider recently appointed Nicole Olbe, formerly of Barclaycard Payments, as Managing Director of its UK operations in order to drive its business in the market.

According to Olbe, Adyen's *Tap to Pay on iPhone* and the *BT Tap to Pay* app provide a trusted service for BT's one million small business customers, making them less dependent on payment hardware.

Tom Guy, Managing Director of Etc., added that the partnership with Adyen has “allowed us to streamline payment processes for small businesses across the UK, while providing a quicker and easier way to pay for their customers”.

John Gutch, who heads up fintech product development at Etc., hailed the launch of the *Tap to Pay* app as “a phenomenal team effort” and said it is now available via the *Apple App Store*. Gutch recently indicated on *LinkedIn* that “how we create more seamless, simple customer experiences in the payment space is an area we've been focused on for some time now”.

### Fintech, drones, health-tech etc.

Etc. was established in 2022 with a focus on **three verticals**: drones, fintech, and health-tech (BTwatch, #332). The incubation arm looks to partner with startups and at times offer investment.

The unit has already announced a number of **health-tech** partnerships, such as with Axon Diagnostics and Feebris, and has been heavily engaged in BT's **drone** projects, with various trials underpinned by drone connectivity service *Drone SIM*. More recently, Etc. set live its first electric vehicle charging unit, housed in a converted street cabinet in East Lothian, marking a first tangible step towards its goal of deploying up to 60,000 street-side points. The Adyen partnership is among the first development in the **fintech** vertical for Etc. (BTwatch, #345, #349, #351, and *passim*).



Image: BT

## NETWORKS

### Adastra Park: BT R&D hub shifts leadership, strategy

- Lisa Perkins exits and Pete Bell ascends in Adastra leadership changes; the latest in ongoing BT Networks and campus evolution.
- BT assures that the R&D site remains “crucial” to Group testing, trials, and innovation.

Responsibility for BT’s research and development hub Adastra Park has transferred to Pete Bell, the Group’s Managing Director for Fixed Networks as part of a wider reshuffle and refocus at the Suffolk site to reflect its position within the Network Services division.

Bell, a long-time BT/Openreach staffer, took on formal accountability for research strategy and operations in April, reporting to Chief Networks Officer Greg McCall.

Lisa Perkins, Adastra Park Director for six years and ambassador-in-chief since the 2023 departure of Tim Whitley, is set to exit the Group shortly. No other staff are being changed, *TelcoTitans BTwatch* has been told.

Howard Watson, BT Group’s Chief Security & Networks Officer, commented that Perkins has played an “instrumental” role in “establishing new facilities on site, doubling the size of Innovation Martlesham, building the DigiTech Centre, driving research strategy, and realising its value, as well as launching new showcases and a programme of festivals to spotlight our innovation”.

**Lisa Perkins** has been at BT and Openreach for over two decades, with senior roles for much of that. She is currently Director for Research & Realisation, a post she occupies alongside her Adastra Park position. It is not clear exactly when she will exit the Group and she is yet to confirm her next move.

## What now for Adastral?

Watson has assured that Adastral Park remains “critical to BT Group”.

The change is said to reflect a honing of focus on networks R&D at the base, sitting under the research and networks strategy remit of Gabriela Styf Sjöman. This internal client has the largest on-site presence.

Responding to *TelcoTitans BTwatch*, a BT spokesperson described Adastral Park as a “crucial asset”, highlighting recent projects such as multicast transmission technology [MAUD](#) (see separate), [quantum optical radio](#), and [network slicing](#) as evidence of the innovation being done at the labs. They added that more is “*in the pipeline for the next year*” (*BTwatch*, #350 and *passim*).

The leadership rejig comes several months into a two-year initiative to [reduce the BT presence at Adastral Park](#) as the Group looks to consolidate into fewer office and equipment spaces (*BTwatch*, #346).

In July 2023, the campus hosted approximately 2,900 staff. BT told *BTwatch* at that time that around 1,100 jobs could be affected by the rationalisation programme — but with many “*redeployed*” rather than cut — in what the operator described as a rebalancing of its “*talent footprint*”.

The latest development also comes a year and a half after a [major overhaul](#) of BT Networks which, since 2022, is comprised of six units:

1. Network Services.
2. Strategy & Research.
3. Cyber & Information Security.
4. Operational Resilience & Service Management.
5. Security Transformation.
6. Health, Safety & Environment.

**Adastral Park** was led by BT R&D veteran **Tim Whitley**, as Managing Director (MD), until his [departure](#) in 2023 as part of a wider Networks restructure. He was succeeded by **Styf Sjöman**, who was named MD of Research & Network Strategy in mid-2023 (*BTwatch*, #340 and *passim*).

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## BT teases 5G SA 'this year', will wait to get it right

- BT Chief Security & Networks Officer Howard Watson has indicated 5G standalone services are likely to go live in the second half of the year.
- Rivals VM O2 and Vodafone UK are one step ahead, but BT remains happy to wait.
- Watson says true benefits, revenue streams, and enterprise use-cases are yet to present themselves, but 'green shoots' of B2B promise are emerging.
- Huawei replacement programme not slowing things down, Ericsson taking centre stage.

BT Chief Security & Networks Officer Howard Watson has teed up a 5G standalone (SA) launch *"later in this year"*, but said that the Group will not be drawn into rushing the technology by news of commercial go-lives by rivals.

Speaking to *Mobile World Live*'s Justin Springham at [Mobile World Congress](#), Watson was not drawn into giving a hard timeframe, but suggested that the second half of the year is realistic. *"Ask me again in the summer"*, he said.

**“** *We are ready. We've looked long and hard at 5G standalone. Yes, we can do pilots, yes, we can do trials, but we think actually we should wait a little bit longer to get the right device ecosystem and get some great services with slicing.*” — Watson.

BT's non-standalone 5G network covers just shy of 75% of the UK population and has achieved *"great usage"* among consumers. More than half of its customer base now has access to the network. Watson, however, is yet to see enough progress on business-to-business uptake.

**“** *We're starting to see a little bit of green shoots of the promise of enterprise use cases, where the money hopefully will be, but I think the whole industry would say that's come a little bit later than we'd hoped.*” — Watson.

Execs across UK telecoms have [called out the slow pace of 5G SA rollout](#) previously. Speaking in May 2023 BT Digital Chief Architect Josie Smith, for example, urged vendors to “stop building tech first”, and instead promoted a focus on customer-first solutions. She [questioned the purpose of 5G SA technology](#) if there are no clear use-cases or benefits for the end-user (BTwatch, #345).

At the same *FutureNet World* event, **Vodafone UK**’s Network Director Andrea Donà said that the rollout was “*not going as fast as we’d like*”, citing “*suboptimal*” vendor maturity, a lack of ‘killer application’, and an inability to build scalable solutions beyond the proof-of-concept stage.

Watson’s comments at *MWC* indicate that the sentiment remains the same at BT, with the Group apparently opting to **wait and see**, rather than rush services out.

UK regulator Ofcom has encouraged the UK’s Department for Science, Innovation & Technology (DSIT) to report on 5G SA coverage as part of the latter’s *Wireless Infrastructure Strategy*, though noted rollout is “*still at an early stage*”, with around **2,000 5G SA mobile sites** commercially deployed in 2023. DSIT has set a target for delivery of 5G SA to populated areas by 2030, but has been urged by the National Audit Office to provide [greater clarity and defined purpose](#) for this goal.

## BT not tempted into racing with rivals

The discussion came days after BT rival [Virgin Media O2 took second place](#) in the UK’s 5G SA race, launching a limited commercial offering at 14 sites and lining up further expansion “*throughout 2024*”.

Vodafone UK was the UK’s first mover when it launched 5G SA services in June 2023 (*Vodafonewatch*, #219).

BT appears to be ahead of fourth mobile network operator Three UK, however, which has made limited advancements in the technology. As part of a wide-ranging lobbying campaign as it works to secure approvals for its merger with Vodafone UK, Three has claimed that should the JV be approved, its 5G SA network will reach more than 95% of the country’s population within ten years.

BT has worked with **various partners** in its 5G SA preparations and conducted some limited enterprise demonstrations:

- In August 2023 **Nokia** and BT showcased uplink aggregation of two carrier components (**2CC**) in a 5G SA “live” network spectrum (*BTwatch*, #348). A year earlier the vendor had partnered BT on a trial of **4CC** carrier aggregation (*BTwatch*, #338).
- BT worked with **Ericsson** in September 2023 to demonstrate the delivery of 5G services on a **wideband FDD** radio carrier within a sub-3GHz spectrum band. **MediaTek** was also involved in the collaboration (*BTwatch*, #348).
- **MediaTek** was also partnered in October 2023 to trial 5G *Reduced Capability* (*RedCap*) technology, harnessing EE’s 5G SA network and **Nokia** Airscale RAN kit at Adastral Park (*BTwatch*, #349).
- **Ports** have been BT’s go-to example for its private 5G developments, and some deployments have included a limited 5G SA rollout. BT installed an Ericsson-backed 5G private network at the Port of Tyne in late 2023, utilising a 4G network alongside a 5G SA service to test asset tracking, drones, and security solutions. Its flagship smart port partnership is with Belfast Harbour, and others include Port of Ipswich and Port of Southampton (*BTwatch*, #341, #343, #350, and *passim*).

### Ericsson’s core provides a platform as Huawei (slowly) edged out

Watson claimed that BT’s rollout of 5G SA will not be affected by the ongoing Huawei rip-and-replace project thanks, in part, to collaboration with Ericsson.

**“** *What we’ve put in place using our partner Ericsson is a new core that is doing 4G, 5G non-standalone, and 5G standalone. And the great thing we’ve done is make it really cloud native on our own telco cloud that we’ve built. ”* — Watson.

When questioned on the progress BT has made in removing Huawei from its mobile network core — having missed an end-of-year deadline set by the government (*BTwatch*, #351) — Watson confirmed that work was still ongoing, eight weeks behind schedule, but that it would be complete “*in weeks rather than months*”.

He added that there is one software platform that manages data roaming passes which still uses Huawei kit, but that is “*low security risk, not affecting traffic*”.



Image: Pixabay / Frank\_Reppold

## BT teams with Broadpeak to bring MAUD to life

- France-based Broadpeak provides tech components that will underpin BT's live video streaming network architecture.
- MAUD's ambition is cut peak video streaming bandwidth by half.
- Trials to begin this year with broadcasters and content providers.

BT has partnered France-based video tech specialist Broadpeak to deliver the operator's Multicast-Assisted Unicast Delivery (MAUD) solution for live video streaming, with the first trials expected in 2024.

Unveiled in December 2023 and developed at BT's Adastral Park R&D hub, the "breakthrough" MAUD transmission technology is designed to use up to 50% less bandwidth during peak streaming events, reduce caching requirements, and improve live streaming quality (*BTwatch*, #350).

Broadpeak will provide components to enable BT to build the "world's first MAUD-enabled network", including its *nanoCDN* (content delivery network) *multicast adaptive bit rate* (mABR) technology.

Broadpeak's *nanoCDN* enables MAUD to group unicast streams into a shared stream via multicast without the need for content service providers to modify their apps and platforms.

The *nanoCDN* will be integrated into the operator's *Smart Hub* routers and leverage multicast capabilities to combine individual streams in the network core before converting them back to unicast at the edge of the network to be consumed by apps and user devices. This technique allows a single stream to serve "millions of viewers", thus reducing costs and improving efficiency for broadcasters, CDNs, and internet service providers, according to BT.



MAUD trials are expected to start in 2024 with “a *number of*” broadcasters and content companies. One of the broadcasters BT has been working with is the BBC.

Broadpeak is a new supplier to BT and the only technology partner involved in MAUD, according to a BT spokesperson. The operator will also look to secure integration agreements with CDN partners.

**Broadpeak** has been developing CDN and video streaming technology for content providers and network service providers since it was founded in 2010. It counts more than 150 companies as customers in 50 countries, which together deliver content to 200 million people.

### Revolutionary MAUD

Howard Watson, Chief Security & Networks Officer at BT Group, described MAUD as “revolutionary” for how live video is delivered over the internet.

Speaking to *TelcoTitans BTwatch* at the MAUD launch in 2023, he said the solution was superior to mABR because a lack of standardisation had been a barrier to the technology’s adoption (*BTwatch*, #342). MAUD ostensibly overcomes that.

The operator said MAUD’s architecture “*takes mABR one step further*” because it “seamlessly” integrates with player applications so that customer apps do not need to be modified. BT has also found that the technology can map onto existing IPTV architecture “*without any issue*”.

Watson also suggested the operator could have broader ambitions for the tech beyond its own use, and said it has the potential to be used “*globally*”.

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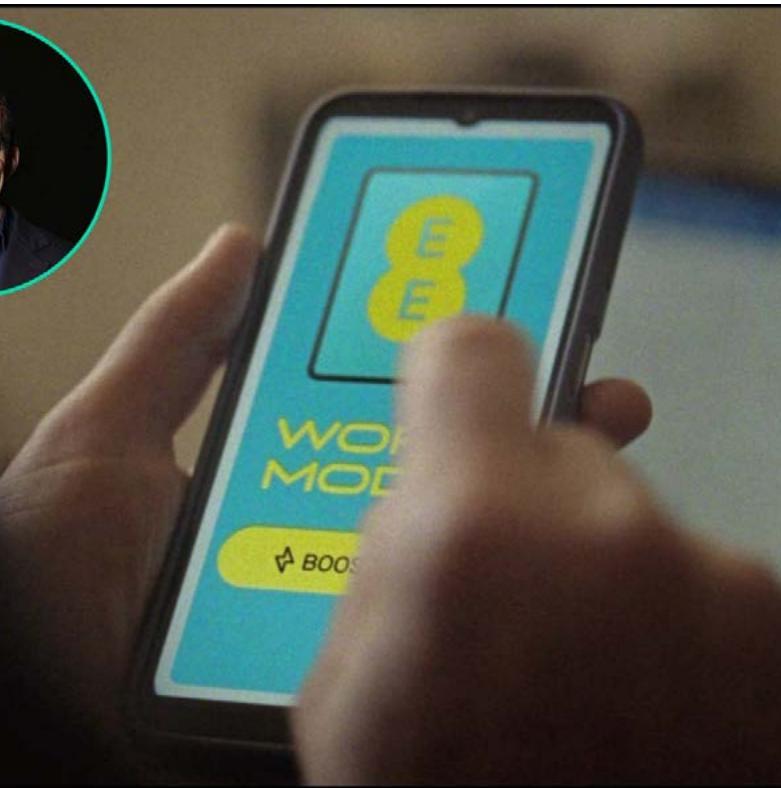
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## ELSEWHERE IN TECHNOLOGY

- **Digital gets in on gov's AI thinktank; Networks shutters 3G**
- **Digital: BT has been added to the Advisory Board for the UK government's All Party Parliamentary Group on artificial intelligence (AI)**. BT Digital described the forum as “critical” as it intends to bring together stakeholders “across the political spectrum” to discuss AI opportunities and threats. In February 2024 the UK government merged its Office for AI into the wider Department for Science, Innovation and Technology in recognition of the role AI will play across all sectors.
- **BT has achieved TM Forum's Running on ODA status**, recognition for its “success in leveraging” the *Open Digital Architecture* framework as BT Digital works towards delivering cloud-native, vendor-agnostic products from reusable components. BT said the status reflects the purpose of the Digital unit: to simplify Group architecture and establish a “robust, data-first, AI-ready infrastructure”. Josie Smith, Chief Architect at BT, described the ODA framework as “foundational” to Group modernisation. She also flagged BT’s engagement with TM Forum in developing the framework, including work on the *Open API* programme (*BTwatch*, #314 and #325).
- BT incubation arm **Etc. has been recognised for its Drone SIM product**, which was named the *Industrial Internet of Things (IoT) Solution of the Year* at the *IoT Breakthrough Awards*. *Drone SIM* was launched in 2023 for BT Business customers, providing “unlimited” data plans on EE’s mobile network in hardware designed to withstand conditions relevant to drone flight. The product was the fruit of trials and collaboration with the likes of sees. ai, Skylift, and uAvionix over the past several months (*BTwatch*, #349).
- **Networks: BT has shuttered its 3G network**, two months after the nationwide switch-off was initiated. A mobile site in Belfast was the last to flick the switch, said Chief Networks Officer Greg McCall. BT made the announcement days before rival Vodafone UK followed suit with confirmation that its 3G network has also been fully decommissioned. BT’s McCall said that trials in 2023 provided BT with the means to “confidently” close its 3G network. He laboured BT’s work to ensure the migration was done “responsibly and methodically” — an apparent nod to the various complaints and criticisms that BT has received in recent years as it works to move from legacy networks technology to more modern alternatives, seen both in mobile with the 5G rollout and in fixed, with the PSTN switch-off and all-IP transition. In 2023, BT’s Chief Security & Networks Officer Howard Watson claimed 3G equated to 1% of EE’s network traffic, but accounted for 35% of energy use, suggesting the Group may soon see significant savings on its electricity bill (*BTwatch*, #345 and #349).
- **BT and network equipment provider Adtran have claimed a “Europe’s first” successful optical transport trial** using the latter’s *Coherent 100ZR* pluggable transceiver and BT’s network. The 100ZR trial is said to act as a proof of concept for increased transport capacity for access and edge aggregation networks in a cost-efficient, easily deployed manner. Andrew Lord, Senior Manager for Networks Research at BT, described Adtran’s solution as “plug-and-play”. He said it can “boost capabilities within existing networks”. Adtran has long been an FTTP supplier for Openreach, and BT regularly works with the supplier’s recent acquisition ADVA on quantum network R&D (*BTwatch*, #295, #334, #337, and *passim*).



## Consumer

### STRATEGY

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### ELSEWHERE IN CONSUMER

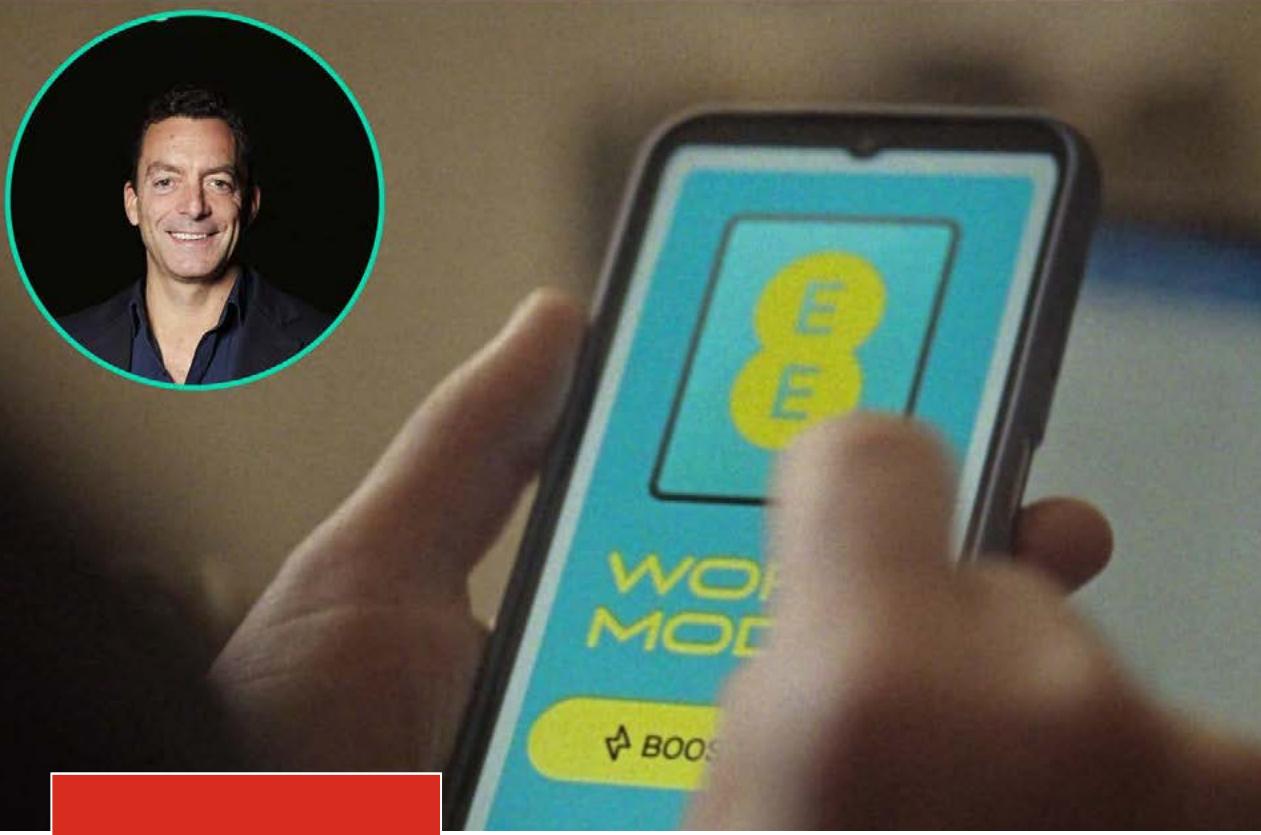


Image: EE

## STRATEGY

### Allera focused on relationships, resonance, relevance

- BT Consumer CEO Marc Allera lays out focus on building a “relevant” EE brand that prioritises connectivity-adjacent services, before leveraging BT’s network strengths once relationships are built.
- Allera claimed progress on EE brand simplification and revamp programme, powered by *EE ID* platform.
- Gaming success, built on EE’s connectivity and financing capabilities, has proven BT’s ‘right to play’ in consumer electronics sector.
- Bricks-and-mortar retail remains an important channel to engage with customers, demo services portfolio.

BT Consumer Chief Executive Marc Allera has said EE is looking to provide the “icing on the cake” for convergence partners, while avoiding multimillion-pound capital expenditure (capex) on new products and services, and building a platform with “real brand resonance and relevance” for consumers.

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Speaking to *Mobile World Live*'s Justin Springham at *Mobile World Congress*, Allera declared “strong” progress on the effort so far, albeit only in its early stages and without any numbers to bolster the claim. He said successes thus far have been driven by EE’s platform-based approach, which he pitched as a differentiating factor as more telcos turn their attention to so-called ‘super apps’.

**“** *It’s all powered by this new digital platform and architecture that we’ve been creating that is very different to how a lot of telcos have set up their digital platforms. So, we’re only a few months on, a very good start, but a lot of work still to do for the team.”* — Allera.

Partners are playing a central role, he added.

**“** *The difference from how operators brought [products] to market maybe five or ten years ago is we’re not spending hundreds of millions of pounds on capex creating products and services ourselves. We’re working with partners, you’ve got a software-as-a-service model now that makes it much easier to plug these partners in, and then we can add the icing on the cake which is all of the bundling and convergence services that we can bring to the customer.”* — Allera.

### **Relevance and relationships come first...**

Allera pushed back a little on the idea that *EE ID* — [BT Consumer’s central platform](#) — is just another app (*BTwatch*, #349).

However, he did recognise that customer engagement with network operator apps is sub-par across the industry, and conceded that, at present, the industry as a whole is “not as clicked on, as relevant, as some of the services and brands that are important in customers’ lives”.

The pursuit for relevance is the driving motivation behind BT’s bricks-and-mortar retail strategy, Allera said.

[In February](#) 2024 BT announced a £6m investment, to be spent in the year to March 2025, for the redevelopment of high street stores to reflect a “commitment to brick-and-mortar retail” and showcase the services EE offers (*BTwatch*, #352).

BT’s first goal, then, is to give customers a reason to visit “*the app, our stores, our contact centres*”. Once customers connect with the brand and see value in the digital platform, “we can mobilise that really, really powerfully”, he said.

Five [EE Experience stores](#) have cropped up in major cities so far, and two smaller *Experience Local* sites have also opened. Ten more refreshed stores are expected in the next year.

## ... connectivity will come later

Mobilising that platform is the thinking behind Allera's push into consumer electronics — a vertical which has previously proven difficult to break into and, in the UK at least, has proven challenging for even the most established players to survive (see Dixons, Maplin, and the current battles of Currys).

**“** *By splitting the digital architecture — by having an account and an identity that is split from the network — it means we can sell to customers who've got connectivity with other networks, a smartphone, a games console, a TV, any smart home device or smart wearable device... and we're all buying more and more connected devices.*

*We think that's an opportunity to start building a relationship. The connectivity can come later.*” — Allera.

As *TelcoTitans* BTwatch has previously pointed out, Allera's insistence that connectivity need not be at the centre of the EE brand proposition appears at odds with the approach of new Group CEO Allison Kirkby. In recent months, Kirkby has regularly extolled the importance of telcos creating value “from the core of our business, which is connectivity” (BTwatch, #349).

When still CEO at Telia, Kirkby lamented telcos' entrance into sectors where they “*did not have any right to win either in the medium or the long term*”.

At MWC, although Allera did not go so far as to say EE will ‘win’, he did highlight the operator's claimed success in the gaming sector as providing evidence that “*we've got a right to play*” in connectivity-adjacent markets.

Growth in the gaming sector has been underpinned by a pitch that is founded on traditional connectivity strengths. Allera highlighted that EE is able to promise low latency and ping rates (“*all the stuff that gamers love*”), and also leverage its handset financing capabilities to offer consoles as part of packages featuring subscriptions, trade-ins, and upgrade paths. This, Allera claimed, has so far proven worthwhile, with BT now one of the UK's “*biggest console retailers*”.

BT has itself had mixed results when venturing beyond its network strengths, with the 2006 acquisition of online technology retailer **dabs.com** — which was merged into BT operations and failed to live up to expectations — one example of many. In late 2023 BT appeared to be making an inorganic move into the vertical via talks to buy consumer electronics reseller **musicMagpie**. No acquisition materialised (BTwatch, #350).



Image: Unsplash / Olivier Collet

## ELSEWHERE IN CONSUMER

- **Shared Rural Network** earns scathing NAO review; **TNT Sports** picks up rugby rights win
- **TNT Sports, the broadcast joint venture of BT Sport and Warner Bros. Discovery (WBD), has announced an expanded agreement** to show all Gallagher Premiership Rugby matches, starting with the 2024–25 season, as well as some *Premiership Rugby Cup* games. The value and duration of the deal were not disclosed. TNT's current three-year deal, which was reportedly worth £110m, expires this summer and includes 80 live games per season (BTwatch, #320). With the new agreement, the broadcaster will air all 93 matches live each season, including playoffs and final, through TNT Sports and its streaming channel *discovery+*. TNT Sports can also be viewed via BT, EE, Sky, and Virgin Media. BT finalised its 50:50 JV with WBD back in September 2022, giving itself multiple exit points from the sports broadcast arena. WBD holds a call option, and BT will be free to sell its stake or launch an initial public offering after four years of operation (BTwatch, #335 and *passim*).
- **BT's investment in brick-and-mortar retail is part of an effort to create an “experiential platform”**, according to Richard Bennet, Creative Director at Dalziel & Pow which worked with Your Studio to design the *EE Studio* flagship stores. He has told Retail Brew that shops that simply provide a way for consumers to purchase items have become “irrelevant”, and so EE instead intends to offer customers experiences of connected home products and services. In February 2024, BT announced a £6m investment to be spent in the year to March 2025 on the redevelopment of high street stores. There are currently five *EE Experience* stores, and two smaller *Experience Local* sites. Ten more revamped shops are expected to launch in the next year (BTwatch, #352).
- The UK's **National Audit Office** has given a scathing review of government-backed efforts to plug mobile connectivity not-spots and found the *Shared Rural Network* to be over budget and running behind. Operators, BT/EE included, are set to foot the bill for spiralling costs but do have options to amend obligations if things get out of hand, prompting further concern about the project's viability.
- **BT has implemented its new consumer pricing structure** as it pivots away from the index-linked annual hikes it has employed in recent years. As was announced by Consumer CEO Marc Allera in early-2024, BT has opted for a “pounds and pence” policy, in the name of “clear” price rises for customers. The new model was introduced for BT and EE customers on 10 April, and Plusnet will follow “*later this summer*”. From 31 March 2025, new and re-contracting customers will sign up for a £1.50 monthly price rise for connected devices, £2 a month for TV customers, and £3 a month for broadband customers. Out-of-bundle services will increase by 5% annually. Allera was at pains to note that “*vulnerable customers*” on *EE Basics* or *BT Home Essentials* plans will not face price hikes (BTwatch, #351).

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## Business

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### ELSEWHERE IN BUSINESS



Image: Unsplash / Boris YUE

## STRATEGY

### Local Business evolves, more activity brought in-house

- SME IT services provision brought in-house in two regions.
- Other areas are brought together, with preferred partners taking on expanded remits and others dropped from the roster.
- BT reiterates value of Local Business network as it seeks to strengthen SME standing.

BT has brought more of its Local Business network partners in-house, a rare move for the Group which has tended to outsource its regional SME IT and communications product sales in recent years.

BPSLP's contract to operate and sell BT products and services in the Kent & East Sussex area has expired, and staff were transferred to BT Group in March 2024 under a *Transfer of Undertakings Protection of Employment Rights* (TUPE) agreement. BPSLP has now ceased trading.

In its latest annual results, for the year to 31 March 2023, **BPSLP** reported a return to pre-tax profit of £3,687 for the first time in three years, having suffered losses of £359,000 and £111,000 in the intervening years. It generated revenue of £1.08m, up from £634,000.

In a similar move, the Thames Valley region, previously managed by Thames Valley Telecom, has been taken over by an internal BT team. *TelcoTitans* BTwatch has been told that Thames Valley Telecom closed in February 2024. No performance data has been made available for the company, nor was any reason for the change in management offered by BT.

A BT spokesperson said the Group conducts a “regular review” of Local Business performance and “where we need to, we then look at alternative ways to service customers in the area”.

In March, [ISPreview](#) cited unnamed sources to suggest that BT is looking to replace the existing Local Business structure with a more centralised model, replicating the ‘regional hub’ set-up that has seen the Group [cull more than 300 offices](#) to around 30. There is no strong evidence for this at present, and BT has not given any indication that this is the plan.

### Changing shape but still part of the plan

The Local Business network has seen a number of changes in recent years, with BT moving to insource more activity. Alongside the Thames Valley and Kent & East Sussex regions, BT brought the Black Country region in-house, back in 2022.

There has also been an apparent effort to slim down the partner base by expanding the number of postcodes served by single providers, as seen in the North East of England.

There, BT has shuffled and consolidated its partner pack from four to three. BTLB North East and BTLB West Yorkshire have been merged to create a single entity, BTLB NE Yorkshire, which now serves both regions.

Converged Communications, which covered the erstwhile North East region, manages the newly expanded area. Connect for Good, which held the contract for the now defunct West Yorkshire region, has been ousted from the partner list.

BT described the Yorkshire move as a reflection of the value it sees in its Local Business portfolio.

“

*We continue to review our partnerships on a regular basis. We have renewed contracts recently and where we are able to expand, we are looking to do so, as Local Business remains an important channel for us.*” — BT spokesperson.

It appears to be a similar story in the South of England, where formerly separate Cambridge and Milton Keynes regions have been brought under the single Home Counties North banner, managed by JTALK. South Central and Southern Counties have been combined to create a unified Southern Counties region, managed by AMS Communications. Former South Central contract-holder Business Communications UK has been dropped.

While much of the BT Local Business footprint remains unchanged, the areas that have been tweaked broadly follow a pattern that sees fewer partners cover a larger area. The same was seen in 2023 when Omnitel Communications [land grab](#), taking over the last remaining portion of Scottish territory from Capital Connections. BT now lists Scotland as one homogenous region, with Omnitel managing and operating Local Business services for the entire country (*BTwatch, #344*).

Table 1 BT Local Business network, April 2024

Region	Area	Partner
North-West England	Cheshire	Cheshire Local Business
	Lancs, Cumbria & Calderdale	SME Digital Solutions
	Liverpool & Chester	Branded Telecom
	Manchester	Solutions for Business
North-East England	Lincoln & Nottingham	Linx Business Communications
	North East	Converged Communications
	South Yorkshire, Humber, Derbyshire, and Leicestershire	Cutler Communications Solutions
Northern Ireland	Northern Ireland	BT Northern Ireland
Wales	North Wales	Branded Telecom
	Severnside	Leading Edge Group
Scotland	Scotland	Omnitel Communications
	Black Country	BTLB Black Country
	Birmingham & Hereford	D2 Communications
	Coventry	Christal Communications
Midlands	East Midlands	Aspire Communications
	Stoke	Inter-County Communications
	Devon & Cornwall	Coastel Communications
	Home Counties North	JTalk
South	Oxford & Bucks	Synvestment
	Southern Counties	AMS Communications
	City of London	London Metropolis
London & South-East	Herts & Essex	Jay-Bee Telecom
	Kent & East Sussex	BTLB Kent & East Sussex
	Greater London North-East	Switched On Communications
	Greater London North-West	Leading Edge Group
	Greater London South-East	Talk 4 Business
	Greater London South-West	BTLB Greater London South-West
	London West	Danleo Telecoms Services
	Norfolk & Suffolk	N&SLB
	South East Central	Southern UK Communications
	Thames Valley	BTLB Thames Valley

Sources: BT, companies.

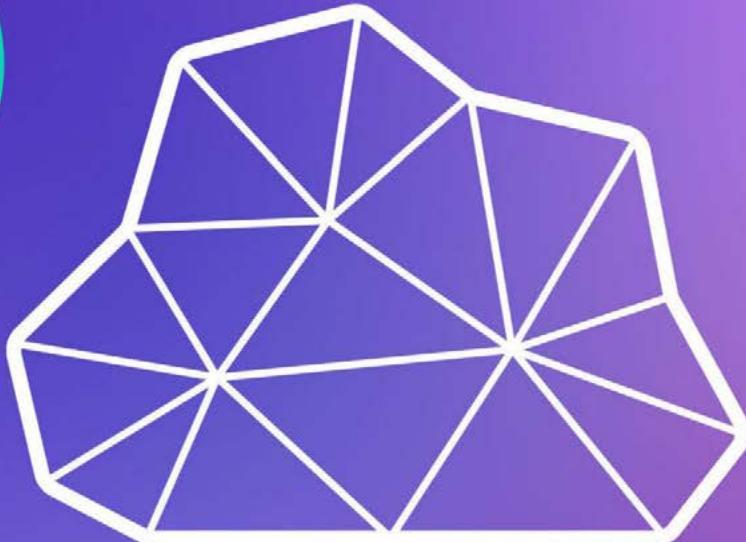
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# Global Fabric

## PRODUCTS AND SERVICES

Image: BT

### BT Business ‘builds like fury’ to stitch up Global Fabric

- BT Business CTO Colin Bannon discusses how the operator “*ripped up the old blueprints*” to rebuild its international network for the multi-cloud era.
- First connectivity services to be rolled out onto the platform later this year.
- Smaller, more targeted footprint in prime locations for cloud interconnection.
- Built on Cisco hardware, key carrier-neutral facilities partners are Digital Realty and Equinix.

BT Business plans to launch the first services on its new *Global Fabric* network later in 2024 as it ramps up the rollout of its flagship multi-cloud connectivity platform.

Speaking to *TelcoTitans BTwatch*, Colin Bannon, Chief Technology Officer at BT Business, said the operator is “*building like fury right now*”, adopting the rallying phrase coined by former CEO Philip Jansen for the telco’s UK full-fibre access rollout. He shared insight into some of the nuts and bolts of the network overhaul that has taken place since *Global Fabric* was unveiled in October 2023 (*BTwatch*, #349–#350).

This year and into 2025, BT Business is building 160 points of presence (PoP) in carrier neutral facilities (CNF) around the world, such as from partners Digital Realty and Equinix, which will recreate its international networks to provide connectivity to hyperscaler clouds for its enterprise customers, including Amazon Web Services (AWS), Google Cloud Platform (GCP), and Microsoft Azure.

The new physical sites will be the foundation for a “*multi-service core*” and “*multi-service edge*” that provides flexible, programmable, and secure managed connectivity between businesses and their distributed cloud-based workloads, based on a network-as-a-service model.

## Multiple strands in the fabric

The creation of *Global Fabric* is really “*two builds going on in parallel*”, Bannon explained. There is the physical build of the PoPs, where BT is “*racking and stacking new kit, laying fibre and connecting up with each other around the world... that’s going at a certain pace*”.

At the same time, the operator is “*re-platforming*” its enterprise connectivity networks onto *Global Fabric*. Rather than having separate stacks for each connectivity service, a physical rack will have ports for multiple connectivity options.

**“** *We had four different stacks and four different cores internationally, and two more in the UK, and we’re collapsing them all down into a multi-service core and multi-service edge.*” — Bannon.

The service launch dates are not yet confirmed, but BT is working towards September 2024 for its internet service, the first connectivity product. Other products will follow in incremental releases, including MPLS; services for AWS, Azure, GCP, and Oracle; Ethernet services E-LAN and E-Line; along with DDoS protection.

The operator will also introduce a “*service insertion layer*”, which is like an app store where customers can buy additional services, such as firewalls, load balancers, virtual routers, SD-WAN, and SASE.

**“** *We’re lining up consecutive layers of software releases of essentially virtual products on the same hardware in these locations around the world as we get it right.*” — Bannon.

## Location, location, location

BT’s current international networks have 215 PoPs, but they are not in the right locations to meet customers’ cloud-centric connectivity needs. Bannon said BT, like other service providers, had a “*real estate issue*” because its PoPs were designed to connect users to data centres, “*when the data centre was the centre of the universe*”.

Bannon said the new ‘centre of the universe’ is “*at the edge of those hyper-interconnected nodes that are the interconnection sites between all the SaaS providers, the hyperscalers, and the ISPs*”, which are the internet exchanges and CNFs, and where *Global Fabric*’s PoPs will be located.

BT is “*making a commitment*” to have “*the largest empirical amount of on-net interconnection to the big three hyperscalers and others around the world, more than anybody else*”, he said.

Key CNF partners are Equinix and Digital Realty, which have “*really valuable locations where the hyperscalers land their service provider edge, where they expose themselves to the rest of the world*”, he explained.

Equinix will account for up to a third of *Global Fabric*’s footprint and Digital Realty will be the next largest provider. Beyond this duo, BT is engaging with a long tail of CNF partners to ensure it has two locations, or is “*dual-homed*”, in every cloud availability zone so that it always has a resilient backup in a region in case of a failure.

*“Let’s just say I’ve had a lot of fun with our procurement teams and our lawyers, because there’s a lot more contracts to get the footprint”, he said.*

With a smaller, more targeted footprint, *Global Fabric* will use 16% fewer physical devices (specifically, 1,326 compared to 1,571 in BT’s existing international networks). *Global Fabric* is being built on Cisco 8000 Series routers.

[In an interview](#) with Jonathan Davidson, Executive Vice-President and General Manager for Networking at Cisco, BT Business CEO Bas Burger said the new generation Cisco routers going into *Global Fabric* use 64% less energy than the older versions in its networks. This, and having fewer devices, contributes to BT’s estimate that *Global Fabric* will use 79% less energy than its current international networks.

## More than a lick of paint

BT has described the new network as a “*generational shift in technology*”, something Bannon said happens once in 15 years.

**“** *We essentially ripped up the old blueprints and redesigned [them] to be fully relevant from the cloud outwards, but still providing the core services that enterprises are asking for... And by abstracting components in our architecture and making it fully programmable, this is a root and branch transformation that is really very different than putting a new paint job on it... This is actually rebuilding the whole network [and] collapsing all these platforms in. ”* — Bannon.

BT has not discussed the specific amount of capex involved in the project. To put it into some context, though, Bannon said it is a “*massive*” investment for BT Business, but “*fractional*” compared to a UK fibre rollout.

**“** *Fundamentally, engineering-wise, this is a step change from anything that is around today... And trust me, it’s not easy, otherwise other people would be doing it. That’s why it also takes the commitment of a Board to get behind [it] and say, ‘let’s go all in and do it right’ rather than just providing a digital interface and sweating the legacy assets.*

*This is a programmable platform that will solve for problems we don’t even know about yet... You don’t refresh very often, but when you do, you want to make sure that it’s a platform that you can continue to innovate on for the next ten to 15 years. That’s what we believe we’re doing. ”* — Bannon.

Bannon’s comments echo those of Business CEO Burger, who has previously described *Global Fabric* as a “*first step*” in the [new strategic journey](#) towards a [streamlined portfolio](#) for the Business division, which brings together BT’s formally separate Enterprise and Global divisions.

Indeed, *Global Fabric* seems to encapsulate much of **Burger’s vision** for Business: it is the result of longstanding collaboration with partners; it is leveraging BT’s network strengths; and it is set up as a single product for any size of business, employing a so-called “*pay-as-you-use*” model in place of longer-term fixed contracts.

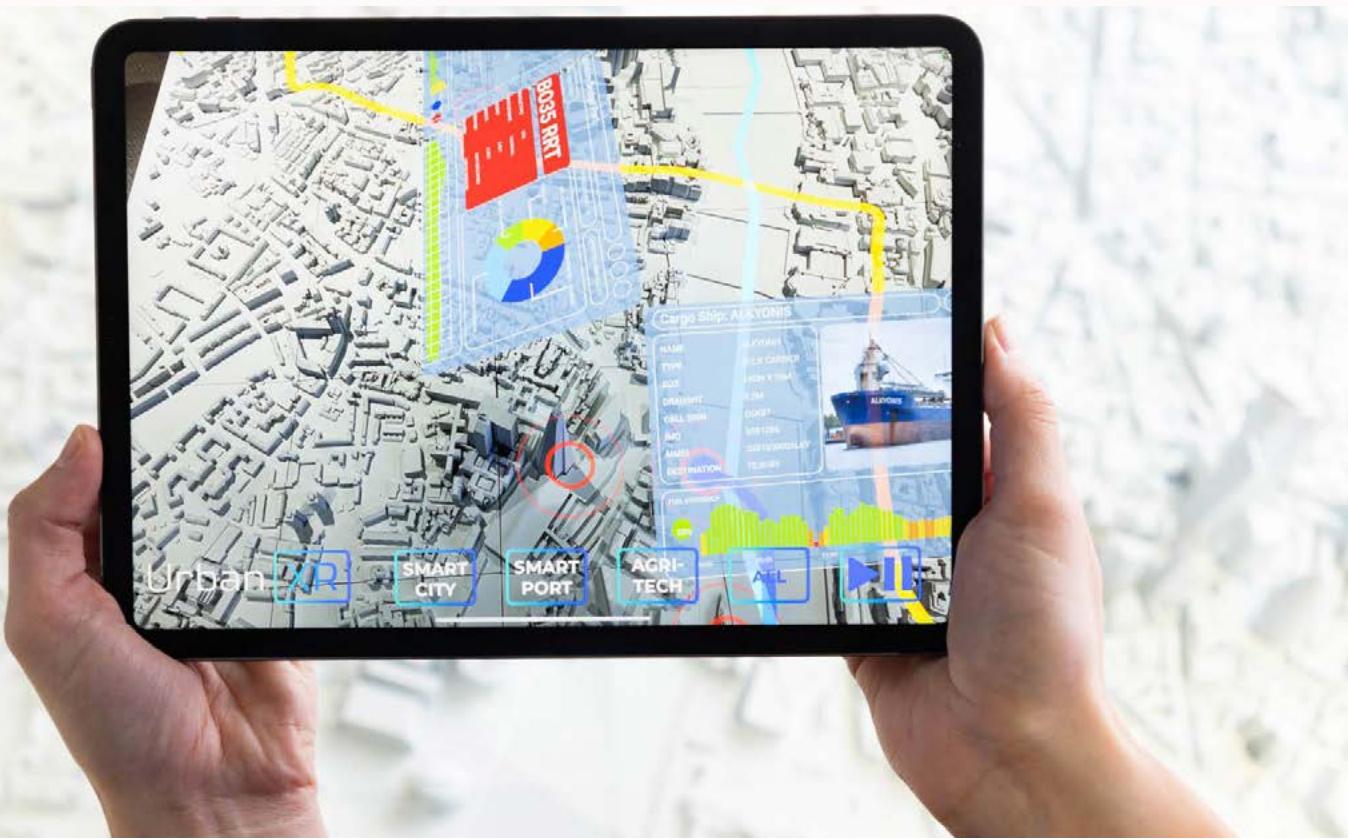


Image: BT

## BT launches NB-IoT network for smart cities, farms

- Narrowband IoT network runs on EE 4G network, targeting use cases for low-power devices with low data demand.
- BT's Division X MD Chris Keone puts smart city use-cases in the spotlight, with agricultural trials another focus.
- BT battling with Vodafone UK for IoT market share.

BT has launched its long-awaited narrowband *Internet of Things* (NB-IoT) network for BT Business customers.

The low-power service uses EE's 4G network, operating on 1800MHz spectrum with claimed benefits for device battery life for assets with low data demands.

BT described it as a “*multimillion-pound*” network, but has not yet clarified the claim. It has been in the works for some time, and was initially expected to be made commercially available in [late-2023](#) (BTwatch, #341). When the low-power wide area network (LPWAN) was first teed up, NB-IoT was set to be the first commercial proposition before expanding to LTE-M and other LPWAN technologies subsequently.

The NB-IoT commercial launch adds to an existing IoT portfolio of eSIMs and ‘national’ [roaming SIMs](#), launched in 2023 (BTwatch, #342). The IoT services sit under the domain of new Division X Managing Director [Chris Keone](#), who said that the launch comes as the UK IoT market is “*growing*”.

Keone has his sights set on the public sector and construction and utilities industries, primarily, and highlighted street lighting and water sensors as potential candidate use-cases owing to their low data demand.

These are areas regularly touted by BT as of interest. Indeed, existing IoT partnerships with Severn Trent and [Yorkshire Water](#), for example, see the Group provide IoT [roaming SIMs](#) to monitor water quality, as part of a wider ambition to provide “[simple but innovative](#)” solutions to critical infrastructure operators (BTwatch, #351).

BT sought to pitch the latest development as a route to “*fast-track smart cities of the future*”, but also referenced agricultural trials of gate sensors to track livestock and temperature gauges to prevent haystack fires.

### BT carves out a place in busy UK IoT market

BT has often talked up its **IoT services** running on a low-power wide area network. Before its launch, former Division X MD Marc Overton detailed how the network technology was a powerful way to [expand commercial relationships](#) and leverage existing BT assets (BTwatch, #341). The Group has been keen to establish IoT partnerships across a variety of verticals, such as [healthcare](#), [drones](#), and [agriculture](#) (BTwatch, #336, #341, and #342).

Overton also previously noted that rival **Vodafone UK** had “*too free a rein for too long in the UK market*”, with BT looking to challenge a self-proclaimed “*IoT leader*”. Despite rarely giving any deeper insight into earnings or the nature of its IoT customer base, Vodafone has long [claimed its strength](#) in the sector (and IoT was again flagged in the Group’s recent [results](#) announcements as a bright spot). Among the more significant deals in recent years in the UK was 2023’s [deal with Data Communications Company](#) (DCC) to provide 4G connectivity for Britain’s smart meter network. The contract, which could last up to 15 years, sees Vodafone build and operate a managed IoT network for meters in more than half of British homes, providing the connection between devices and energy suppliers. Vodafone replaced Virgin Media O2 and Arqiva when it picked up the deal.

**Virgin Media O2**, meanwhile, had plans to [launch](#) its own NB-IoT network in the second half of 2023, having completed testing earlier in the year.

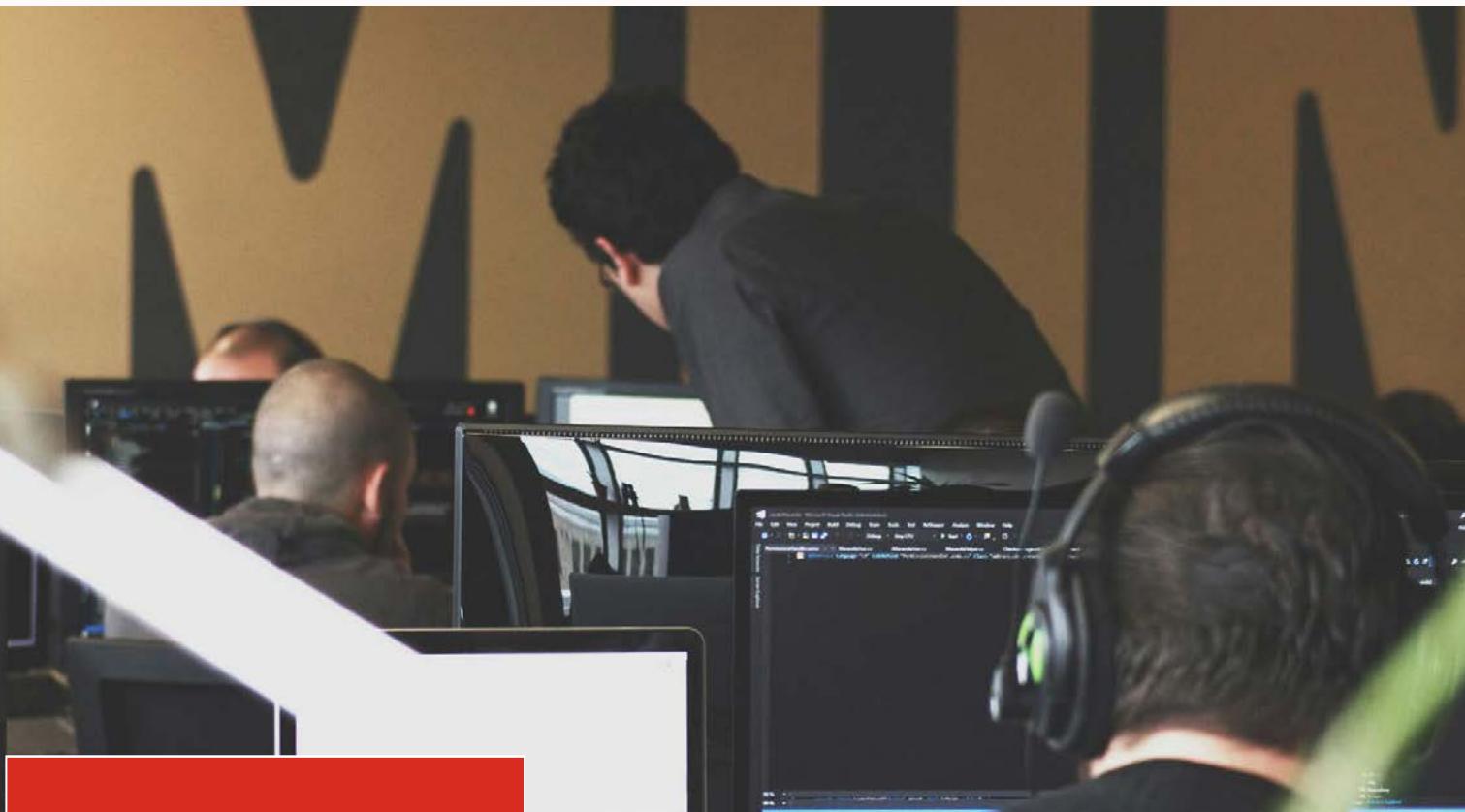


Image: Unsplash / Rivage

## PARTNERSHIPS

### BT bolsters cloud security with Zscaler deal

- Zscaler doubles down on its BT relationship with ‘world-first’ managed services partnership featuring its *Zero Trust Exchange* platform.
- New offering expected to reduce network attack surface while simplifying access to cloud-based services, with benefits for a dispersed workforce.
- BT also using the vendor’s cybersecurity capabilities for internal purposes.

BT Security and cybersecurity provider Zscaler have unveiled a new commercial partnership that will see BT build up its managed security services portfolio with a new suite of offerings based on the vendor’s *Zero Trust Exchange* cloud security proposition.

*Zero Trust Exchange* is described as a cloud-native platform built on the principle of least-privileged access to reinforce security, and which is said to reduce the complexity of IT infrastructure, while “shrink[ing] [the] cyber-attack surface”.

BT claims to be the first global service provider to offer a full suite of managed services based on the technology, and will make it available as part of solutions supporting connectivity, networking and security for digitalising enterprises.

Building on the *Zero Trust Exchange* platform, BT will be offering *Zscaler for Users*, which is flagged as a solution that can support environments where companies may have dispersed remote working teams. The new services are expected to reduce the administrative burden for businesses, while delivering robust network protection, and features include:

- A **secure web gateway**, offering cloud-native threat protection and zero trust access to the internet and software-as-a-service applications.
- Fast and secure access to **private apps and devices**, replacing legacy tools such as VPNs.
- Visibility of **digital pathways** between users and apps, which can help identify performance issues and enable secure connections from any location.

Under the partnership BT will also be using the *Zero Trust Exchange* platform internally. The companies said that this would “enhance BT’s first-hand experience as they support customers looking to adopt and implement Zscaler solutions”.

### Zscaler “doubles down” on BT relationship

Zscaler was named as an *Ecosystem Partner* when BT Security first introduced a slimmed-down list of key vendors in the sector in summer 2020 (*BTwatch*, #315). With the latest agreement, Zscaler suggested it is ‘doubling down’ on its relationship with the operator.

BT has in recent months expanded its collection of cybersecurity partnerships beyond its initial scope, most notably through a tie-up with Google Cloud (*BTwatch*, #349).

Following an October 2023 agreement, BT became a managed services delivery partner and official reseller of Google’s *Chronicle*-based *Autonomic Security Operations*, a holistic platform offering intended to deliver adapted and automated tools mitigating threats.

The pair were also expected to implement threat intelligence solutions from Mandiant, a vendor acquired by Google in 2022.

## Network X: Paris’s broadband olympics

Eventwatch team on site

## ELSEWHERE IN BUSINESS

- **BT Business spins up marketing machine; wins rural schools connectivity contract**
- **BT Business revved its marketing engine with a new advertising campaign** designed to strengthen the B2B identity of the BT brand since [EE became the Group's consumer marque in April 2022](#) (BTwatch, #334). The tagline is “Whatever your business, BT’s got your back”. The ads run across TV, Meta, TikTok, digital out-of-home, print, and digital display, according to [Marketing Beat](#). BT Business CEO Bas Burger wrote on *LinkedIn* that “we’re providing the rock-solid foundation to help businesses of all sizes and in all sectors to thrive ... And this ad celebrates them all, showing customers that we’ve got their back”.
- **BT has secured a £26m Project Gigabit contract to extend its gigabit network to more than 650 schools in hard-to-reach places** in England by December 2025. The *Schools Gigabit Connectivity Project*, part of *Project Gigabit*, is funded in part by the UK’s Department for Education and Department for Science, Innovation, and Technology. BT’s Managing Director for Corporate & Public Sector Ashish Gupta said that BT will work closely with Openreach to connect the schools “in phases”.
- Speaking to [EcoVoice](#), BT Business Regional Managing Director for Asia-Pacific, China, Middle East & Africa **Rodney Kinchington has said that the Group aims to become a “market leader in sustainability”** and will do so by equipping customers with technology solutions and measurement tools. He pitched the network-as-a-service proposition *Global Fabric* as part of this effort, claiming that devices on the platform are 64% more efficient than existing equipment (see *separate*). “That’s an exciting space to be working in”, he said. He went on to concede that substantiating carbon reduction achievements remains a problem, and so BT intends to offer tools like the *Digital Carbon Calculator* and *Carbon Network Dashboard* to enable enterprise customers to back up environmental impact claims with data.
- **BT Media & Broadcast has confirmed that the UK Media Network (UKMN) will close on 30 November 2024**, with BT’s “smart network” Vena already taking its place. Vena was [launched](#) in 2021 (BTwatch, #324) and, in 2023, was used to deliver broadcasts for 250 UK rugby matches and all UK-based UEFA Champions League, Europa League, and Conference League matches.
- **BT has partnered media and entertainment group Global to upgrade and expand its Street Hub digital kiosk estate.** The [ten-year deal](#) will see “hyper-local advertising” in more than 200 towns and cities, with Global set to represent BT’s street furniture advertising sales for the duration. BT and Global will convert up to 2,000 “conventional” payphones into *Street Hubs* from 2025, with additional capabilities to include mobile and Wi-Fi networks provision, free USB charging, and real-time public information from local councils. Burger said the partnership will triple the number of *Street Hubs* over the next decade from the current 1,000-strong portfolio. BT’s effort to expand its *Street Hub* estate has faced regular backlash from local businesses and residents, with a substantial number of planning applications rejected by local councils over the past several months. Common complaints from locals described *Street Hubs* as “visually detrimental” and “unnecessarily prominent” (BTwatch, #329, #341, #343, and *passim*).



## Openreach

### NETWORKS

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### ELSEWHERE IN OPENREACH

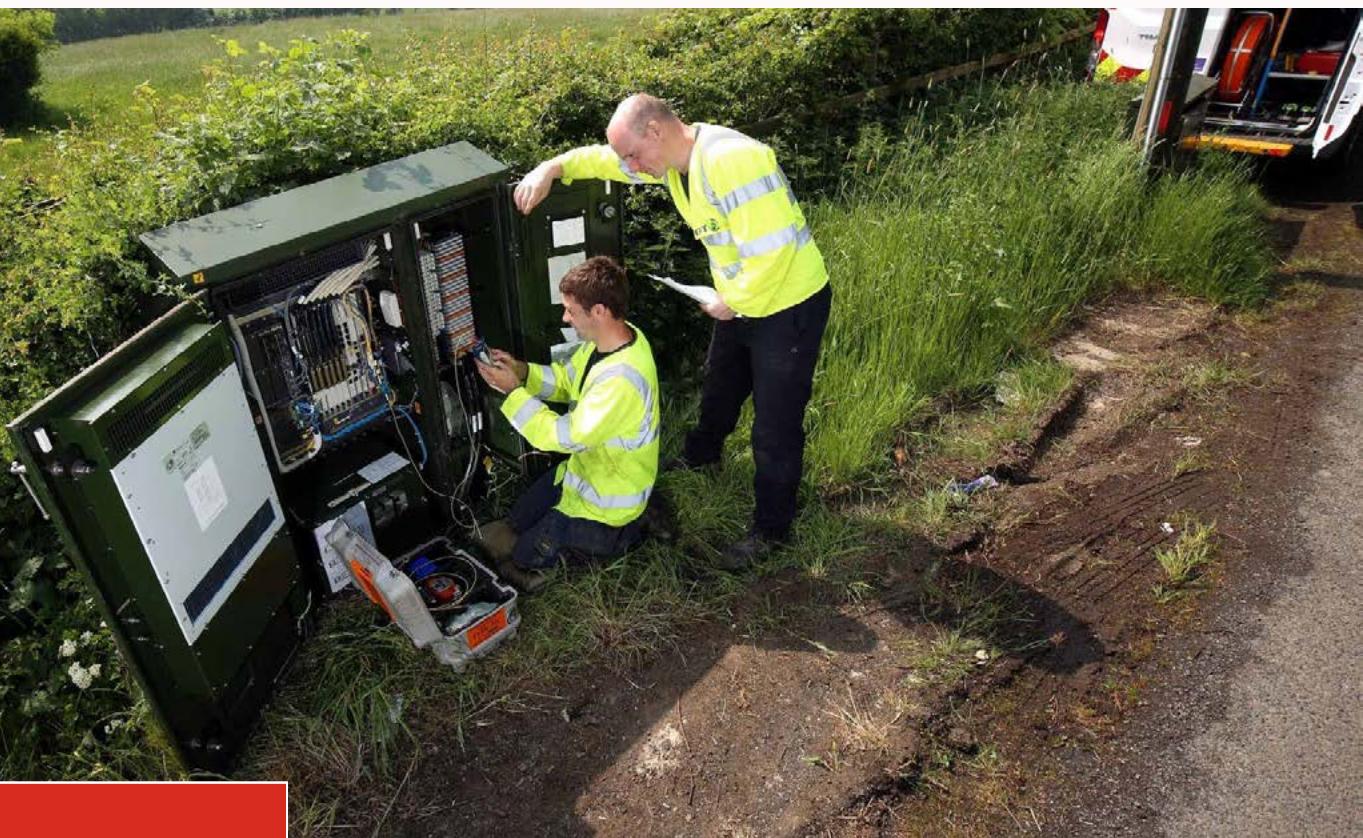


Image: BT

## NETWORKS

### BT calls for more public funding to reach remote homes

- BT shares broadband policy wish list as UK government ponders intervention for 100,000 ultra-rural premises not covered by commercial or public-funded programmes.
- More public money, revisions to the Universal Service Obligation, and further study for scaling alternative technologies are needed, says operator.
- USO alone won't deliver connectivity to all hardest-to-reach areas.
- Fixed wireless access and low-earth orbit satellites are options, but "*not perfect substitutes*" for fibre.

As the UK government considers how to address the problem of connecting the country's hardest-to-reach premises, BT has called for additional public funding and changes to the broadband Universal Service Obligation (USO) to be part of the solution.

Speaking at a Westminster eForum policy conference in March 2024, Richard Wainer, Policy & Public Affairs Director for Networks at BT, outlined the operator's position on connecting the final 100,000 or so "*very hard to reach*" (VHTR) premises that are expected to fall outside the scope of commercial build plans and existing subsidy programmes, such as *Project Gigabit*.

Wainer warned that the broadband USO alone will not cover all the VHTR premises.

“

*The priority has to be for the government to introduce a new funded intervention to support the final 100,000, rather than looking at the USO to be a solution for this.*

— Wainer.

Since the USO for broadband services was launched in 2020, BT has fulfilled 2,000 USO orders in response to service requests and passed around 10,000 premises with full fibre in the process, he said.

The USO has worked well as a “connectivity safety net”, even though the number of connected premises is “low”, Wainer explained. But to reach all remote premises, the government will need to provide more support. “*Scale deployment is going to be the most cost-efficient way to improve coverage for a large number of these very hard-to-reach premises. As a demand-led programme with no public funding, the USO isn’t really set up to deliver that*”, he said.

The UK’s ambition is to reach at least 85% *Gigabit* broadband coverage by the end of 2025 and nationwide coverage by the end of 2030. The government has allocated £5bn to its flagship [Project Gigabit programme](#), run by Building Digital UK, which is aimed at supporting broadband rollouts in areas deemed non-commercial and hard-to-reach. But the government has recognised that **less than 1%**, or around 100,000 premises, could be left out because the cost to connect them is prohibitive, even for existing publicly funded programmes.

## USO needs some fixes

The UK government is mulling policy options for connecting VHTR premises and the broadband USO after gathering industry responses from consultations in November 2023. Decisions on possible intervention, funding, and amendments to the USO are expected later in 2024.

BT would like to see the USO updated with a “*modest uplift*” to the required minimum broadband speed of 10Mbps, as well as changes to the eligibility requirements to ensure there is “*strong alignment*” with *Project Gigabit*. The operator argues this is needed to prevent “*proactive USO build undermining the investment case for participation in Project Gigabit*”.

**“** *For those who think that a revised USO with a higher minimum speed could be the solution to the final fraction, we’d caution that that’s probably a red herring. It should continue to be an effective safety net for those new-to-network premises, but it won’t deliver at the necessary scale and without public funding.”* — Wainer.

Wainer also acknowledged that the USO programme has struggled with a “*challenging*” public perception over the years, as quotes for connecting premises in the most remote parts of the country can range up to hundreds of thousands of pounds.

**“** *That’s great for headline writers. It’s not so good for those needing better broadband. The program’s inability to get really far into that pool of hard-to-reach premises has meant it hasn’t, and probably never could, meet the expectations that were set for it from the outset.”* — Wainer.

Under the USO provision people have a **legal right to request a decent broadband service** of at least 10Mbps. BT is responsible for delivering the connectivity in all areas except for Hull, where regional operator KCOM is the designated provider. The USO dictates that, when requested, the operator must give a quote for the provision of 10Mbps-capable broadband connectivity to a premise and, when this is less than £3,400, cover the cost of the deployment. When that cost is surpassed, the operator must still provide the service if the customer is willing to cover the rest. This has resulted in some eye-watering quotes to connect very remote homes and has [landed BT in hot water with regulator Ofcom](#), which investigated its pricing practices related to the cost of installation in October 2020 (BTwatch, #330, #335, and *passim*).

## Wireless and satellites good, but not “perfect”

One of the possible policy changes under consideration is lowering the broadband speed requirement to 100Mbps for the final 100,000 difficult to reach premises, rather than requiring *Gigabit*-capable broadband connections for all.

If the government makes this change to the *Gigabit* coverage policy, fixed wireless access (FWA) and satellites would become “obvious contenders” for connectivity. But Wainer cautioned that these technologies “*are not perfect substitutes, nor should they be considered a replacement for fibre*” because they cannot provide the same level of performance.

BT’s first choice for access technology choice is full fibre, but it knows the cost can be “extortionate” in VHTR locations and so is [open to using FWA and satellite connectivity in a “mixed approach”](#) (BTwatch, #319).

“*These technologies clearly come with their own individual trade-offs relative to full fibre in terms of performance levels, capital investment required, ongoing operational costs and retail pricing, and of course time to deliver as well*”, Wainer said, noting that further study is needed to see how alternatives can scale in the longer term.

Even so, the operator sees potential and is pursuing these alternatives. [Speaking at Mobile World Congress in February](#), BT Chief Security & Networks Officer Howard Watson said that of the 100,000 VHTR premises, “probably 65,000” will be served by FWA and that “satellite will have an important role to play in that latter piece”.

BT has a longstanding partnership with satcomms player [Eutelsat OneWeb](#), having signed a [distribution agreement](#) in 2021 and conducted various trials since (BTwatch, #330 and *passim*). In January, BT also confirmed it was performing a [testing programme with SpaceX’s Starlink](#). The pair are looking at how Starlink services might improve connectivity offerings in hard-to-reach areas, as well as offering greater resilience and additional network capacity for events and emergency services. BT has also been working with High-Altitude Platform Station player [Stratospheric Platforms](#), which is backed by its own strategic investor Deutsche Telekom (BTwatch, #341).

The government has made £160m available in [fresh funds for satellite communications](#) research as part of a new four-year [Connected Low Earth Orbit](#) (C-LEO) programme. This builds on other [LEO research projects](#), including the [Alpha Trials](#) in which BT has participated. In these trials, BT and OneWeb have provided broadband to 14 dwellings on the Bristol Channel’s [Lundy Island](#).



Image: Openreach

## ELSEWHERE IN OPENREACH

- **Openreach dodges QoS fines; denies planning law contravention despite MP claims**
- **Ofcom has wrapped up its investigation into quality-of-service compliance breaches at Openreach** that occurred in the twelve months to March 2023 (BTwatch, #346), and concluded that the transgressions were not significant enough to impose a fine. The regulator found Openreach narrowly failed to meet three out of 35 standards in the leased line and wholesale access markets. For Ethernet services and dark fibre access, Openreach's mean time to complete orders was 38.4 days (more than the regulated standard of no more than 38 days). Some 93.8% of provisions for MPF and GEA-FTTC services were completed on time in London and the South East (less than the 94% standard), and 84.2% of fault repairs were completed on time in Wales and the Midlands (less than the 85% standard). Ofcom said it considered the “narrow margin” of failure, the circumstance of eight days of industrial action during the review period, and that the breaches were not “flagrant”. Also, Openreach took steps to comply with performance standards. The probe was launched in June 2023 (BTwatch, #346).
- **UK ISP Zen Internet highlighted the work of Openreach drone coordinators to install a full-fibre network in challenging terrain.** Gary Taylor, Drone Coordinator within Openreach's Chief Engineers, said the use of drones can reduce the man hours needed to deploy networks where there are obstacles such as fences, gardens, and other properties.

- UK Data & Digital Infrastructure Minister **Julia Lopez** has written to the country's **fixed-line operators** to urge them to share existing infrastructure wherever possible or consider underground deployments before deciding to build new telegraph poles, "in light of increasing public concern". She stated that new poles should only be installed when underground lines are not "reasonably practicable" and "only after ensuring that appropriate community engagement has taken place and that the siting of new infrastructure will not cause obstructions to traffic or unduly impact the visual amenity of the local area". The Minister said she has asked her Department to look into how the 2016 Cabinet Siting and Pole Siting Code of Practice can be revised to ensure community engagement "while still allowing operators to continue deploying their networks".
- The above move came after **Openreach dismissed an MP's claims that brought into question the access provider's adherence to development and planning laws**. MP Damien Moore cited an unnamed "whistleblower" in the House of Commons to allege that Openreach "has on too many occasions appeared to be proceeding without sufficient consultation with key stakeholders" when it comes to overhead cabling and pole construction. He suggested that Openreach has "sidestepped its own procedures for gaining community agreement" in his Southport constituency. When asked whether Openreach was investigating the allegations, a spokesperson told *TelcoTitans BTwatch* that "we're not investigating because there's nothing to whistle blow on, and the facts stated are not facts". Openreach asserted that it follows all obligations, including meeting with residents, and "go over and above what is required".
- **Openreach has committed to investing "over £100m" in its Northern Ireland full-fibre network in a "multi-year" programme**. Openreach aims to connect 100,000 further premises to take its Northern Ireland footprint to 97% (up from 87% of premises), including "most rural parts" of the country. Garret Kavanagh, Director for Northern Ireland at Openreach, said that *Ultrafast* full-fibre is being used by 50% of Northern Ireland customers on the Openreach network.
- **Openreach has added its 4,000th electric vehicle** to its fleet, billed as evidence of progress towards its target of migrating "the bulk" of its commercial van portfolio to zero emissions by 2031. Abby Chicken, Head of Sustainability at Openreach, has regularly warned of the challenges associated with the migration (*BTwatch*, #340 and #346). In announcing the latest update, she said that "there's a long way to go", and claimed that Openreach is "setting an ambitious standard for sustainable practices".

**BTwatch** releases twelve monthly reports per year, with double issues typically in January/February and August/September each counting as two reports.

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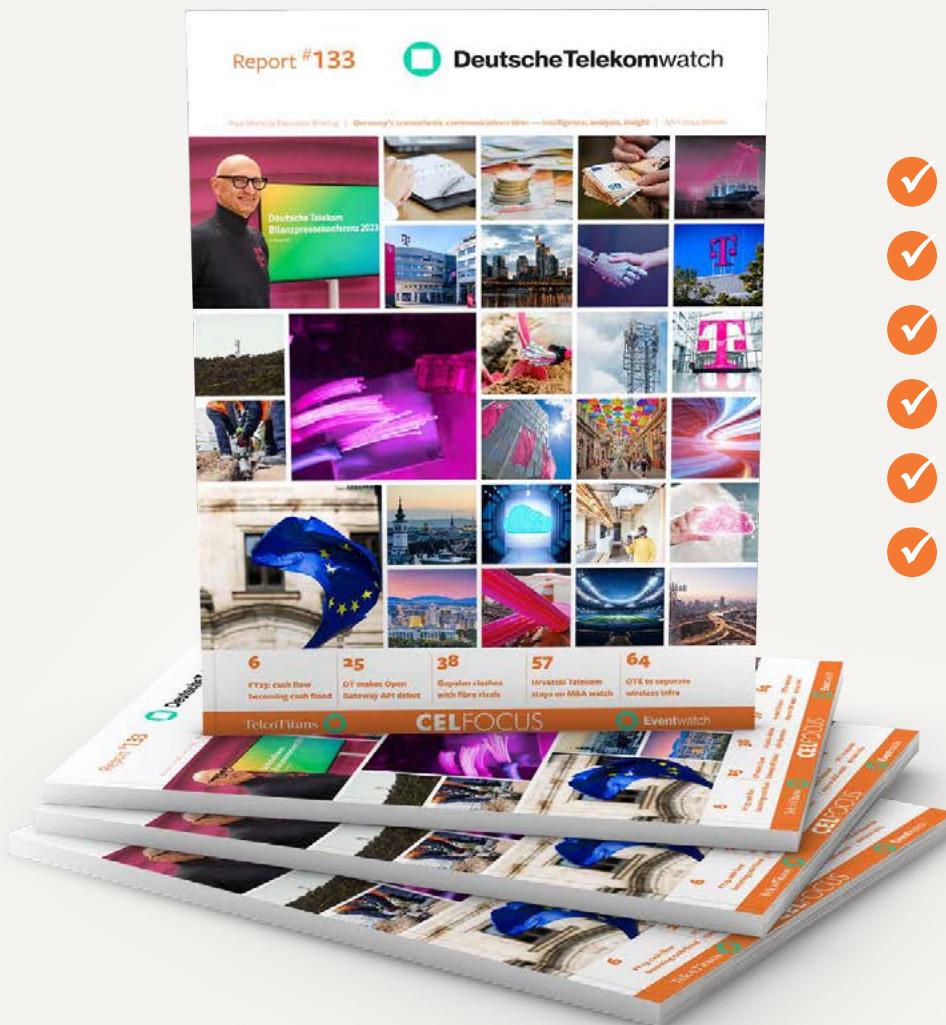
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