

HFS HORIZONS REPORT

Telecom Service Providers, 2025

**An assessment of telecom service providers,
addressing the why, what, how, and so what**

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It's time for telecommunications firms to re-invent themselves for the digital needs of their customers. For leaders in these firms, it is crucial to seek out partnerships with IT services and advisory firms that can address their needs to grow revenue, reshape their business, and adopt a newco model for services delivery that create shared returns with cloud and over-the-top services that are running on their networks.”

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Executive Research Leader,
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Introduction and research methodology

Introduction

Through this research, HFS seeks to provide insights into how buyers can improve their work with IT services and advisory firms to develop, implement, and provide compelling solutions in a changing industry. The information collected comes from interviews with telecommunications providers, ecosystem partners, IT services, and advisory partners. This report provides HFS' collective point of view into the emerging framework components that are essential for driving value creation in a telecommunications firm's operations.

After many interactions with our industry sample, HFS finds three core factors that are shaping the future of the telecommunications industry, as outlined below:

1

End-to-end solutions and ecosystem orchestration

Telecommunications firms must give their customers a means to overcome the challenges of delivering comprehensive solutions that enable connectivity, scale, and resilience. To do this, they must leverage their partnerships with software, cloud, and services companies as well as regulatory bodies to orchestrate the flow of information across industry ecosystems, ensuring tangible outcomes for clients, both in the business-to-consumer (B2C) and the business-to-business (B2B) sectors.

2

Compliance and emerging trends

Telecommunications firms must be able to present themselves as experts at integrating compliance with regulations, covering network management, cybersecurity, and sustainability. These service offerings must be seen as foundational components of their value-add and go-to-market efforts, separating them from hyperscalers and other over-the-top providers. Furthermore, their ability to understand, comply, and meet regulatory requirements ensures that as they or their customers embrace new technologies, there will be growth opportunities and mitigated risks during and post-deployment.

3

Innovation and open architectures

Telecommunications firms must emphasize their ability to deliver innovation through open digital architectures and network-as-a-service (NaaS) models to stay competitive. Collaborating with industry organizations to develop open standards and architectures is crucial.

HFS refers to these three factors as its strategic telecommunication services framework. Once these frameworks, in whole or in part, are applied to their strategy, more tactical aspects of telecommunications services can be addressed. HFS believes that for services firms to succeed in this changing market, they must focus on the following tactical components of a telecommunications firm's offerings:

- 1. Network and infrastructure services:** Delivering the physical infrastructure needed to facilitate data, voice, and video communications. We view the enablement of 5G services as crucial from a technology standpoint and are interested in how IT services firms link this technology to value creation.
- 2. Service delivery capabilities:** Managing, orchestrating, provisioning, and enhancing how customers can use their networks and services for public and private business needs.
- 3. Support go-to-market efforts:** Providing or provisioning solutions that support sales, marketing, and operations to develop activities, products, or innovations that drive revenue growth from the markets that telecommunications firms serve.
- 4. Collection and billing:** Facilitating the adoption of solutions, enabling firms to monitor, bill, and collect fees for services rendered under the B2B and B2C agreements they have with customers.
- 5. Customer experience:** Delivering services and solutions, from call centers to customer loyalty programs, that can retain and grow a telco's customer install base.
- 6. Newco innovation:** Determining new strategic bets needed to create new business models that can reinvigorate the traditional telco business and their ability to deliver value-added services to the core markets where they compete.

The purpose of this study is not to research the outsourcing of back-office applications (ERP, SCM, etc.) or labor arbitrage offerings unless these are directly linked to these value-capture activities. Rather, by focusing on applying solutions for value creation, we hope our insights can foster partnerships that drive business outcomes aligned with overcoming regulatory, industry, and growth challenges. Business leaders should leverage this study to understand the core competencies of the 20 firms we interviewed as part of this study. We remind our readers that understanding their needs, maturity, and current relationship should add to the qualification of any services provider mentioned. This ranking should further inform existing and new relationships.

Inclusion criteria

We invited service providers with an established presence in telecommunications, material-size businesses, domain-specific capabilities, and experience with various risk-bearing entities to participate in this study.

- **Revenues:** Annual revenues through telecommunications services of \$250 million to the firm's most recent year's revenues
- **Capabilities:** Ability to serve two or more telecommunications services value chain pillars
- **Experience:** Addressing the telecommunications industry directly or through acquisitions and partnerships for a minimum of five years.

The links in the current telecommunications services value chain

As shown in Exhibit 1, HFS has simplified the telecommunications value chain to six core elements. These include the network, the ability to deliver services, their go-to-market, the collection and billing of services, customer experience (CX), innovation (newco) delivery, and business models. While the components are described further below the exhibit, this value chain represents the fundamentals of what a telecommunications firm does and how it (and its partners) must define, associate, and deliver related services.

HFS believes the best programs and partnerships will deliver solutions that break down operational and technological silos that exist between these six value chain components. As our Horizons methodology reflects, the differences among Horizon 1, Horizon 2, and Horizon 3 providers show how different IT services firms and their clients are achieving value within or across these six links in our value chain.

Exhibit 1: The telecommunications services value chain



Source: HFS Research, 2025

Network infrastructure development and maintenance

- **Planning and design:** Developing network architecture and design for delivery of wireless, fixed, and fiber services
- **Deployment:** Building and expanding physical infrastructure, including cell towers, fiber optic cables, and data centers
- **Maintenance and upgrades:** Scheduled maintenance, equipment upgrades, and software, as well as ensuring network reliability and performance

Service delivery

- **Network operations:** Managing the 24/7 network operations, traffic monitoring, QoS, and network security
- **Service provisioning:** Activating and configuring services for B2B and B2C, such as internet, mobile, and fixed-line services
- **Customer support:** Providing technical support and troubleshooting services for customers
- **Enhanced service:** Providing tailored industry or customer solutions using new technologies or innovations such as smart city, etc.

Sales and marketing

- **Marketing campaigns:** Creating marketing strategies and campaigns to promote services and compete with emerging competitors
- **Sales channels:** Managing direct and indirect sales channels, including retail stores, online platforms, and third-party retailers
- **Customer acquisition:** Attracting new customers through promotions, advertisements, and partnerships

Billing and collections

- **Billing systems:** Developing and managing billing systems to ensure accurate invoicing
- **Supplier procurement:** Managing multiple vendor agreements, solution buying, and outsourcing of services
- **Collections:** Managing AP/AR collections and resolving delinquent accounts

Customer relationship management

- **Customer service:** Offering customer service through various channels (call centers, online support, etc.)
- **Loyalty programs:** Developing and managing customer loyalty programs to retain customers
- **Client activation:** Scheduling and deploying resources on-site or remotely to activate new customer services

Newco

- **Business model reinvention:** Providing innovation to rethink how a telco creates, captures, and delivers value
- **Portfolio realignment:** Breaking out the netco, tekco, infraco, or retailco vertical stacks into new business units unencumbered by towers
- **XaaS:** Retooling their services portfolio into a composable, consumable-as-you-need solution based on an AI-enabled network platform

As a final thought, working with a Horizon 3 provider, as identified in this report, may not be the right strategy for you. In many interviews, telecommunications firms and their partners succeeded because they carefully defined the needs and outcomes required to achieve the functional or operational improvements desired. These are often based on market, financial, and internal factors. However, as our interviews will show, the most effective and strongest partnerships are where the services and telecom firms are engaged across technology and business.

HFS recommends that as part of any project or request for proposal (RFP), the buyer focuses on what should be done to enable their strategic (or tactical) business needs and then select the right partner for the job. While business and technology expertise is preferred, it is not necessary to engage a Horizon 3 player if the focus is on NaaS or if the service provider provides the desired business outcomes that align with actual business needs. In other words, don't go shopping for a Cadillac when you are served by a damn good Chevy.

Executive summary

The horizon placement

The report reviews 20 telecom service providers. Seven providers are classified as ecosystem leaders in Horizon 3, seven as innovators in Horizon 2, and six as disruptors in Horizon 1.

Horizon 3 firms

Accenture, Capgemini, EY, HCLTech, Infosys, NTT DATA, and Tech Mahindra

HFS recognizes these firms for their comprehensive telecom capabilities, proven domain knowledge, global client reach, strong technology partnerships, and ability to deliver large-scale, transformative telecom transformation services that impact a large part of the value chain and HFS' strategic telecommunication services framework.

Horizon 2 firms

Cognizant, IBM, Persistent, Sutherland, TCS, Virtusa, and Zensar

HFS recognizes these firms for their innovative approaches, specialized telecom capabilities, and agile working style, which enable them to deliver value to enterprises. These firms showed capabilities that break down silos and drive operational and business outcomes for their telecommunications customers. They bring advisory and service capabilities that improve customer experience, optimize operations, and facilitate the expansion of services and go-to-market capabilities.

Horizon 1 firms

Encora, Infinite Computer Solutions, Innova Solutions, KPMG, UST, and Wipro

HFS' research and interviews show these firms are focused on combining strong execution capabilities in a cost-effective manner within their customers' value chain components. As many telecommunications and cloud service providers need to modernize their core to bring new functionality to the business and its clients, these firms are leveraging their frameworks, solutions, and partnerships to excel in delivering bespoke solutions to rapidly deploy the aspects needed to improve operations, competitiveness, and service delivery.

Innovation in telecom services is driven by interconnected technologies such as GenAI, 5G, and digital twins

While the core components of operational support systems, business support systems, billing, and compliance are key, HFS believes the growth and future of telecom services depend on providers' ability to address the fast-moving innovations and contextual delivery technologies such as GenAI, cybersecurity, digital twins, IoT, and 5G as industry-centric and market-centric solutions. As these are evolving quickly, the need for a strong services partner is crucial.

- **GenAI:** Enhances customer experiences, network performance, and product development. IT services firms must help their telecommunications clients identify how to effectively integrate GenAI into operations and leverage real-time data-driven insights.
- **5G/radio access networks:** Enable Industry 4.0, IoT integration, and smart systems. They feature network slicing and the growing adoption of private 5G networks for enterprises. IT services firms must help design, deploy, and manage these networks, ensure security, and conform to regulatory and commercial requirements.
- **Edge computing:** The increasing demand for edge computing capabilities requires telecommunications firms to support low-latency, high-bandwidth (e.g., 5G and fixed wireless) data transmission to node devices. Partners must help operators monetize network investments, ensure seamless service delivery, and deploy these services.
- **NaaS:** Optimizes network performance and management and supports network capacity planning, energy management, and IoT integration. As telecommunications firms consider divesting, leasing, or wholesaling network-based capabilities, IT services partners should advise on these solutions' design, monetization, and operations.
- **Cybersecurity:** Adoption of robust security frameworks (e.g., NIST) and compliance with regulations such as GDPR and the UK's TSA. IT services firms should address the growing security challenges in both data and the functionality of services, equipment, and data. Recent activities continue to increase the scrutiny of data and the need for increasingly robust and proactive security capabilities.

The shift from 'telco' to 'newco' has started

Most telecommunications firms face four additional challenges:

- 1. Adapting to digital change:** Telecom companies are transitioning from 'telco' to 'newco' to align with the rapidly evolving digital landscape and capitalize on new opportunities beyond traditional telecom services.
- 2. Diversification and innovation:** This shift involves integrating advanced technologies such as IoT, AI, and blockchain to offer more comprehensive, value-added services.
- 3. Focus on customer experience:** Newcos emphasize innovation, digital-native strategies, and cloud technologies to enhance user experiences and improve operational efficiency.
- 4. Redefining business models:** The transformation prioritizes client-centricity, ongoing digital transformation, R&D investment, cloud-native approaches, and data-driven innovation.

The sixth component, as HFS defined in the value chain, is likely the most complex for many firms and their partners to navigate. This change is the direct result of software, cloud, and 'over-the-top' solution providers using the telcos' network capabilities without allowing the telecommunications provider to share commensurately in the revenue upsides. This shift won't be easy, and we found that each IT services firm and telco we interviewed had their own unique journey. Regardless of whether we agree on the 'uniqueness,' we find it crucial that a successful partnership at this level must have CEO support from both parties. As part of achieving Horizon 3, we sought firms that have established such customer relationships and show results with measurable business outcomes.

Service providers and advisory firms profiled



In this report, HFS profiles 20 services firms that have chosen to participate. Based on their input, customers, and partners, we ranked them across the three Horizons defined in our methodology.

Note: All service providers are listed alphabetically

Sources of data

This Horizons research report relies on myriad data sources to support our methodology and help HFS obtain a well-rounded perspective on the service capabilities of the participating organizations covered in our study. Data was used to inform this study, and the ranking was collected from August to November 2024.

The sources HFS used for this study are as follows:



Briefings and information gathering

HFS conducted detailed **briefings** with telecom leadership from each service provider.

Each participant submitted specific **supporting information** aligned with the assessment methodology.



Reference checks

We conducted reference checks and interviews with **40 telecom enterprises that are active clients and 33 active partners** of the study participants. Responses were collected from references supplied by participants and kept confidential.



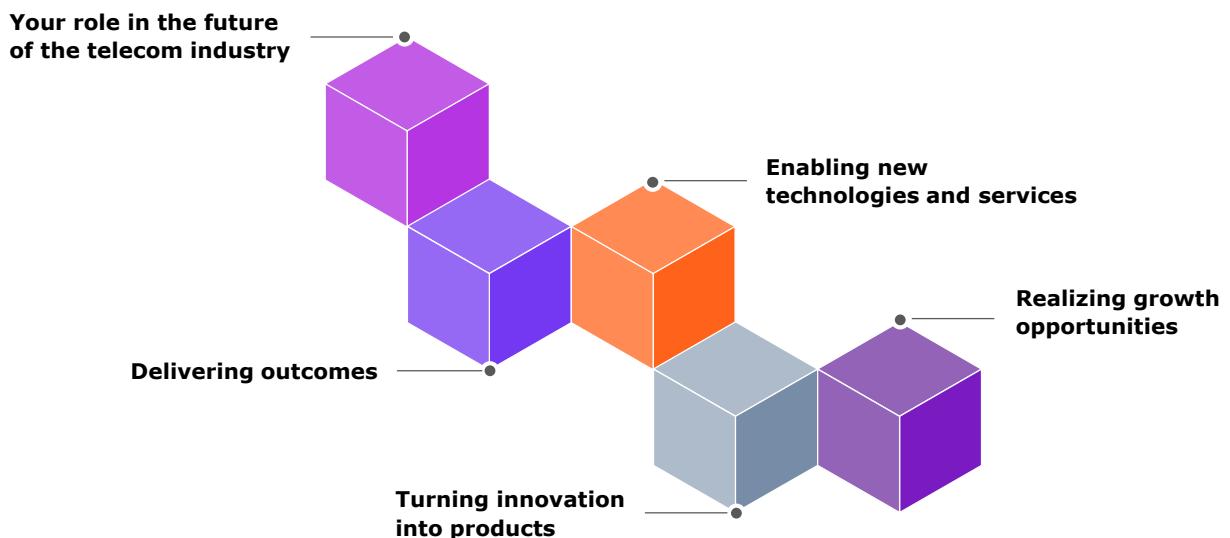
Other data sources

- Public information such as news releases and websites
- Ongoing interactions, briefings, virtual events, etc., with in-scope vendors and their clients and partners
- Case studies available on IT service provider's website and provided by participants
- HFS Survey data and ongoing research, available at www.hfsresearch.com

Assessing IT services and advisory partner capabilities

The study seeks to provide insights to help competitively address multiple questions about the capabilities of IT services firms and their ability to meet the changing needs of telecommunications firms. While there are many aspects of these complex relationships, we have focused on the following to inform our research and the placement of vendors across the three Horizons in this study.

Exhibit 2: The five capabilities needed to help telecom firms as they navigate change



Your role in the future of the telecom industry

What's your vision for the future of the telecom industry—how can you help the industry evolve to meet these challenges? What acquisitions, IP, and tools are you offering?

Delivering outcomes

What solutions are needed to improve how telecommunications firms operate, produce, and deliver solutions across the value chain?

Turning innovation into products

What are the critical innovations that will drive the telecom market in the future? How are these delivered to technology and business teams sustainably?

Enabling new technologies and services

High-speed wireless, 5G, ORAN, and Wi-Fi 6E all offer advanced network services with different delivery models. How are you helping firms redefine their products for B2B, B2C, and industry-centric needs, including IoT, OT, and IT?

Realizing growth opportunities

How are your services allowing telecommunications to monetize the delivery of the services sought by the market?

Source: HFS Research, 2025

HFS Horizons assessment methodology (1 of 2)

The 'HFS Telecom Services Horizons, 2025' report evaluates the capabilities of service providers across a range of dimensions to understand the **why, what, how, and so what** of their telecom industry service offerings. Our assessment will be based on client, partner, and employee inputs and augmented with analyst perspectives. The following illustrates how we assessed the capabilities of this study's participants.

Exhibit 3: Assessment framework for distinguishing supplier characteristics

Assessment dimension (weighting)				
Assessment dimension	Assessment sub-dimension	Horizon 1 service providers	Horizon 2 service providers	Horizon 3 service providers
Value proposition: The Why? (25%)	<ul style="list-style-type: none">Why do telecommunications firms turn you for problems they believe you can solve?	<ul style="list-style-type: none">Ability to drive functional business outcomes through cost reduction, speed, and efficiency (e.g., showcase the ability to deliver a service framework that is appealing and relevant to the telco industry with offshore talent, partnerships, and a clear value proposition)	<ul style="list-style-type: none">Horizon 1 +Ability to enable the OneOffice model of end-to-end organizational alignment across the front, middle, and back officesExamples where projects create improved stakeholder experiences (EX, PX, CX)Show how your firm has collaborated to use technology or business services to eliminate technology debt	<ul style="list-style-type: none">Horizon 2 +Show your firm's ability to deliver OneEcosystem synergy via collaboration across multiple organizations and shared objectivesShow how you have created new sources of value with frameworks, IP, and partnershipsShow your ability to help customers reimagine their business
	<ul style="list-style-type: none">What is your go-to-market strategy?			
	<ul style="list-style-type: none">Why is your vision for the future of the telecom industry different?			
	<ul style="list-style-type: none">What competitive differentiators exist in your firm's service portfolio and IP offerings?			
Execution and Innovation capabilities: The What? (25%)	<ul style="list-style-type: none">What is the breadth and depth of your firm's services across the telecommunications industry value chain?	<ul style="list-style-type: none">Give examples of service models and solutions that address important aspects of the telco industry value chain	<ul style="list-style-type: none">Horizon 1 +Ability to support client projects across more than one part of the telco services value chainShow how your firm offers near and off-shore engagement models for client servicesOfferings where your industry-specific talent creates new client opportunitiesProvide examples of how your leadership team works with client IT leadership to identify cross-functional solutions	<ul style="list-style-type: none">Horizon 2 +Comprehensive coverage across the telco value chain servicesProvide both IT and business servicesExamples of capabilities bringing strong capabilities for emerging tech and business modelsProvide examples of unique domain-specific IP, frameworks, and technology assets
	<ul style="list-style-type: none">What co-creation or co-innovation programs do you offer to telecommunications firms to facilitate their adoption of your services?	<ul style="list-style-type: none">Provide data on domain experience in project, support, and delivery capabilities		
	<ul style="list-style-type: none">What domain-centric service and resource models do you offer telecommunications clients?	<ul style="list-style-type: none">Show how you deliver services with strong technical and domain skills and capabilitiesProvide examples of industry IP used to deliver technology and optimization improvements		
	<ul style="list-style-type: none">What business outcomes can your clients achieve with your IT or advisory services?			

HFS Horizons assessment methodology (2 of 2)

Exhibit 3: Assessment framework for distinguishing supplier characteristics (continued)

Assessment dimension (weighting)				
Assessment dimension	Assessment sub-dimension	Horizon 1 service providers	Horizon 2 service providers	Horizon 3 service providers
Go-to-market strategy: The How? (25%)	<ul style="list-style-type: none"> How have you embedded unique solutions that create long-term value for your client operations? 	<ul style="list-style-type: none"> Illustrate how your organization defines its telco industry practice Provide insights into your go-to-market strategy and KPIs Provide examples of existing client relationships with the CIO and tech teams Show how investments are delivering functional IT outcomes Examples of how custom solutions are developed to meet the needs of the services firm internally or with partners 	<ul style="list-style-type: none"> Horizon 1 + Articulate how you deliver telco industry value chain capabilities and improved business operations Provide examples of where your services firm can be innovative with financial models to drive shared outcomes and risks for projects Provide examples of where you worked with partners to create innovative solutions around data, B2B, customer success, and more 	<ul style="list-style-type: none"> Horizon 2+ Showcase investments aligned to Horizons 1, 2, and ecosystem enablement Provide examples of co-creation with partners to create new sources of value and revenue growth Illustrate purpose-led relationships that drive growth and innovation for clients Demonstrate executive-level engagement
	<ul style="list-style-type: none"> How are your teams engaged with clients, from project to technology or business strategy development and execution? 			
	<ul style="list-style-type: none"> How do your teams apply, train, and customize your frameworks to address the value chain of services for a telco client? 			
	<ul style="list-style-type: none"> How are you leveraging a partner ecosystem to advance or augment your capabilities? 			
Market impact: The So What? (25%)	<ul style="list-style-type: none"> What are the technology or business outcomes your client has achieved? 	<ul style="list-style-type: none"> Show growth-driven customer adoption of your services and capabilities Provide referenceable and satisfied clients Provide execution credentials, training, domain experts, and technology expertise Illustrate a strong CIO/CTO partnership model Show technology-driven outcomes 	<ul style="list-style-type: none"> Horizon 1+ Provide referenceable clients that attest to your ability to innovate and execute List examples of how your services firm has built independent service providers (ISVs), SaaS, or hyperscaler partnerships optimized for the telco industry Show how customers see multiple points of value through engagements/projects 	<ul style="list-style-type: none"> Horizon 2+ Provide referenceable clients that are using your services to create new business models Articulate how you are seen as a thought leader in the telecom industry Provide examples of co-innovation with a customer's ecosystem
	<ul style="list-style-type: none"> What new growth opportunities have emerged through the implementation of your services? 			
	<ul style="list-style-type: none"> Where have you applied GenAI solutions in your services to meet customer needs? 			
	<ul style="list-style-type: none"> What is your customer's perception of the value of your services in achieving their technology and business outcomes? 			

Source: HFS Research, 2025

2

Market dynamics

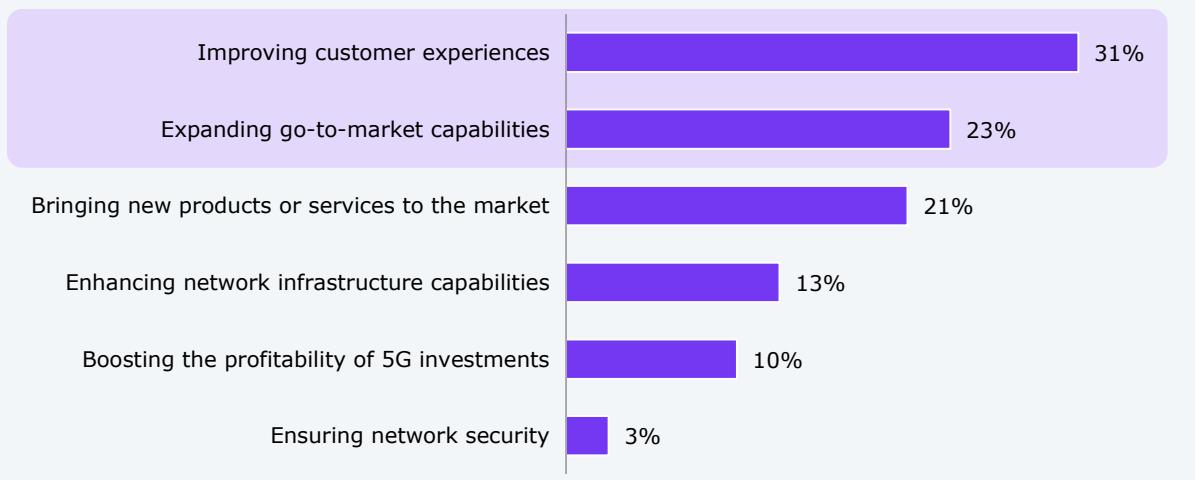
Trends from our partner-specific references

As part of our research, IT services and advisory firms were asked to supply partner references as part of their joint go-to-market solutions. The go-to-market partner firms that HFS interviewed included high-tech firms, software providers, and equipment suppliers of telcos.

The IT services firms' partners are clearly leaning on their IT services and advisory firms to improve the customer experience. This can come from leveraging the industry knowledge of the services firm or the ability to co-innovate or customize its solutions with its software development and data teams. Telco firms should mirror this when engaging with their IT services firms by looking at their bench strength in successfully tailoring the core technology provider's solutions to their specific needs.

Exhibit 4: IT service providers give access to an ecosystem of partner companies, particularly for improving CX and enhancing go-to-market capabilities

Please select the top 3 priorities where your services or advisory partners are applying your solutions to deliver business or IT outcomes for its clients.

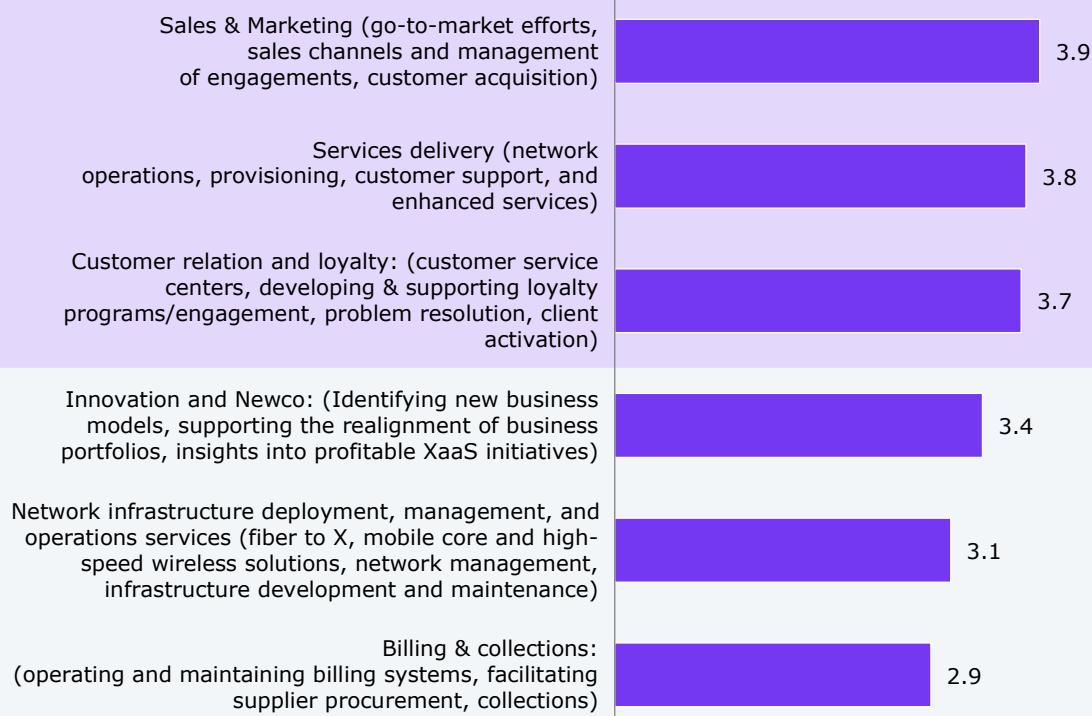


When HFS asked these partner firms how they look to IT services firms to help them grow their business in the telecom industry, the overall response was to improve their ability to capture revenue. The onus is them to co-create or use innovation labs to discover, assess, and model the deployment costs and revenue opportunities for new services that can be sold or packaged to telecom providers. These third-party firms also expect the IT services firms to play a hands-on role in supporting these technologies once they are adopted.

Sample: N=16 partner references
Source: HFS Research, 2025

Exhibit 5: Sales and marketing, service delivery, and customer relations and loyalty are the top three reasons why service providers collaborate with telecom partners

Does your service provider leverage your company's products or solutions to address these aspects of the HFS telecom services value chain? Rate: 1=No, 2=Basic, 3=Capable, 4=Robust, 5=Best in Class



This finding shows that IT service firms are often expected to translate the technical benefits of a partner's solution into value-creating scenarios for the telcos' buyer or lead advocate. In other words, they must play a lead role in aligning the benefits of the technology features and functions to the clients' business needs.

Exhibit 6: Telecom firms are seeking the following capabilities from their IT services and advisory partners

Please rate the following resource capabilities offered by this service provider. Rate: 1=Lacking capability, 2=below expectations, 3=meets expectations, 4=exceeds expectations



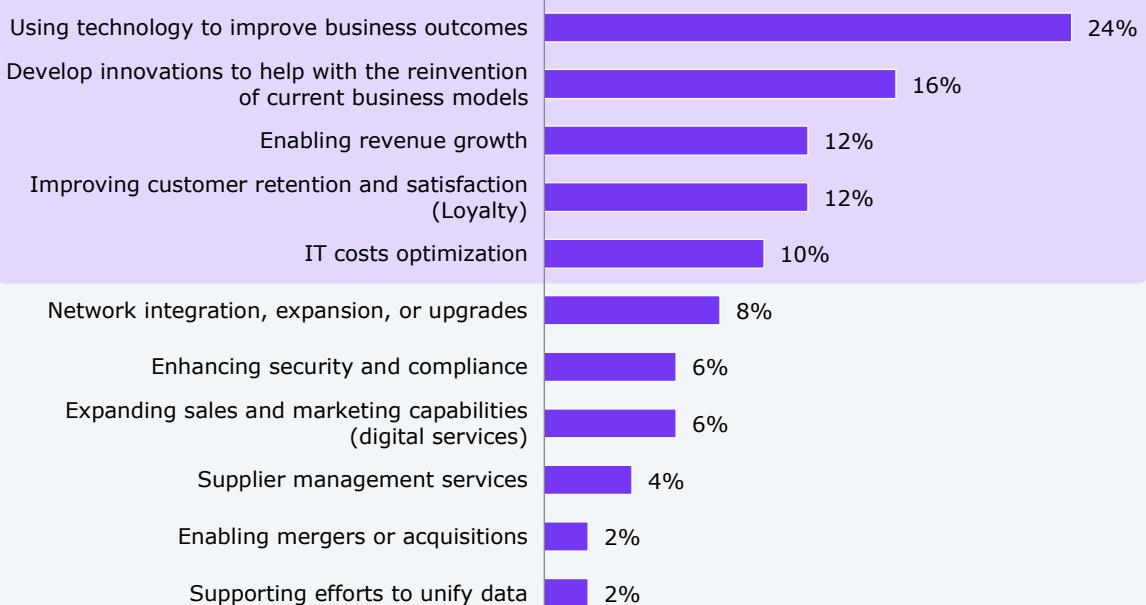
Sample: N=16 partner references
Source: HFS Research, 2025

Trends from our client-specific references

When HFS interviewed the clients of the services firms, it was clear that the key aspect they value the most from their IT services providers is their ability to use technology to drive business outcomes. The need to monetize and justify the ROI of their investments in networks, services, spectrum, and infrastructure, as Exhibit 7 shows, is about creating value over cost optimization.

Exhibit 7: Clients look at service providers to help them improve business outcomes, innovate, enable revenue growth, and improve loyalty among others

Please select the top 3 priorities where your services or advisory partners are applying solutions to deliver business or IT outcomes for your firm.

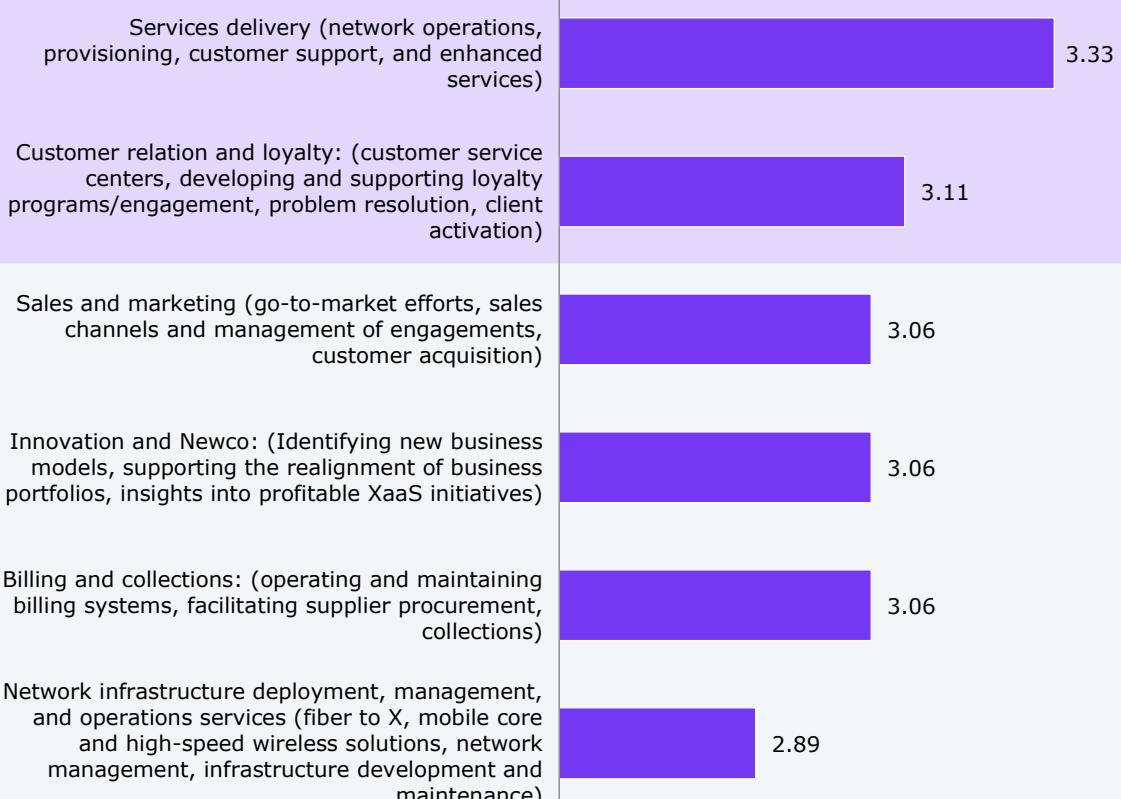


Sample: N=18 client references
Source: HFS Research, 2025

As shown in Exhibit 8, there is room for improvement in connecting IT services' people and technology aspects. Overwhelmingly, services delivery is seen as the primary solution telcos receive from their IT services providers. HFS believes there is ample opportunity for providers to deliver on the sales and marketing enablement and the innovation and newco aspects of the value chain. Compared to the averages, those in our Horizon 3 scored higher than their peers on these two components.

Exhibit 8: Telecom clients expect service providers to help them with service delivery and customer retention and loyalty above all telecom services

Please indicate which part of the HFS telecom value chain this IT partner is actively helping you address optimization or growth opportunities. Rate: 1=Not at all, 2=Planned, but not implemented, 3=Actively engaged, 4=Business priority

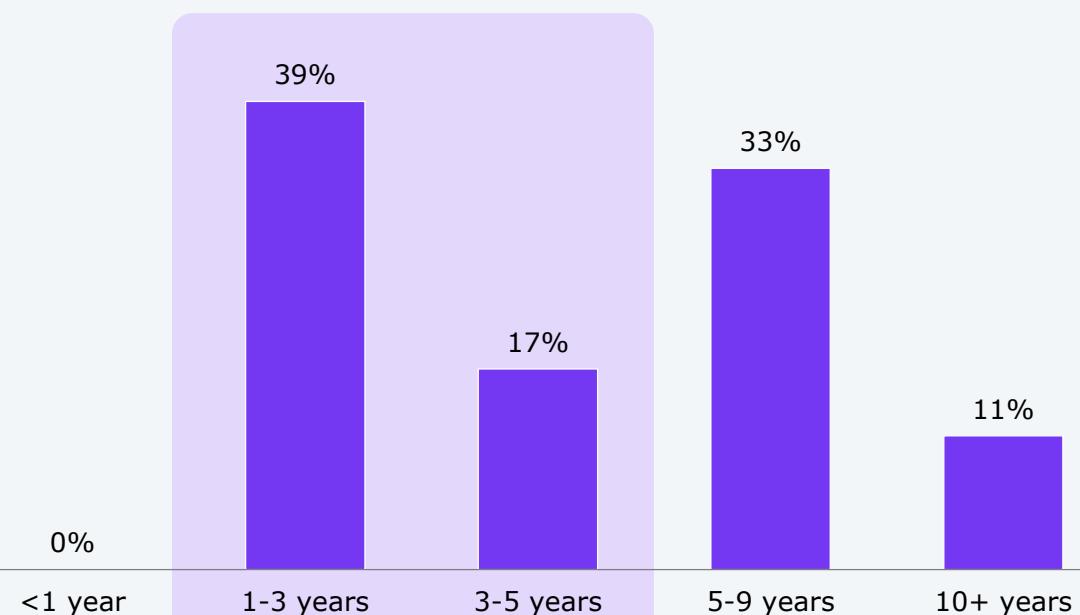


Sample: N=18 client references
Source: HFS Research, 2025

The telco clients we collected insights from showed a willingness to switch IT services providers (see Exhibit 9). Our conversations with the telecom buyers have long-standing relationships. However, as they have often outsourced many back-office solutions, the surge in new partners (1–3 years) is due to a focus on getting more business capabilities sourced from their advisors and implementation providers.

Exhibit 9: Around 60% of enterprise clients have leveraged service providers for less than five years

How long has your firm used this service provider firm?



Sample: N=18 client references
Source: HFS Research, 2025

The shift from 'telco' to 'newco'

A significant growth opportunity is on the horizon; pun intended if you are still reading this. As highlighted at the 2024 Mobile World Congress in Barcellona, the shift from 'telco' to 'tekco' or 'newco' represents an evolution in the telecom industry's approach to embracing new business models and technologies. HFS believes the following factors are driving this:

- This transformation is driven by the need for telecom companies to adapt to the rapidly changing digital landscape and to leverage emerging opportunities beyond traditional telecommunications services.
- The transition from 'telco' to 'newco' involves telecom companies moving beyond their roles as technology-focused entities to becoming more diversified and innovative businesses. This shift is characterized by integrating advanced technologies such as IoT, AI, and blockchain into their service offerings, enabling them to provide more comprehensive and value-added services.
- As newcos, telecom companies prioritize innovation and customer experience, aiming to deliver exceptional user experiences and meet evolving customer demands. This involves adopting digital-native approaches and leveraging cloud technologies to enhance operational efficiency and scalability.
- The shift to newco requires telecom companies to redefine their business models, focusing on client-centricity and continuous digital transformation. This involves investing in R&D, adopting cloud-native approaches, and harnessing data to drive product development and innovation.

HFS believes that IT services providers and advisory firms can build their own businesses and create lasting partnerships if they can articulate how to add value here. We also advise any messaging should incorporate the new 'interconnected technologies' (referenced earlier) to drive change in this market and the industries they serve.

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Horizons results: Telecom Service Providers, 2025

HFS Horizons: Summary of providers assessed in this report (1 of 2)

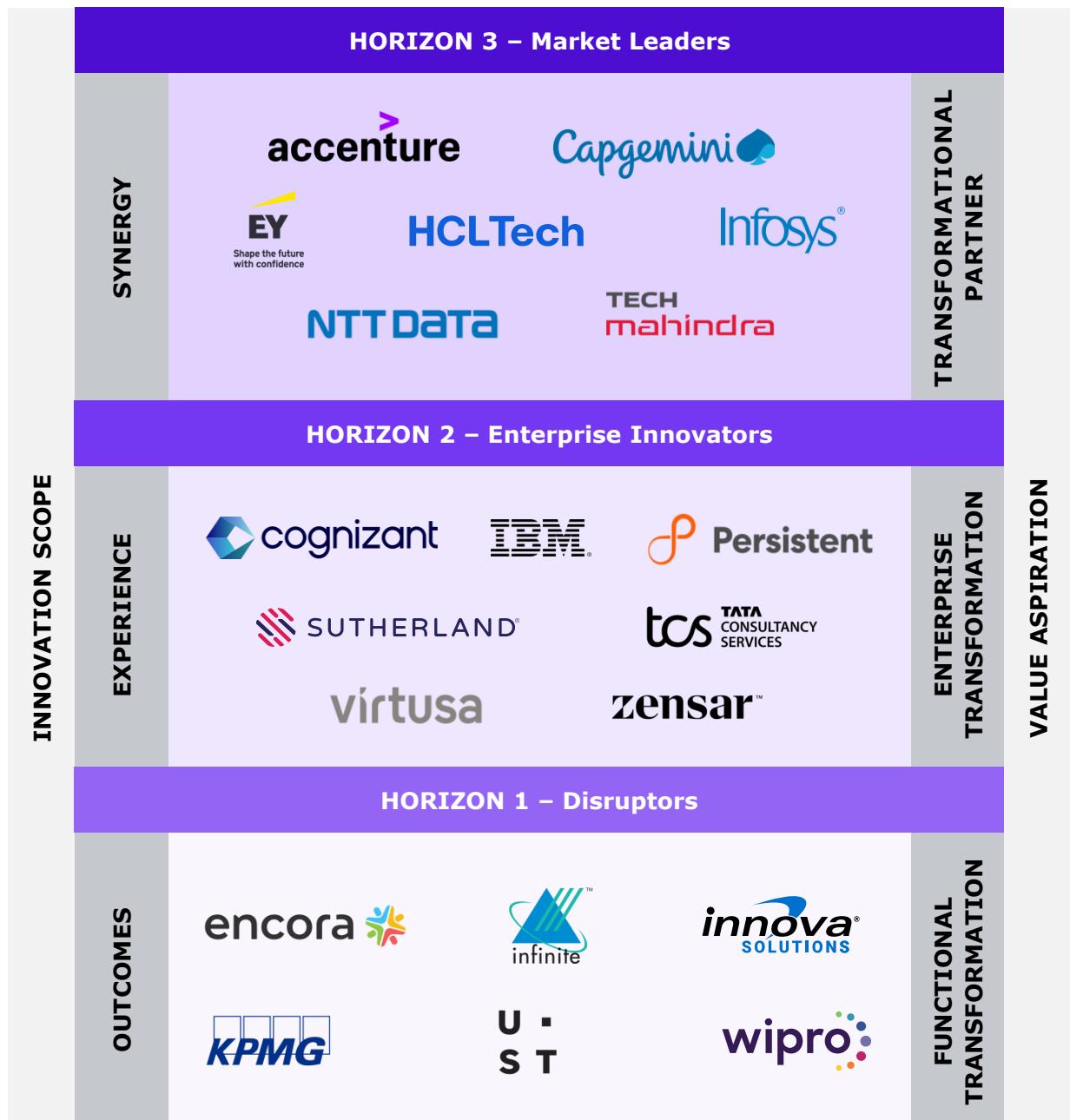
This is the moment you have scanned past all the data, graphics, and text. The 20 IT services firms we covered are ranked in each of the Horizon. As mentioned earlier, whether you are or are considering working with a Horizon 1, 2, or 3 provider, they may or may not be the right fit for you. In our many interviews with telecommunications firms and their partners, we observed that the shared focus on defining needs and outcomes for functional or operational improvement based on market, financial, and internal factors drives a good partnership. HFS highly recommends that as part of any project or request for proposal (RFP), the buyer should focus on what must be done to enable their strategic (or tactical) need and choose the right partner for the right job.

Providers (alphabetical order)	HFS point of view
Accenture	Leverages its ability to provide end-to-end services for telcos to evolve their offerings while optimizing their operations portfolio
Capgemini	Provides holistic telecom services by leveraging proprietary assets, embedding sustainability, and utilizing its strategic partner network
Cognizant	Empowers telecom clients through its expertise in AI, strategic automation, API-driven innovations, and strategic partnerships
Encora	Leverages its nimbleness to gain share with telecom clients through scalable AI-enabled solutions
EY	Leverages its technology, business, and compliance know-how to provide transformative services to telcos seeking to escape low-margin businesses
HCLTech	Provides holistic telecom services supported by its IP assets
IBM	Drives telecom transformation for clients seeking thought leadership on monetizing 5G, AI, and hybrid cloud solutions
Infinite Computer Solutions	Provides telecom services with proprietary tools to reduce network delivery of service costs and increase revenue potential
Infosys	Helps telecom clients with its AI, automation, cloud-focused scalable solutions, and extensive partner alliances
Innova Solutions	Leverages its suite of telecom-focused solutions and partnerships to drive transformation for clients

HFS Horizons: Summary of providers assessed in this report (2 of 2)

Providers (alphabetical order)	HFS point of view
KPMG	Utilizes its advisory and technology expertise to drive telecom transformation for its clients
NTT DATA	Drives telecom transformation through its deep industry history and ability to deliver on emerging tech adoption to generate business value
Persistent	Transforms telecom with AI-driven network innovations and product engineering expertise
Sutherland	Focuses on providing telecom services by leveraging its expertise in AI, analytics, and automation
TCS	Empowers telecom transformation through AI-driven, end-to-end proprietary solutions and holistic partnerships
Tech Mahindra	Provides holistic telecom services by leveraging its domain expertise, managed services experience, and proprietary assets
UST	Helps clients with their network transformation initiatives through software engineering, IoT, AI, and analytics expertise
Virtusa	Provides telecom services using its cloud, AI, and NaaS solutions, partnerships, and engineering and managed services background
Wipro	Helps enterprise clients transform their network operations through its domain expertise, proprietary platforms, and flexible engagement models
Zensar	Provides experience-led telecom transformations with a focus on driving digital growth and operational excellence

Exhibit 10: HFS Horizons for Telecom Service Providers, 2025 (1 of 2)



Note: All service providers within a Horizon are listed alphabetically.
 Source: HFS Research, 2025

Exhibit 10: HFS Horizons for Telecom Service Providers, 2025 (2 of 2)

Horizon 3 service providers demonstrate

- Horizon 2 +
- Ability to drive a **OneEcosystem synergy via collaboration** to create completely new sources of value beyond the client's four walls
- Strategy and execution capabilities at scale
- Well-rounded capabilities across all value creation levers: talent, domain, technology, data, and change management
- Drive co-creation and co-innovation with clients and their ecosystem partners
- Referenceable and satisfied clients driving new business models and measurable outcomes

Horizon 2 service providers demonstrate

- Horizon 1 +
- Ability to drive a OneOffice model of **end-to-end organizational alignment** across the front, middle, and back offices to drive **unmatched stakeholder experiences**
- Ability to support clients to align customer and employee experience
- Provide global capabilities with strong technology consulting skills
- Capability to deliver enterprise transformation as an ongoing multi-year managed service
- Provide customers with domain-centric frameworks, tools, assets, and intellectual property to accelerate value achievement objectives
- Referenceable and satisfied clients for their ability to innovate using technology

Horizon 1 service providers demonstrate

- Ability to drive **improved operational outcomes** by using discrete technology-enabled capabilities and services
- Deliver projects that reduce operating and capital expenses in a timely, effective manner
- Provide clients with strong implementation practices and project management skills
- Offshore-focused with strong technical and support skills
- Capabilities to deliver data and analytics, network architecture and deployment, and domain experience
- Referenceable and satisfied clients for the ability to execute

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EY profile: Telecom Service Providers, 2025

EY: Leverages its technology, business, and compliance know-how to provide transformative services to telcos seeking to escape low-margin businesses



Strengths
<ul style="list-style-type: none"> Value proposition: EY Telecoms positions itself as a transformative partner with deep industry knowledge and the ability to deliver value by enabling telecom companies to adopt core-to-edge business and technology solutions. Its solutions include, but are not limited to, the optimization of network ops, customer experience, desk modernization, and GenAI business process and analytics tools. Key offerings and capabilities: EY Telecoms provides in-house and partner solutions across the value chain, including legacy modernization, mobile and fixed network infrastructure management, data center, cloud access, and MVNO partnering services. Its offerings include network transformation, OSS/BSS integration, legacy to cloud migration services, cybersecurity, risk management, customer experience, and front-office transformation. Key differentiators: EY differentiates through its extensive partner ecosystem, in-depth financial and compliance knowledge, and sector-specific solutions like the 'Future Network Now' program. The company leverages the expertise of its global workforce to deliver new solutions to tier-1 and tier-2 telcos in national and local markets. Outcomes: Clients cite success in meeting cost reduction targets, improving customer satisfaction, increasing network efficiency, and ensuring service delivery resilience. EY has helped reduce time-to-market for network deployments and achieved high first-call resolution rates through AI-enabled customer service transformations. Customer kudos: A client appreciates EY's support in achieving cross-functional objectives on time while providing actionable insights into the product portfolio and go-to-market, enabling them to make improved decisions. Partner kudos: A partner commends EY Telecoms for helping clients digitize their systems and processes using emerging technologies to enhance CX and drive network modernization while reducing costs.

Development opportunities
<ul style="list-style-type: none"> What we'd like to see more of: EY should provide more case studies and metrics on the business outcomes of adopting its AI in both back-office and front-office environments. What we'd like to see less of: It should focus less on general technology offerings and more on telecom-specific, outcome-driven solutions to better differentiate itself in the industry. Customer critiques: None provided Partner critiques: None provided

Value chain innovations	Mergers and acquisitions (2020–2024)	Key clients
<ul style="list-style-type: none"> The partnership with NVIDIA has steered EY's focus toward network digital twins, predictive maintenance, network slicing, and advanced anomaly detection to improve telecom operational resilience and drive cost-effective network management. EY's suite of AI products helps transform customer care for telecom companies. 	<ul style="list-style-type: none"> 2024: Nuvalence, US-based platform and AI engineering consultancy 2021: SecureWorx, Oceania-based Managed Services SOC/SIEM/Cyber consulting company; CMA Strategy Consulting (CMA), boutique strategy firm that operates in the digital infrastructure space and the TMT industry 	<p>Number of clients: 2,912 telecommunication clients</p> <p>Key clients:</p> <ul style="list-style-type: none"> AT&T BT Group Deutsche Telekom Comcast Liberty Global NTT Telefonica Verizon

Partnerships	Global operations and resources	Flagship internal IP
<p>Adobe; Cisco; Dell Technologies (Dell EMC, VMWare, Boomi); IBM; Microsoft; Nokia; Pegasystems; SAP; ServiceNow; Snowflake; Tech Mahindra; UiPath; NVIDIA</p>	<p>Headcount: 16,000+ resources globally</p> <p>Number of delivery and innovation centers: 25+ wavespace™ hub locations for IT/emerging tech</p> <p>Locations of centers by major geos: Six CoEs in the US, Ireland, Spain, Sweden, Poland, and India</p>	<ul style="list-style-type: none"> Future Network Now EY.ai ecosystem of solutions, including EY.ai Generative Maturity Model, EY.ai Confidence Index, and EY.ai Value Accelerator Tax Finance Operate (TFO) Managed Services Enterprise Asset Management Services Enterprise IT Transformation

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Joel Martin is the executive research leader and chief of staff for enabling tech research on software development and the TMT industry practice for HFS Research. He has nearly three decades of experience as an analyst, consultant, software product manager, and marketing professional. He is driven by a curious mind that has followed, analyzed, consulted, and implemented solutions from data networking to large ERP projects.

Joel is passionate about helping enterprises understand that applications are evolving to meet business needs rather than being a magical technology. Having worked as a marketing, product management, and business leader, he can help clients take a new approach to the challenges they are facing.

Joel earned a degree in management information systems from the University of Houston and has been living and working internationally since 1997. He currently resides in Ottawa, Canada. Before HFS, Joel worked for leading companies, including Microsoft (software), TechInsights (semiconductor), Crypto4A (security), and ITRG and IDC (analyst firms), where he developed product, consulting, and marketing strategies.



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Biswadeep Ghosh Hazra is a senior research analyst for HFS. Earlier in his career, he was a lead analyst at Avasant, a functional consultant for Deloitte Digital, a quality assurance engineer at Tech Mahindra in Hyderabad, and a content writer and manager at ExamFocus. While in postgraduate school, he interned at Mindfire Solutions. Biswadeep earned an MBA in business management with marketing, operations, and systems majors as well as a decision sciences minor from Xavier Institute of Management in Bhubaneswar (XIMB). He also holds a Bachelor of Technology degree in electronics and communication engineering from the Haldia Institute of Technology.

Biswadeep is passionate about writing—short stories, poetry, novellas, and plays—and his work has been published in several national and international magazines, books, and journals. He has over a decade of experience as a freelance writer of articles, web content, brochures, and marketing materials for many companies, websites, and individuals. In addition to writing, Biswadeep also enjoys chess. He has a keen interest in the intricacies and nuances of geopolitics and government policies and how they affect people.

About HFS

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HFS Research is a leading global research and advisory firm helping Fortune 500 companies through IT and business transformation with bold insights and actionable strategies.

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