

SEO METADATA

Title tag: Telecommunications & Media Transformation | Operating Model Advisory | mBolden

Meta description: Telecom and media organisations face rising traffic, flat ARPU, heavy capital requirements, and accelerating competition. mBolden advises senior leaders on the operating model, governance, and execution work that converts digital demand into durable economics.

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Telecommunications and Media Industry

Traffic Is Rising. Revenue Is Not. That Is the Problem to Solve.

There is no way around it: telecommunications and media now sit at the centre of the digital economy. The networks these organisations run and the content they move are the substrate everything else depends on, and demand for both has never been higher. The difficulty is that demand has stopped being the thing that determines whether the business works.

The economics have not followed the traffic. Usage climbs on every measure available, and revenue keeps failing to climb with it—a gap that has held long enough now to count as the sector’s normal condition rather than a passing phase. Global telecoms revenue is projected to grow at a compound annual rate of 2.9 percent through 2028, behind inflation, even as total revenue across fixed and mobile reached \$1.1 trillion in 2023.¹ Average revenue per unit is expected to fall about two percent a year through 2028 across mobile, fixed broadband, and voice, with mobile ARPU sliding 1.3 percent annually.² More traffic moves through these networks every year. The price that traffic commands keeps dropping.

Media faces the same problem in a different shape. Global entertainment and media revenues are forecast to reach \$3.5 trillion by 2029, carried by advertising, live events, and gaming.³ What looks like growth at the aggregate level, however, conceals a harder reality underneath it: attention is fragmenting across platforms faster than any single business can consolidate it, subscription growth has flattened in the mature markets that were supposed to fund everything else, and the competition for advertising spend now includes companies whose entire cost structure was built for it.

The operating model question is identical on both sides of the house. How do you modernise the infrastructure, hold costs down, and find revenue that compounds—when usage is rising, prices are flat, the capital bill is heavy, and competitors are moving faster than your governance was

designed to allow? That question, rather than any particular technology decision, is the one we are built to help leaders answer.

Current Challenges: The Core Problem Is Structural, Not Cyclical

The pressures on telecommunications and media leaders are not artefacts of the current macro environment, nor will they lift when it improves. They are properties of the market itself, and a strategy that treats them as temporary will keep being surprised by them.

1. Telecom operators carry heavy capital requirements against flat returns

Operators keep investing heavily in 5G and fibre, and have done so for years at an intensity most other industries would find difficult to sustain. The capital bill will ease somewhat as the major markets finish their 5G non-standalone build programmes—PwC’s Global Telecom Outlook expects capex to start lagging revenue growth through 2029—but easing is not the same as light, and the burden remains material for the rest of the decade.

What those investments have not produced is the revenue growth that would justify them on any conventional returns framework. Moreover, the mechanism behind that failure is by now well understood. Capacity gets built. The new capacity invites competition on price. Price competition compresses the margin that was meant to fund the build in the first place. Operators are running faster than they ever have on the technical dimension while the economic ground underneath them keeps moving—which is the part that ought to concern boards more than it visibly does.

2. Network complexity is compounding the cost of running the business

Legacy technology is expensive to operate and slow to change, and most operators are carrying several generations of it at once—each with its own vendors, its own operational demands, and its own scarce skills. The instinct to solve a new requirement by adding a new layer is understandable and almost always wrong: every layer laid over an unreformed base adds cost and complexity rather than retiring any. Complexity, left to accumulate, becomes its own line item.

Pulling that complexity back out means retiring legacy systems on purpose, consolidating the vendor base, and narrowing the product portfolio to the things that actually earn their place. None of that is a technology decision. Each one is an operating model decision, and each requires governance, sequencing, and change management disciplined enough to execute without interrupting the service customers and regulators take for granted.

3. Media businesses are living through a structural revenue transition

The shift in media economics is already most of the way through. Digital advertising is expected to climb from 72 percent of total advertising revenue in 2024 to more than 80 percent by 2029, connected television is taking share quickly, and over-the-top video is on track to pass traditional pay television in consumer revenue by 2027.

The organisations handling this transition well are not the ones that moved into digital earliest. They are the ones that rebuilt their revenue models with intent—assembling subscriptions, advertising, data partnerships, and distinctive content into a structure that holds together, rather than collecting revenue streams opportunistically and hoping the mix adds up. That is a question of strategic clarity and operational discipline, which cannot be solved by spending more on content.

4. Regulation adds cost without relieving competitive pressure

In many markets, the execution problem is compounded by regulation that raises operational complexity, limits pricing flexibility, and obliges investment in compliance infrastructure that earns nothing directly. Regulatory change, fragmented markets, and the need to keep aging technology running all at once produce a delivery environment in which even a sound strategy is genuinely hard to execute with consistency. The strategy is rarely the weak point. The conditions it has to survive are.

Trends and Insights: The Sector Is Converging Around a More Integrated, Platform-Driven Model

The lines between connectivity, content, advertising, and data are dissolving, and the most consequential competitive moves now cross those old boundaries rather than respecting them. Operators are pushing into content and platforms. Media companies are pushing into direct consumer relationships and data infrastructure. The interesting question is no longer which lane a company is in, but how well it executes across more than one.

1. 5G adoption and mobile data traffic keep growing quickly

The Ericsson Mobility Report for November 2025 records continued strong growth in 5G adoption and mobile data traffic, with 5G becoming the leading type of smartphone connection and consumption still expanding across streaming, gaming, and business use. The capacity is real and it is being used. Whether it can be turned into economics that hold up over time is a separate question, and a harder one.

2. AI is opening an infrastructure investment cycle telecoms are positioned to serve

PwC's Global Telecom Outlook identifies AI and data centres as the driver of a new infrastructure super-cycle, with capital flowing into hyperscale campuses and compute clusters that need connectivity, power, and resilience at scale. Operators have a credible role here, as connectivity providers and, in some cases, as infrastructure partners offering sovereign cloud, edge computing, and trusted data environments. The ones that build a genuine proposition in that space will hold more defensible ground than the ones that stay in the commodity connectivity layer and wait to see what the hyperscalers leave them.

3. Digital advertising and OTT video are redrawing media economics

The PwC Global Entertainment and Media Outlook puts digital advertising above 80 percent of total advertising revenue by 2029. Connected television matters disproportionately in that shift, because it pairs the reach and brand weight of television with the targeting and measurement of digital—the combination advertisers have wanted for two decades. Competing for that spend means investing in data infrastructure, advertiser relationships, and platforms capable of standing against the largest digital players, which is a demanding standard to hold a media organisation to and the one the market now applies.

4. Operators are simplifying their portfolios to execute better

PwC's analysis points to a clear move toward simpler portfolio models—operators choosing fewer, deeper capabilities over broad diversification. The logic is that complexity is not merely a cost; it is a competitive disadvantage in its own right, because it slows the organisation down. Companies that prune the portfolio, retire what no longer pays its way, and consolidate the operational base are buying themselves something more valuable than the savings: the ability to move with discipline and speed when it counts.

This sits inside a larger reframing that ITU and GSMA have both been tracking. Connectivity is becoming close to universal, mobile economies are deepening, and the digital infrastructure underneath them is increasingly treated as critical national infrastructure rather than ordinary commercial plant.⁶ That changes what regulators, governments, and large enterprise customers expect of operators, and it raises the bar for what counts as competent execution rather than lowering it.

Opportunities and Solutions: Simplify Before You Diversify. Modernise Before You Accelerate.

The organisations most likely to win the next five years in this sector will be the ones that refuse to chase growth through complexity, and build the operational foundation that durable advantage actually rests on instead. The priorities below are not novel. The difficulty has never been knowing them; it has been doing them in the right order.

1. Use AI and data to improve operations, not just products

The clearest near-term value of AI in telecommunications is in operations rather than in the product catalogue: network performance management, predictive maintenance, customer-care automation, capital allocation, churn prediction. These have legible business cases, tractable governance, and outcomes that can be measured. An operator that builds AI capability into its operational core before pointing it at customer-facing products ends up with something more reliable and more scalable—and, in practice, that sequencing is what compounds.

2. Reduce complexity through product simplification and legacy shutdown

Every legacy product, system, and platform still running consumes resource, manufactures support complexity, and slows the organisation's capacity to change. Deliberate shutdown programmes, vendor consolidation, and portfolio rationalisation free up capacity that can be redirected to the capabilities that matter. The work is unglamorous and politically thankless, which is precisely why it is so often deferred. It is also among the highest-return work available to an operator in this environment.

3. Build revenue models that combine multiple streams with real discipline

Single-stream revenue models are increasingly fragile for telecom and media alike. Combining connectivity, content, advertising, data, partnerships, and differentiated services produces more resilient economics, but only when the portfolio is held together by a strategic logic rather than assembled by accretion. The discipline lies in distinguishing the combinations that genuinely reinforce one another from the ones that merely add complexity and call it diversification.

4. Compete on partnerships and ecosystem position, not organic diversification alone

McKinsey's deal research in the sector shows software, infrastructure, visual media, sports rights, and gaming remaining active strategic themes. The principle underneath is that targeted partnership and ecosystem positioning can be faster and far more capital-efficient than trying to build capability organically in territory where someone else already holds a structural advantage. The governance and integration demands are real, but they are the kind of problem disciplined execution is designed to handle.

Conclusion: The Organisations Most Likely to Win Will Convert Digital Demand Into Durable Economics

Telecommunications and media are settling into an environment that is more platform-driven, more capacity-constrained, and more sensitive to margin than the one most incumbents were built for. The winners will not be the companies that carry the most traffic or distribute the most content. They will be the ones that modernise their networks and their operating models in the same motion, turn digital demand into economics that survive contact with competition, and manage execution risk at the speed customer expectations and rivals are actually moving.

Scale matters less than it once did, and execution quality matters more. The capacity to decide faster, operate more simply, and place capital more precisely is what separates the field now—in a sector where competition is accelerating and the tolerance for operational slack is narrowing faster than many boards have allowed themselves to absorb.

How mBolden Works with Telecommunications and Media Leaders

We work with senior leaders in telecommunications and media organisations on the operating model and execution dimensions of transformation—the governance structures, decision-right frameworks, and change approaches that determine whether a strategy or a technology investment delivers what it promised.

Our work in the sector includes operating model design for organisations running concurrent network and digital programmes, leadership alignment for teams holding competing priorities under cost and capital pressure, change strategy for organisations rethinking how commercial, technical, and operational teams work together, and governance frameworks for complex multi-year programmes where execution risk runs high.

Engagements are typically project-based, ranging from four to twelve weeks, with optional ongoing advisory support.

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Frequently Asked Questions

Why does record traffic not translate into record revenue for telecoms?

Because the price that traffic commands keeps dropping while the cost of carrying it does not. Global telecoms revenue is projected to grow at 2.9 percent a year through 2028, behind inflation, even as total revenue across fixed and mobile reached \$1.1 trillion in 2023, and

average revenue per unit is expected to fall about two percent annually across mobile, fixed broadband, and voice. The mechanism is by now well understood: capacity gets built, the new capacity invites competition on price, and price competition compresses the margin that was meant to fund the build in the first place.

What does network complexity actually cost an operator?

More than most operators measure. Most are carrying several generations of technology at once, each with its own vendors, operational demands, and scarce skills, and the instinct to solve a new requirement by adding a new layer almost always makes the problem worse rather than better. Complexity, left to accumulate, becomes its own line item. Pulling it back out is not a technology decision. It is an operating model decision that requires retiring legacy systems on purpose, consolidating the vendor base, and narrowing the product portfolio to the things that actually earn their place.

How is the media revenue model changing, and who handles the transition well?

Digital advertising is on track to climb above 80 percent of total advertising revenue by 2029, connected television is taking share quickly, and over-the-top video is expected to pass traditional pay television in consumer revenue by 2027. The organisations handling the transition well are not the ones that moved into digital earliest. They are the ones that rebuilt their revenue models with intent, assembling subscriptions, advertising, data partnerships, and distinctive content into a structure that holds together, rather than collecting revenue streams opportunistically and hoping the mix adds up.

Where is the real near-term value of AI for telecoms?

In operations rather than in the product catalogue. Network performance management, predictive maintenance, customer-care automation, capital allocation, and churn prediction all have legible business cases, tractable governance, and measurable outcomes. An operator that builds AI capability into its operational core before pointing it at customer-facing products ends up with something more reliable and more scalable. The sequencing is what compounds.

What role can telecoms play in the AI infrastructure investment cycle?

A credible one, provided they build a proposition rather than wait for one to be left for them. Capital is flowing into hyperscale campuses and compute clusters that need connectivity, power, and resilience at scale, and operators have a genuine position as connectivity providers and, in some cases, as infrastructure partners offering sovereign cloud, edge computing, and trusted data environments. The operators that develop a real proposition in that space will hold more defensible ground than the ones that stay in the commodity connectivity layer.

Where should a telecom or media leadership team start if the operating environment is overwhelming?

Simplify before diversifying, and modernise before accelerating. That means retiring legacy systems and consolidating vendors deliberately, rather than adding capability on top of an unreformed base. Choose fewer, deeper capabilities over broad diversification, because complexity is not only a cost. It is a competitive disadvantage in its own right, since it slows the organisation down at exactly the moment when speed decides outcomes.

About the author

Suzanne Knight, MBA, MA is the founder and CEO of mBolden, a global management consulting firm. She has advised more than 80 organizations across 14 countries on transformation, organization design, and execution, spanning Fortune 500 companies, financial institutions, health systems, and federal and provincial governments.

A former Fortune 100 transformation executive, she now keynotes internationally on digital transformation, AI, and leading through change, and is a long-standing instructor at the Schulich School of Business Executive Education. She brings the dual perspective of a senior corporate executive and a global advisor, which means she has lived the consequences of the decisions she now helps others make.

Her work centres on the thesis that transformation succeeds or fails through execution, and that the quality of the strategy cannot overcome ineffective delivery.

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