

The Telco Generation Gap

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Today's telco industry is facing a challenge. As the industry goes through wrenching technology, ecosystem, and business changes, it is confronting a generational shift. One generation is at or nearing retirement, while another ascendant. The two generations are not working well together and, if this doesn't change, the industry will encounter serious difficulties.



What's going on? Simply put, the problem is that the two groups aren't listening to each other. Each generation thinks it is right—and that the other is wrong. The truth is that they *both* are right—and if they don't start connecting and collaborating, their standoff is going to have deleterious effects on individual companies and on society as a whole. The only way out seems to be a small, bottoms-up, mentoring process.

Will history repeat itself?

I have seen this movie before. I have witnessed industry failures driven by one or the other generation not listening to the other. Let me tell you two stories, one in which the older generation didn't listen, and one in which the younger generation tuned out.

In the mid-1970s, the Western Union Telegraph Company faced technology and business challenges. The company was the dominant network carrying digital information in the US going into this period. The appearance of LSI (Large Scale Integrated Circuits) semiconductor technology was completely disrupting digital networking. For a year, I was a member of the younger-generation split in that company before I left to move to Silicon Valley.

The younger generation had a sense that a sea change was coming, but the older generation didn't see it. At Western Union, there wasn't even disagreement between the generations; the older generation members only talked to themselves and held power tightly. They had good processes and procedures for implementing new products and services, but they just used them to make small incremental changes to existing technology bases—and left no room for the new ideas that were needed.

So, what happened? In the end, Western Union as a communications network operator ceased to exist, leaving behind only a small cash transfer business running on other companies' networks. A lack of willingness to listen spelled the end.

This situation can cut both ways, though, so let me tell you another story. Heading into the 1990s, Motorola was a dominant cellular equipment supplier, but it had started out as a family-owned mobile communications company. Its early product (on which its name was based – a combination of “motor” and “victrola”) was an AM radio receiver for cars. Motorola followed up on this product with the first special radio receivers for police cars.

At the advent of the 1990s, leadership changed generational hands: a second-generation son took over as CEO. At the time, I was developing SDR (Software Defined Radio) technology, had founded an SDR company, and was running an SDR industry association (SDR Forum). As a result, I had the opportunity to work closely with Motorola.

What I saw was the younger generation not listening to the older generation. Younger leadership had initiated many new product efforts. These new product efforts were focused on new and exciting technologies. But the younger people didn't listen to the older people when it came to evaluation, planning, and implementation. What happened? These new products proved to be a series of failures.

In most cases, the failures were quiet and not noticed in the wider world. Sometimes, however, the failures were spectacular and widely observed. One example of such a high profile failure is Iridium, the low earth orbit communication system that was a technical success and a financial failure. A proper financial analysis at the beginning of that project would have shown that there was not enough revenue opportunity—even with the most wildly optimistic assumptions—to support the cost of deployment and operations.

The damage was so severe that even when new management was brought in and pieces of the company were sold off, it was not possible to save the business. Effectively, Motorola dried up and blew away. Here again, a lack of willingness to listen spelled the end.

A widespread problem

Why is what's taking place today so very different from these examples? For Western Union and Motorola, the result of failures to listen was confined to single companies. What is happening today appears to be cutting across the cellco industry as a whole. And it's facing a series of significant challenges, examples of which include:

- Softwarization
- Open source
- New ecosystems
- New ways of handling procurement
- New ways of managing operations
- Cybersecurity threats
- New competition from new technology-based entrants
- Large capital outlays for 5G
- Autonomous vehicles
- IoT

Each of these challenges or topics deserves an article to itself, of course. We share the list as a way of establishing context for the generation gap.

At a high level, the younger group is looking at these challenges, seeing how they have been handled by the enterprise or web service businesses, and saying that the cellco industry should do the same thing. The older group notes that what works in the enterprise and web services industries does not work in the cellco market. Neither is listening to the other. Both think that the other is wrong.

In actuality, they are both right. Yes, there is a need for dramatic change, but what works in the enterprise and web services industries does not work in exactly the same way in cellco.

Confronted by scale challenges every day, cellco businesses do not have the scale that those in the enterprise and web service industries do. These businesses are not operating under the same constraints that cellco companies do. While we could spin an entire article on this subject alone, suffice it to say that although it is tempting to point to Google and say that a cellco should operate the same way, it just doesn't work that way.

There is much that can be learned from observing the web services industry, but it is fundamentally different from the cellco industry. And those differences—and the implication for deployment of new things in the cellco industry—are understood by some thought leaders in the older generation.

At the same time, the younger generation has the advantage of an educational foundation and perspective that was not available to the older leaders. They have a feel for the change drivers and a sense of what is needed that the older group simply

doesn't have.

Given all this, and what's at stake, these two groups must communicate more effectively and work together more productively. If they don't, traditional cellco companies will follow the same path as Western Union and Motorola.

It's much easier to destroy something than to rebuild it. Other forms of widespread communications may develop, beyond what the cellco industry has birthed. But society would be best-served if the investment in cellcos could be preserved as these other forms develop.

What we can do

So, what should the industry do? What are our options? Top-down direction in this kind of cultural area can be helpful, but is not enough by itself. To get these two groups working effectively together requires a bottom-up approach. Senior management can help encourage and incentivize this bottom-up approach.

For individuals caught in this environment, confrontation in large groups is seldom effective. Nor is trying to work on the fundamental problem while engaging in an one-on-one conflict.

What does work is mentoring. When a relationship is established between an older person and a younger person and trust is built, it carries over. Both learn from each other and both take what they have learned into other group interactions. To be effective, these kinds of mentoring relationships must exist outside of traditional management hierarchy chains. Within a particular cellco, these kinds of mentoring relationships between thought leaders in the company can, over time, get the two groups to listen and learn from each other.

Here is a place to start: Each thought leader in the older generation should seek out two people from the younger generation. If you are an older leader, try to pick people that you feel you might be able to have good chemistry with. It doesn't matter what part of the organization they are in. Pushing and declaring yourself a mentor doesn't work, so try to strike up a friendship. Let the relationship develop naturally. Be open and try to learn from the younger person. At the same time, don't create boundaries. Be open and willing to talk about anything: subject matter expertise, job challenges, career planning and, if it comes up, things outside of work. In any case, make an investment in the relationship. It is unrealistic to think that you can maintain a lot of these relationships. They take time and energy. But if you can build two such relationships, count yourself successful.

Thought leaders among the younger group should be open to conversations with people from the older group. When you find someone you are comfortable with, open up a little bit. Try to find out how comfortable you can be with that person. Feel out how much trust you might be able to develop.

It is helpful if senior management talks about and encourages this mentoring process. It has to be done in a way that strikes the right balance. For example, adding mentoring to performance reviews has the effect of killing it. For the mentoring relationship to be effective, it has to exist in a way that is, by its nature, hard to identify, measure, and so forth—counterintuitive in our metric-driven times.

It doesn't take big numbers to reach critical mass. In a typical cellco, one or two hundred of these kinds of relationships between thought leaders may be enough to fundamentally change the nature of the dialogue. If you find yourself in one of these three roles in a cellco company—younger group, older group, or senior management—think about taking this idea on as a personal initiative.

If enough people do this, we will see vital, thriving cellcos helping society into the future. If not, well, I've already told you what's going to happen.