

Episode 123 | Talking telco transformation with Tech Mahindra (Amol Phadke)  
Amol Phadke, Tech Mahindra  
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Danielle Rios: [00:12] That's funny. But it's true.

Amol Phadke: [00:13] Exactly. So I think the value pillar in terms of just exactly what you're expecting AI to do for your organization, either revenue, cost, or customer experience, or all three of them, it's very important to articulate that, and we help clients do that.

Announcer: [00:32] This is "Telco in 20," a podcast that helps telco execs achieve a competitive advantage with AI and the public cloud. It is hosted by Danielle Rios, also known as DR. Today we're talking to Amol Phadke, Chief Transformation Officer at Tech Mahindra.

Danielle Rios: [00:51] Hi guys. I'm DR. Telco transformation projects have a bad reputation. They devour executive careers, burn through hundreds of millions of dollars, and leave behind demoralized teams who'd rather stick with Excel than touch your shiny new system. So why are transformations so hard? First, it's the scale. Thousands of applications built on decades of legacy infrastructure. Second, there's the vendor lock-in. You're trapped in contracts with giants like Ericsson and Amdocs who've built proprietary ecosystems designed to keep you dependent forever. And last, there's the human factor, getting people who've worked the same way for decades to completely rewire their thinking. But some telcos have figured this out. The ones that are successful with transformative change realize that leadership has to be all in from day one. They shock their organizations early with big visible changes that tell everyone the old ways are dead. They also understand that new technology by itself won't make the project successful.

[01:52] They need to change processes and culture too. And finally, instead of trying to boil the ocean with one massive project, they break it up into bite-sized chunks. Today I'm talking to someone who's seen this evolution from every possible angle. Amol Phadke is Chief Transformation Officer at Tech Mahindra. We're going to dig into why traditional transformation projects fail so often, how AI is helping telcos connect data silos to make better decisions, and Tech Mahindra's framework for driving successful telco transformations. So let's take 20. Amol Phadke is Chief

Transformation Officer at Tech Mahindra. Hi Amol, welcome to "Telco in 20."

Amol Phadke: [02:36] Hi, DR. Great to be back here again.

Danielle Rios: [02:38] Yes, so excited to have you back on the podcast. And so you have over 25 years of telco experience and you've been everywhere. You've been in all the different places, on the hyperscaler site at Google Cloud, selling to telcos, recently a CTO inside of an operator at Telenor, and now you're leading AI transformation at a service provider. And so what are you focusing on in your new role at Tech Mahindra?

Amol Phadke: [03:03] DR, fantastic question. When we think of transformation, I look at it in three dimensions. So what does transformation mean for the clients we serve? What does transformation mean for the partners we work with, and what does transformation mean for all the brilliant 150,000+ employees inside Tech Mahindra? So my role is really about accelerating transformation for all three of those very important constituents. So first for clients, as you have seen with AI and cloud, all of the key programs that our clients are running are in urgent need of an acceleration. And so my role here is to really help all of our clients that we serve globally, to accelerate their strategic transformation programs that they are actually already embarking on.

[03:52] Now, that means one, creating different ecosystems for our clients to get more value. And that ecosystem is not just Tech Mahindra and the client. There's actually four or five constituents in that ecosystem, especially with AI, with the hyperscalers, the software programmers, with the ISVs, as well as with companies like ourselves. So I think that ecosystem formation orchestration and also a different operating model in terms of paradigm shift moving towards new revenue streams and a bunch of other things there. So all of these transformational activities need an acceleration, which is why that's one part of my role.

[04:29] Then of course, it doesn't stop there. As I said, partners are critically important going forward, and I definitely see, DR, in the industry, this paradigm shift happening. And finally, we are realizing that there cannot be any one-on-one relationships going forward. It's a one-to-many relationship to achieve almost anything in AI. You need four or five companies working

together to solve a problem. Partners become incredibly important to the success of professional services companies like ourselves, and that's another part of my role, which is how do we transform our partners? And then the final part is it's a large organization with 150,000+ employees, and each of them is going through their own transformation, because all of us as an enterprise are going to embed AI and cloud and the ways of working in a very different way.

Danielle Rios: [05:16] Absolutely.

Amol Phadke: [05:17] And so that is a third part of this DR, which is what I think my role is all about.

Danielle Rios: [05:22] Yeah, yeah. Change management within your own organization. A hundred percent agree on that. And so you touched on it a little bit. Let's talk a bit more about telco transformation. It's always a big topic in our industry. And so why do you think it's so difficult for telcos to transform themselves and be successful in transformation projects?

Amol Phadke: [05:39] Yeah, so DR, as you said, I actually had the fortune of being one until a few months ago.

Danielle Rios: [05:44] You've walked it, you've lived it.

Amol Phadke: [05:46] Yeah. For me, it is more about the context in which the telcos are operating. So if you look at it, it's almost a perfect storm because revenue is getting eroded because of a lot of other things that are happening around their business model. At the same time, customer experience is not where it should be just given the amount of scale of operations they're running, but with revenues declining and customer experience not where it should be, investments are not slowing down. In order for them to keep up the infrastructure, especially with the AI demand coming in, just post-pandemic, there was also the demand that was placed and now it's just getting accelerated.

[06:20] So you take these three together, and there was a time a couple of years ago where the return on investment capital for a telecom operator actually went below their WACC, which means they were really destroying value for a period. And now thankfully it's coming back, but you can understand the context in which they're operating, and therefore it's important we keep that in mind. Now, what are the other things that are making

this harder? One is the competition and the increased price wars, which is putting the pressure on the business and the investments that we are making are not getting the return. But then also, as you know, a tremendous amount of brownfield environments and a huge amount of legacy environments, which makes everything very hard, and lock-ins are there in that with all of the current partnerships that they have in place. So any fundamental change or any radical transformation would require a very different motion that is much harder when you're dragged down by these things. So really that's the environment they're coming from, which makes it harder, to your question on why this is so hard for them to look at.

Danielle Rios:

[07:16] Yeah, absolutely. We had Lester Thomas from Vodafone Group on the podcast and he was talking about their cloud transformation and he's like, "New applications, we mandate that they must move to the cloud, and on that metric, we're like 80 or 90% in the public cloud." He's like, "Our legacy applications, much more difficult." And what you were just talking about, he said, "More like 40% have been able to be moved to the cloud and transformed." He's a big TM Forum, ODA guy, very difficult to change his legacy applications. And there's a lot of them. We're not talking about 10 applications, we're talking about hundreds. And so some telcos are successful with their transformation projects and they are getting it right. From your point of view, seeing it from all these different angles that you've had in your experience in your career, what are some of those best practices that they're using to allow that success?

Amol Phadke:

[08:06] So I think there are a few factors there. The telcos who are getting it right have realized that they are a trusted party in the environment they operate in when it comes to the governments, when it comes to the customers they serve. And so the ones that are getting right are the ones that are starting to build sovereignty. They're starting to build infrastructures that give the resilience, the assurance as part of the portfolio. And then of course, that gives them a new revenue stream, which is something that everybody's looking for. So that's one thing that some of the clients that we work with are getting right. The second thing is they have realized that there is no AI without having a telco operator in the background.

[08:48] If you work with any AI system out there, the processing needed and the speed of that processing needed would simply

not be enabled if there wasn't an underlying network infrastructure, whether it's fiber or 5G or 6G. Without those connectivity infrastructure in place, there is no AI sitting on top that you or I can access. Any access to AI models that you are doing is based on a broadband connection somewhere. And without that, this won't work. So the ones that are getting it right are the ones that realize that actually it's a connected intelligence ecosystem. Connectivity is what they provide, intelligence is what the AI provides, and really coming together, that connected intelligence ecosystem is the only way to drive value going forward and move up the value chain. So the ones that are getting it right are using the position of trust, creating sovereign models, new revenue streams, not focusing just on cost transformation, but looking at customer experience and revenue growth. And at the same time, also looking at what I said, building a connected intelligence ecosystem.

Danielle Rios:

[09:53] Yeah. Just to add to that, the change management and human resources piece of it, something that you're focusing on in your new role at Tech Mahindra, which is you can't just throw AI tools or throw a new technology and say, "Okay, everything's fixed and everything's going to be better." I've seen very expensive projects go to waste because we've forgotten the humans that need to learn about it, change their workflow. And that is super important in the age of AI, and so let's talk about that. As you guys are working with telcos around the world, how is AI changing the transformation projects? Is it making it easier to execute? Are prices lower? Are timelines faster? What are you guys seeing over at Tech Mahindra?

Amol Phadke:

[10:35] So AI is one of these existential changes that you were talking about. I think AI comes in as a big horizontal shift that is making everybody get up and think about what they're doing differently. The way I look at it and the way we are looking at it inside Tech Mahindra is AI really has a program that is six pillars, and let me just explain those six pillars. Number one is the value. I was talking to one of the CEOs last week and he made an excellent point. He was basically saying, "Hey, AI is great, Amol. It's really changing everything we do. And I see it everywhere except in my P&L."

Danielle Rios:

[11:15] That's funny, but it's true.

Amol Phadke:

[11:18] Exactly. So I think the value pillar in terms of just exactly what you're expecting AI to do for your organization, either

revenue, cost or customer experience, or all three of them, it's very important to articulate that, and we help our clients do that. So that's the first pillar. Second, a lot is talked about AI, but not that much is talked about underlying data. And so for me, there is a humongous opportunity to now take stock of where your data is as an organization and really look at it as a seamless process to integrate this into a meaningful way so that the AI sitting on top can actually use it.

Danielle Rios: [11:52] Yeah, super critical component. Yeah.

Amol Phadke: [11:54] Exactly. Otherwise, you're still going to get into this garbage in, garbage out kind of thing.

Danielle Rios: [11:58] Absolutely. Yeah.

Amol Phadke: [11:59] The third pillar, and this is where the architecture and the ecosystem of AI really comes to fruition, because you have to build the right ecosystem for your needs. Sometimes you may have to build your own LLM, sometimes you can just use what's available. Sometimes you may need to use a public cloud infrastructure. Sometimes you may need to build your own. And Tech Mahindra has now worked with so many of our clients to build the right architecture for what matters to them. And the context of that, you probably saw a couple of weeks ago, we announced our Orion platform, which is our agentic take on how we believe our clients would move towards, because the AI world is shifting to an agentic era. And in that agentic era, you really need a sort of common studio where you can build, where you can deploy, where you can maintain a whole basket of agents across all your application stacks, and which is the fourth pillar, do it responsibly.

[12:54] If you don't do it responsibly, we have all seen all of the articles around what happens when a model goes wrong or something goes rogue and you get all kinds of hallucinations happening in the system. So the architecture and ecosystem is so critical, and our solution that we launched, Orion, is going to hopefully help our clients navigate through that and transform that. And then the last two pillars we already looked at, one was the upskilling. So we also have through our partnerships with academies and universities a way to upskill our clients' employees, because there's no point just 10 people or you and I knowing AI, right? The whole enterprise needs to know about AI and upskill on AI. That's another big transformation that is

needed. And finally, the thought leadership. This is an area that is not finished here. Every six months, we get something new, something more innovative comes out.

Danielle Rios: [13:43] Just in August, we got a new Opus model from Anthropic. We Got ChatGPT 5 from OpenAI. So every week, yeah.

Amol Phadke: [13:53] Exactly. And so the innovation pillar of this is also something that's super important. At Tech Mahindra, we have something called a Makers Lab where we are actually encouraging clients to come and innovate with us because we know even we don't have all the answers today because nobody does. And so in that context, experimenting continuously and moving towards that innovation is going to be key. So for me, if you go through these six pillars and look at it holistically, that's when I believe we will get that AI transformation that we talk about to hopefully drive value for us.

Danielle Rios: [14:23] Yeah, absolutely. And so like you said, it's a transformative change in the world. It's not a telco thing, and it's not even a tech thing. It's just a completely new narrative. And so you've been talking about a new narrative, shifting from what really was software as a service, commonly known as SaaS, to now service as software. And so explain that. What do you mean by that?

Amol Phadke: [14:44] So a few months ago, we launched a fantastic "AI Delivered Right" narrative to the market, and that team really resonated with our clients because what they realized was this is not just a new technology that we are going to continue to work with like we did before. This technology is going to make us change the way we have worked before. And what do I mean by that? To your point, we have had mainframes and then we have had purpose-built software, and then we have had software as a service. But the role of a provider has largely been around providing services to help make that software run better. But now with AI and the agentic era, and this is why the Orion and the "AI Delivered Right" comes together, we want to get to a point where our offerings would have agents embedded inside.

[15:35] And what is an agent? It's a piece of code. At the end of the day, it's software. So you can see that what we are actually going to offer to our clients going forward is services coupled with software. That's not what was the case until a few years

ago. And that's what I mean by service as a software. Our ability to provide services is going to be predicated on our ability to actually drive software with it. That's what I mean. It's software as a service is moving to service as a software.

[16:03] And really, it doesn't stop there, DR. If you think of it commercially, this also means a completely different paradigm. How would you procure services versus how you procure software? There are two different teams normally that work on it. Now imagine there's one team that has to do both. So that's also a very innovative concept around creating tokenization and service tokens from a commercial perspective. So that's why I feel the narrative is going to be very different in this industry going forward.

Danielle Rios:

[16:28] Yeah. And for me, I've used this term as well, and I think one thing that's very interesting for telcos to understand now is that before, it was so difficult to build the software for our industry that you bought it as a package, packaged software, whether it was installed on premise or running in the public cloud. At the end of the day, it was a product that people invested millions of dollars into, tested and then installed. And there were services around that, customizing and integrating and things like that. But now with AI where you can create thousands of lines of code with natural language by almost anyone, it destroys and erodes the need for package software. You want your own custom BSS for this one niche thing, you could probably vibe code it. And is that enterprise ready right now? No, but it's getting there. We're starting to see end-to-end tools that go from the product requirements document all the way to test cases, can install it in a cloud.

[17:28] And so yeah, you're going to be going to places like Tech Mahindra and say, "Hey guys, just build this for me," because it's literally cheaper than buying something off the shelf. And so it's very threatening to software providers. It's a very existential moment for vendors to decide, am I going to stick with my package product and that strategy, or am I going to disrupt myself because AI is disrupting everything? Very exciting time, and so I always love it when I meet people who play racket sports, and you play badminton, which is known for speed, agility, and strategy. And so my question for you, Amol, is which of those three defines your game?



Amol Phadke: [18:06] Well, first of all, speed and agility, as you know, directly diminishes with age, which means more and more when I play, I find strategy is the only way to go forward in order to win the game. Because on speed and agility, I probably can't match what's happening now with the opponents, but on strategy, I can figure out what would be the weak spots, where would I play differently to try and get to a better outcome? So definitely strategy.

Danielle Rios: [18:33] Yeah, I think that's true. I think the same with tennis. You lose your speed and your ability to cover the court, and sometimes strategically use finesse and placement and spin because your opponent can't cover it. And so very interesting that as you age, how your play might change.

Amol Phadke: [18:50] Drop shots that I have played have increased exponentially now, DR.

Danielle Rios: [18:54] Absolutely. Well, Amol, this was a great conversation. I congratulate you and wish you the best of luck in your new role at Tech Mahindra.

Amol Phadke: [19:02] Thank you, DR. It's been a pleasure to be here.

Danielle Rios: [19:04] Awesome. Stick around. We end each podcast with a "Telco in 20" takeaway. I've got two minutes to tell you something you need to know.

[19:20] It's undeniable. The value of AI is huge, but Amol just quoted a telco exec who told him, "Amol, AI is great. It's changing everything we do, and I see it everywhere except in my P&L." You know why this is funny? Because it's true. Telcos can rule out AI-powered network optimization, predictive maintenance algorithms, and AI chatbots, and still see almost zero impact on their bottom line. You want to know why? Because they're not using AI to replace humans. Here's what I would tell that CEO: there are only two ways to have a big impact on your P&L. Increase revenue or decrease costs. Growing revenue requires customers to want and buy your products, which is not in your control, but cutting costs is 1,000% in your control.

[20:12] If you want real value from AI, you have to take work out of people's hands and give it to AI, not augment your teams, not make them 20% more productive. You have to actually

replace human work with AI. And according to the World Economic Forum, while AI will eliminate 92 million jobs, it will create 170 million more. So don't worry about humanity. I think we're going to be A-OK. If you want to know how to start seeing real value from AI, set up a time to talk to team Totogi at NOVACOM Africa's 1-To-1 Telco Summit. It's being held in Cape Town, South Africa on September 23rd to the 25th. Connect with me on LinkedIn and X @TelcoDR, and we'll set up a time to meet. Until then. To see more "Telco in 20" episodes, like and follow, and leave us a five-star review. Don't forget to sign up for my awesome email newsletters on TelcoDR.com, and check out our rockstar YouTube channel, now with 20,000 followers. And hit that subscribe button. Later, nerds.