Charles Molapisi: [00:00] I believe during the internet era, telcos became the bystanders of value creation on our own infrastructure. Under my leadership, we will not leak value to OTTs. We can create value through AI for people to deploy new product and services. And I think we're capable of doing that. So very much excited about it.

Announcer: [00:23] This is “Telco in 20,” a podcast that helps telco execs achieve a competitive advantage with AI in the public cloud. It is hosted by Danielle Rios, also known as DR. Today we're talking to Charles Molapisi, the chief technology and information officer at MTN Group.

Danielle Rios: [00:42] Hi guys, I'm DR. Every telco on earth has an AI strategy. Almost none of them have an AI target, not MTN Group. At their Capital Markets Day in June, they committed to 30 billion rand of value creation from AI over the next three to five years. By MTN's count, no other mobile operator in the world had put a number like that on the record. See, a strategy has a champion, but a target has an owner, a date, and somebody's bonus attached to it. MTN is the biggest operator in Africa and the sixth largest in the world. Nearly 320 million subscribers, 19 operating companies, number one or two in almost every market they operate. That's 19 cultures, 19 P&Ls, 19 CEOs across the continent, bigger than the US, China, and India combined. You don't get to 30 billion rand with a pilot program. Today I'm joined by Charles Molapisi, Chief Technology and Information Officer at MTN Group.

[01:45] His mandate from the CEO is to lead MTN and its people into the AI era. We dig into how Africa has only 1% of the world's computing power and what he intends to do about it, why he thinks AI value will accrue at the application layer and the killer AI use cases he's already rolling out across the group. So let's take 20. Charles Molapisi is Chief Technology and Information Officer at MTN Group. Hi, Charles. Welcome to “Telco in 20.”

Charles Molapisi: [02:19] DR, thank you so much for having me. I'm excited to have a conversation with you.

Danielle Rios: [02:22] Yeah. It's going to be great. I mean, a group CTIO has such an interesting perspective because you're seeing the business from different markets and different challenges, and we're going to talk about all the things that you're experiencing across Africa.

Charles Molapisi: [02:37] That's correct.

Danielle Rios: [02:37] You've had a very interesting career path at MTN. How did you end up as CTIO for the entire group?

Charles Molapisi: [02:43] Yeah. So first of all, I've been with this company for now, I joined MTN in 2009, and I have to be fair, the company has really given me immense amount of opportunities. So I had an opportunity to work outside South Africa. So I spent seven years in Nigeria and Lagos. I ascended to a CIO position there. I used to run our market in Zambia, which was phenomenal. Came back into the group, took over the group CTIO role. I went over to run MTN South Africa, and now with the AI ambition task to lead the transformation of this business through AI, what an exciting opportunity at this time, and I'm excited about the prospects of what we can achieve as a business.

Danielle Rios: [03:22] Yeah. So you've run technology across 19 MTN markets, like I said, primarily in Africa. How do those markets differ from each other?

Charles Molapisi: [03:30] Generally, they're fairly similar. South Africa will probably be a little bit different, and that's largely because of the industrialized economy of this market, but also it's the market where we started. This is a home base market, so much more mature market in a number of ways. It's got a huge segment of postpaid and prepaid, so it's more of a hybrid market, very heavy in terms of enterprise. It's got very strong banking systems, mining sector, logistics, transport, retail. So that makes it slightly nuanced compared to many markets. In many markets, we're pretty much a heavy prepaid business. But I think what is also nice about MTN is that we're pretty much number one and number two in all the markets. I mean, what a fantastic position we have.

Danielle Rios: [04:10] For sure.

Charles Molapisi: [04:11] We are either leading or we're very close, credible number two in most of the markets, which makes us very different in terms of how we play and how we play to win.

Danielle Rios: [04:19] Yeah. So you guys are reaching nearly 320 million subscribers across Africa, and we have AI on the scene. Are you guys putting out an initiative to build an AI-first telco?

Charles Molapisi: [04:31] Yeah. So the mandate that the group CEO gave me was to lead us through the AI transformation. And I think in a very

short while we have crystallized the strategy very clearly. And I think we're bold enough to even mention to the investor community during our Capital Markets Day that we expect MTN in about 2030 to generate the value creation of about $2.5 billion using AI.

Danielle Rios: [04:54] Yeah. Wow.

Charles Molapisi: [04:55] At the time, I think we're the only MNO globally that actually put a target forward. I see that DT has just followed up and they went even further. They did a Capital Markets Day on AI, which was quite interesting to see, but we will own that as MTN as people who did it first and our ambition.

[05:10] So the way we look at it, we believe that we can actually supercharge the P&L of this organization into three buckets.AI insight, so generally how do you fuse AI elements within all the elements of the business? We can talk about network operations, revenue assurance, customer experience, all the layers. And the second piece is how then to use this very powerful technology to create what we call hyper-personalization or NBX, next best offer, next best propositions, call center customer experience, and also how we can actually commercialize AI to the B2C segment. So we're clear on that and I think we're executing very well. But the more exciting one for me, which I believe a lot of disruption is going to come from, is the B2B segment. I believe during the internet era, telcos became the bystanders of value creation on our own infrastructure. Under my leadership leading AI in this organization, that should not happen to MTN. We will not leak value to what is referred to as OTTs because we never prepared for the commercialization of propositions and product and services to the benefit of enterprises.

[06:10] I'm very passionate about that. We can create value through AI, first of all, as a connectivity layer for people to deploy new product and services using AI. We can create value by generating new revenue streams for this business and creating new product and services. And I think we're capable of doing that, so very much excited about it.

Danielle Rios: [06:27] Yeah. On that B2 enterprise, a lot of telcos are doing sovereign AI as a service or GPU as a service.

Charles Molapisi: [06:35] That's correct.

Danielle Rios: [06:36] But you mentioned the connectivity. If you look at AT&T, they're focused on that last mile connectivity for the connection of an enterprise into a public cloud, which is kind of a little bit of a different idea. Are these the ideas that you're exploring for MTN?

Charles Molapisi: [06:49] Yeah. So first of all, I believe we're the most credible telecoms in terms of scaling the continent by 19 markets. We provide connectivity to banks today, branch connectivity, terrestrial fiber and all of that. We believe that Africa has a role to play in terms of sovereign AI, but if you look at the computing capacity of the continent, I think we represent about 1 to 5% of computing power. I also believe that we have an opportunity in this continent to create using our own information. We should not be shipping our information offshore only to buy that information as intelligence. Sovereignty, I think, is at the anchor of it. There's a number of product sets if you think about B2B. You can talk about the base infrastructure, that's GPUs, so that's very clear. But I don't believe that you sell GPUs. I think you'll sell services on top of GPUs.

[07:40] So customers are not going to come to us because they want to buy the infra, the pure, clean, bare infrastructure. I think customers will come to us because they're looking for agentic capabilities and we can provide agentic marketplaces in the continent who are well positioned to deliver something like that. And one of the things I always say in the organization is that when we design products for MTN, let's say we're building a proposition for RFP assessment using AI, that capability we can assume that when we are building for MTN, MTN itself is customer zero, whatever we build, it must be done in a manner that is transportable into a commercial proposition. So I'm saying we'll participate at a model level, we'll participate at the GPU level, we'll participate on the top because the value of AI in enterprise is going to be resting largely on applications.

[08:27] It's not going to be sitting largely on the key infrastructure. That is for now. But in the future, everybody who wants to win must create new propositions, new products, new business models, and that is at the top layer of AI.

Danielle Rios: [08:39] Yeah. I agree with that. I think the value will be attributed at the application layer.

Charles Molapisi: [08:42] That's right.

Danielle Rios: [08:43] You can already see the frontier models of ChatGPT and Anthropic are constantly being commoditized as they keep trying to beat each other, and that's just a race to the bottom. Every couple of months, a new model comes out and prices are dropped in half.

Charles Molapisi: [08:56] That's correct.

Danielle Rios: [08:57] Now, it's really hard to get even one company to adopt AI, getting the people aligned around the mission. How are you doing that across 19 different markets and 19 different teams?

Charles Molapisi: [09:07] I think one of the things for AI to be successful, you need a complete buy-in of the CEO of the organization.

Danielle Rios: [09:12] For sure.

Charles Molapisi: [09:13] We're very fortunate with the group president, Mr. Ralph Mupita. He really believes in championing this. That makes my job slightly easier. I think we've propagated the message. We've engaged our CEOs, but you have to be very smart in terms of how you do this because these markets are in different phases in terms of capital allowance to be able to invest, time allowance, because some of them got tough competitive pressures. They might not want to focus on it. So we look at a few markets. A market like Nigeria, we see there's a very strong B2B market. We're planting a few use cases. Let's say a market like South Africa on revenue assurance, they're biting on that one. A market like Rwanda, I've got a hardworking CEO there, he gets it and I think he's driving it. And then we've got a very dynamic chief people and culture officer. She gets it and I think she's going to help us mobilize organization. This thing is a multi-attack plan.

Danielle Rios: [10:01] Totally.

Charles Molapisi: [10:01] It is nuanced, but what we're beginning to see is that there's now a groundswell of excitement. And remember what we're also dealing with, psychological safety. I say to people that there is a sense of anxiety about the technology.

Danielle Rios: [10:12] For sure.

Charles Molapisi: [10:13] And I think we need to appreciate that. And leaders today need to take their psychological safety and use it as a competitive advantage. Talk to your employees about this. Hear their fears because there are people who struggle to use AI

saying, "Oh, I feel like I'm cheating. I feel like I'm not doing the right thing." We have to take anxiety out of the system and always say that every technology transition has what I call transition costs. Our job is to make sure that the transition window between when you know about the tech and when we implement it is shortened, and that's exactly what we're doing.

Danielle Rios: [10:43] Yeah. I love that you're bringing in what I would refer to as a human resources partner, people and culture, to help you through this.

Charles Molapisi: [10:50] Absolutely.

Danielle Rios: [10:51] And I think the acknowledgement of the fear, I think in broad strokes, you're going to have people in three buckets, the early adopters that love the technology and they're off to the races and they're really great examples to hold up. You're going to have people who are still unsure, largely positive, but moving a little bit slower. And then there's always the group of people who are, as you mentioned, fearful. What is this going to mean for me later? And acknowledging that psychology and embracing it can actually turn them into the first group.

Charles Molapisi: [11:18] That's right.

Danielle Rios: [11:19] I think a lot of times a lot of leaders forget that part. They mention why this is good for the company and why we're going to make a lot of money, but they forget why this is also good for you as a person in our company to learn this new technology and be part of this change. And so I love that you're embracing both of those things. I think we're going through the biggest workforce change in our lifetimes.

Charles Molapisi: [11:40] I believe that.

Danielle Rios: [11:41] Yeah. I mean, you have to redesign every single job. You may not even use your fingers anymore to do the job. You might be using your voice.

Charles Molapisi: [11:47] That's right.

Danielle Rios: [11:48] That's a completely different way of working. And so you mentioned a couple of the AI initiatives you've been working on. Have you taken any of these AI initiatives across the entire 19 markets? What's been the most successful across the group?

Charles Molapisi: [12:01] Oh, we're scaling what we call SIM registration where we register customers when they buy MTN SIM, and then we have human beings who sit and validate and eyeball the record, check the central database and approve the SIM for provisioning. 24/7 nonstop agents are now doing that. We are now in our third market.

Danielle Rios: [12:20] That's awesome.

Charles Molapisi: [12:21] We're looking at what we call an RFP builder. In many of our markets, we respond to RFPs from partners, from banks, from all of that.

Danielle Rios: [12:27] Yeah. Yeah. Enterprise.

Charles Molapisi: [12:28] Yes. It takes teams weeks to compile information. Today we take that RFP, we inject it into the RFP builder, it spits out the document, and then you can just modify. We're launching another one in multiple markets in Nigeria, which is what we're using for voice. So when a customer calls, want to understand the product, can have a nice conversation in a local language on the platform, can provision a product using the app, interacting with the voice. We're looking at fiber sensing. We've launched this in Côte d'Ivoire where we want to eliminate to the extent possible the fiber breaks. So we're putting the fiber sensing and it naturally senses the microvibrations of the fiber breaks. So we're doing that. We're launching smart CapEx started in Nigeria. We believe that we can predict the profile of CapEx deployment much more scientifically than before. And therefore we can start to optimize the CapEx envelope of the business and create proper capital allocation and a margin advantage for the business.

[13:21] We've launched the energy savings in South Africa with one of our vendors. We believe that we can be much smarter in terms of how we use our energy, which is one of the biggest cost lines on the P&L. So it is really mind-blowing if I look at what we have started to do, and I'm super excited about the transformation that we're going to inject in this business.

Danielle Rios: [13:39] Yeah. Those are all fantastic use cases, and I love that they're attacking real problems that have real value versus just experimenting with AI.

Charles Molapisi: [13:49] That's correct.

Danielle Rios: [13:50] Your fuel and energy idea I think is fabulous, the smart CapEx. My company Totogi is doing two of those similar projects, one in Bolivia on CapEx optimization. Where should you invest in the next G at the cell level? And then one of your competitors, Zain, is doing one with us as well.

Charles Molapisi: [14:09] Very interesting.

Danielle Rios: [14:10] But switching to something a little bit more fun, you're tackling a big mountain of work over at MTN, but I understand that you've ridden the amateur version of the Tour de France mountain stage, which is one of the hardest stages. Training for that takes serious time. How do you find the time to train for an activity like that with the job that you have?

Charles Molapisi: [14:31] Look, I mean, I've chosen, for me, three things: family, work, and cycling. So I think if I look at my 24 hours in a day have time, I'm an avid cyclist, two days in the gym just to work on the lakes, three days on the bike during the weekend, then Saturday and Sundays long rides. So I really did not need to go on a particular training regime to prepare for that. Though it was a tough thing, it was about 178 or so kilometers with 5,300 meters of climbing. Stage 20 on Tour de France is the most difficult stage of the tour, and they get about 17,000 amateur riders across the globe to come and ride their stage-

Danielle Rios: [15:07] Wow.

Charles Molapisi: [15:07] ... just to get a sense of how the pros feel. I rode Alpe d'Huez, which is an iconic climb, and a bucket list for area cyclists across the world. I rode that, I rode the Galibier, which took us to the highest pinnacle above sea level. Yeah. Very exciting. Those are some of the things that I use as an outlet, gives me an opportunity to reflect on my life, my goals, and where I'm going and the role I need to play in society.

Danielle Rios: [15:30] Yeah. Well, you clearly don't shy away from a challenge.

Charles Molapisi: [15:32] Not at all.

Danielle Rios: [15:32] It's unbelievable and impressive. And Charles, I really have appreciated this conversation, so thank you so much for coming onto the podcast.

Charles Molapisi: [15:39] Thank you so much, DR. I enjoyed myself and hopefully we can chat soon. Thank you.

Danielle Rios:

[15:43] 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.

[15:59] Charles said something in this episode that stuck with me. In the internet era, telcos became bystanders of value creation on their own infrastructure. We built it, somebody else monetized it, and we watched. He has no intention of letting that happen again at MTN. Here's why this matters to every telco right now. A few weeks ago, some dude posted on X that he pointed his personal AI agent at Xfinity and told it to get him a better deal on his internet. It worked, and he walked away paying $85 less per month. In the past, most customers avoided calling you. An hour of hold music and upsell scripts to save a few bucks wasn't worth their afternoon. That inconvenience has been protecting your revenue.

[16:43] Not anymore. Subscribers are building personal agents that don't mind the wait. They will call every month. They will call at 3:00 in the morning, and they never get tired of asking. You are outnumbered and your humans can't keep up. This is the bystander problem all over again, and this time the layer on top is not taking your revenue. It's obliterating your margin. So the thing that answers has to be your agent, and your agent has to know exactly what it's allowed to give away. Totogi can help. Here's what's holding you back from operating at machine speed. Today, your rules live in 40 different systems that disagree with each other, so every answer has to be reviewed by a human before anyone trusts it. The Totogi Ontology sits over all your existing systems and holds every role, every discount, and every decision your business makes in one model.

[17:39] And every offer your agent makes goes back into it, so the rules sharpen with use. Their agent is learning your weak spots from the outside. Yours is closing them from the inside. Ready to see how it works? DM me on LinkedIn or X @TelcoDR and let's talk. Until then, tune in to more "Telco in 20" episodes. Like and follow and leave us a five-star review. Don't forget to sign up for my must read email newsletter on TelcoDR.com and check out our awesome YouTube channel and hit that subscribe button. Later, nerds.