

FORWARD TOGETHER

In conversation with VEON's co-Chief Executive Officers



Sergi Herrero & Kaan Terzioğlu
Co-CEOs

Appointed to the role of Joint Chief Operating Officer in November 2019 before becoming co-CEO in March 2020, Kaan Terzioğlu brings a wealth of industry experience to the operational helm of VEON. As well as leading Turkey's largest mobile service provider Turkcell as CEO before joining VEON's Board of Directors in June 2019, Kaan is a GSMA Board member and is recognised by the United Nations as a pioneer of its Sustainable Development Goals through his championing of humanitarian causes through the power of mobile technologies.



Kaan Terzioğlu
Co-CEO

Here, Kaan shares his thoughts on some of the fundamental questions that define the long-term sustainability of a mobile telecoms company and how VEON can play its role in seizing the opportunities and overcoming the challenges they raise.

Q. COVID-19 is an unprecedented challenge for the global community. What will be its legacy for the telecoms industry?

A. First and foremost, COVID-19 is a human tragedy and our thoughts are with those who have been, and continue to be, affected by the cruelty of this pandemic.

COVID-19 is redefining the role of our industry in the global fight against this virus. The ability of our networks and services to enable the world to stay connected at a time of physical isolation is providing society with a degree of continuity that would have been unimaginable just a few decades ago. For millions of home workers around the world, telecommunications now form an essential platform for their livelihood – a behavioural change we expect will outlive the current pandemic.

Our industry's relationship with governments is also changing. Telecoms has naturally been treated as an essential service during this pandemic and its workers often

exempted from lockdowns. Our role in supporting public health initiatives, from disseminating essential information through to contact tracing, demonstrates the contribution our infrastructure can make in helping governments flatten infection curves. At the same time, the measures companies like VEON have taken to help our customers¹ – from re-purposing self-care apps with COVID-19 information to offering free access to content services, free roaming and waived late fees – underscore the fundamental duty of social responsibility that comes with providing essential services.

As the world recovers, our industry must build upon the new relationships that communities have forged with connectivity services during this pandemic, using these to accelerate economic healing and restore pathways to individual empowerment and prosperity. This, too, is a huge social responsibility as we work to eliminate the digital divide that persists even in the most developed societies and ensure the benefits of universal connectivity become the basic right of all, not the privileged few.

Q. How do you think about the customer in your day-to-day management of our business?

A. Placing the customer at the centre of everything we do is fundamental to the success of our company. Staying relevant to customers through the products we offer and earning their loyalty every day through services they can depend on are vital to the sustainability of our business. So, too, is our ability to innovate as the needs of our customers evolve. Here, we have a huge opportunity to broaden the scope of our services as we focus on our goal of empowering customer ambitions.

Technology is at the heart of this unprecedented transformation of the customer experience. Mobile operators are more capable than ever in engaging customers through a rapidly evolving range of personalised and exciting experiences. Given this, it appals me that the three basic functions offered by telcos – the Dialer, SMS and Contacts – remain essentially unchanged since the early days of the industry. Had operators chosen to be the true owners of these services, rather than allowing third-party providers leadership in developing these, the fortunes of the industry could have been quite different.

Equally, we still live in an online world where cookies dominate the choices that third-party providers dish up to our customers, which so often fall short of their real needs. The result is a mismatch of ambitions and opportunities and a growing customer scepticism of online experiences.

“ We must never forget that doing good is good business. As a provider of essential connectivity to markets that are home to close to 10% of the world's population, we have a huge opportunity – and responsibility – to be a positive force for innovation and betterment in an era of unprecedented technological and social change. ”

1. A full list of these measures is outlined on page 79.

Technology has reached a point where we, as telcos, can move beyond understanding mobile users through cookies and re-think basic services to serve them better. This begins with understanding their goals and behaviours and configuring products and services around them. This will not happen overnight but requires that we refocus our thinking now as we re-imagine the future relationship between ourselves and our customers.

Q. How can a company like VEON help safeguard the privacy of our customers?

A. I think we can play a major role here – and in ways which the current debate around data privacy is yet to grasp.

For too long, third-party providers have appropriated data from customers with little regard to their privacy. This raises the fundamental issue of data sovereignty – who owns, and has rights over, the data people generate through digital interaction. The European Union’s General Data Protection Regulation (GDPR) went some way to restoring the sovereignty of the individual over his and her data. But as providers of connectivity, telecoms companies need to act as the day-to-day guardians of this sovereignty to ensure that the continuous technological innovation that drives our industry does nothing to undermine this basic right.

The advent of 5G is a case in point. The 4G revolution saw the shift from raw to processed data as gigabytes entered our world as solutions to our real needs for the first time. This brought about a profound change in the delivery of personalised online experiences. But it also facilitated data appropriation by third-party providers, as well as the extraction of these data from the local markets from which they were gathered. The result was a loss in local economic opportunity as data was monetised elsewhere, as well as a parallel loss in data sovereignty that retroactive regulation has often struggled to tackle.

5G will bring about a true revolution in online experiences and opportunities. But it will also extend the privacy debate from safeguarding the data of customers to the context in which these data make sense. In other words, the intelligence of the individual user will soon be the prize – the very thoughts, motivations, inclinations and relationships that comprise their identity in the digital space. This will be the new oil of the 5G era.

Handling individual intelligence in a responsible manner will be a major challenge for tomorrow’s ICT industry and will broaden the privacy debate way beyond the boundaries previously imagined by GDPR. Telcos have a natural leadership role here given the regulated, intermediary role they have historically played between services and customers, compared with the opportunistic and often unaccountable activities of third-party providers. But legacy alone is not enough – foresight and leadership are vital here if we are to maintain the trust of our customers and help them keep their own intelligence sovereign.

Q. How can you help promote responsible smartphone use whilst managing a successful business?

A. While our business model naturally encourages our customers to use their smartphones to the full extent of their capabilities, as a responsible company we must acknowledge the risks of overuse, particularly those that contribute to the rising trend of smartphone addiction amongst young people.

Smartphones have the capability to empower individuals through connecting them with resources and opportunities that would otherwise lie beyond their reach. This is particularly evident in the developing markets VEON serves, where educational, financial and vocational opportunities are but three of the benefits that smartphone use has helped to nurture, enabling people to overcome social and infrastructural challenges in the process.

But there comes a point beyond which overuse of smartphones risks a detrimental impact on individual well-being as the peer pressures surrounding social media contribute, in extreme instances, to stress and anxiety and as the insidious impact of misinformation or “fake news” compounds the reputation of online material as a source of misinformation rather than enlightenment.

As a leading connectivity provider, we must play our part in promoting responsible smartphone use in order to guard against the dangers of excess. This is important if we are to raise today’s children as full digital citizens, aware of their rights and influence in the digital sphere and the good that they can achieve through its capabilities. It also means guarding them against the risks of addictive use and helping them navigate the blurred online boundaries between honesty and manipulation.

As well as helping to raise the digital quotient of young people in a responsible, positive manner, I also see a huge unmet opportunity to serve special needs through the smartphone – whether it be through sign language or the spoken word for those with aural or visual disabilities, or through translation and localisation capabilities for the world’s growing diaspora of displaced individuals.

Throughout, we must never forget that doing good is good business. As a provider of essential connectivity to markets that are home to close to 10% of the world’s population, we have a huge opportunity – and responsibility – to be a positive force for innovation and betterment in an era of unprecedented technological and social change.

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