

PRESS RELEASE

TELEFÓNICA DEPLOYS FIRST SERVICE OPERATION CENTERS FOR THE INTELLIGENT MANAGEMENT OF ITS NETWORKS BASED ON CUSTOMER EXPERIENCE ANALYSIS IN REAL TIME

- The centres are already operating in Argentina, Chile and Germany and represent a first step towards the application of Artificial Intelligence to operations. They use analytics techniques on the services provided via the network allowing the company to anticipate incidents and identify proactive actions to improve customer experience.
- With this project, to be implemented in all the countries where the company operates, Telefónica is shifting the paradigm in network management evolving to a model that allows to monitor the quality of services offered to customers in real time.

Madrid, April 18, 2017.- Telefónica, using Huawei's Smartcare SOC solution, announced today the deployment of three dedicated Service Operations Centers (SOC) in Argentina, Chile and Germany for the intelligent management of its network as a first step of a ground-breaking project which will enable the company to capture, in real time, the true quality of customer service experience, at this stage, in mobile services only. The objective is to guarantee excellent connectivity and performance, so that the customer can always enjoy the services they want, when and how they want.

Moving from network to service and customer centric operations is a complex and ambitious undertaking for Telefónica but the benefits are clear, including the ability to understand, manage and assure customer experience. This will lead to improved operational efficiencies and customer satisfaction and loyalty.

Service Operations Centers implemented use the anonymous and aggregated information on network used by customers that enable the company to anticipate possible incidents and black spots, among other things. In this way, proactive actions can be identified which when applied will guarantee better use of services, predictive maintenance, network optimization and quicker, more tailored and effective responses to customers who have a technical issue.

With this new way of Data Driven Operations, the company is now able to take decisions based on homogeneous criteria and calculations, in real time, and with accurate and comparable data, changing network maintenance from "scheduled" to "proactive" and "predictive".

As part of its customer-centric operations strategy, Telefónica has selected Huawei Smartcare SOC's solution to deploy its Service Operation Centers starting in Argentina, Chile and Germany. Huawei SmartCare SOC is the bridge between network resource assets management and customer assets management, and provides a Customer and Service centric operations capability that enables superior customer experience and operational efficiency.

Huawei SOC's solution provides Per Service Per User (PSPU) visibility of Customer Experience which identify and fix faults before they become a problem for the customer and reduce complaints and churn. Huawei will support Telefónica not only with the deployment of its Smartcare best-in-class customer experience management platform but also with the launch of the operational transformational program including the processes definition and first year of operation.

Enrique Blanco, Global Chief Technology Officer of Telefonica S.A. said, "These SOC's are the first step in bringing customer experience to the next level. In the near future the application of Artificial Intelligence to networks will maximize capacity and solve any problems before end users even notice anything. The final objective is to manage the network automatically to avert any potential problems. Machine learning is also becoming critical as operators virtualize their infrastructure: networks are becoming dynamic and exponentially more complicated to manage as the control is delegated to the network's edge. As Telefonica moves towards the next generation of networks, intelligence and analytics are key, to turn data into a knowledge that enables real-life innovation."

Edward Deng, President of Telefónica Global Account, Huawei said, "It is a great honor for Huawei to be selected as the Customer Experience Management SOC's solution supplier for Telefónica. The SOC is the key to realize the Service and Customer-Centric Operation Transformation. Huawei Smartcare SOC Solution has been one of the company's key strategic investment areas, and strengthens our position as a transformation partner for Telefónica. We are confident and committed to deliver the end to end solution requested by Telefónica to the highest quality. Huawei is fully committed to this project and will draw upon all our considerable expertise and experience to support Telefónica and ensure the complete success of the objectives set."

The application of analytics tools on the network together with its maintenance shows Telefónica is taking another step towards becoming a customer-centred company, since it entails delivering excellence in services and ensuring quality through evolving from network management to customer experience management and with quality as first priority.

About Telefónica

Telefónica is one of the largest telecommunications companies in the world by market capitalization and number of customers with a comprehensive offering and quality of connectivity that is delivered over world class fixed, mobile and broadband networks. As a growing company it prides itself on providing a differential experience based both on its corporate values and a public position that defends customer interests.

The company has a significant presence in 21 countries and 350 million accesses around the world. Telefónica has a strong presence in Spain, Europe and Latin America, where the company focuses an important part of its growth strategy.

Telefónica is a 100% listed company, with more than 1.5 million direct shareholders. Its share capital currently comprises 5,037,804,990 ordinary shares traded on the Spanish Stock Market and on those in London, New York, Lima, and Buenos Aires.

About Huawei

Huawei is a leading global information and communications technology (ICT) solutions provider. Our aim is to build a better connected world, acting as a responsible corporate citizen, innovative enabler for the information society, and collaborative contributor to the industry. Driven by customer-centric innovation and open partnerships, Huawei has established an end-to-end ICT solutions portfolio that gives customers competitive advantages in telecom and enterprise networks, devices and cloud computing. Huawei's 180,000 employees worldwide are committed to creating maximum value for telecom operators, enterprises and consumers. Our innovative ICT solutions, products and services are used in more than 170 countries and regions, serving over one-third of the world's population. Founded in 1987, Huawei is a private company fully owned by its employees.

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