S/N: Signal Over Noise

Building the AI-First Telco, From the Cortex Up

Transcript: Episode 2

Amol Phadke (Host)

00:07

Hello everybody. Good afternoon, good morning, good evening. Welcome to the next edition of Signal Over Noise, the Tech Mahindra podcast. I am Amol Phadke, our host for the evening. I am Chief Transformation Officer at Tech Mahindra. And I am very privileged to have with us today our guest in the podcast, Usman Javaid from Orange Group. Usman, welcome.

Usman Javaid (Guest)

00:32

Thanks, Amol. It's such a pleasure to be with you. Thank you.

Amol Phadke (Host)

00:36

Usman, why don't you start by telling us a little bit about your role because you recently took on a very exciting role in the group. We would love to hear what the role is, what the mandate is.

Usman Javaid (Guest)

00:46

No, thanks, Amol. So, yeah, I started 1st of September as the Group Chief AI Officer for Orange. And I think what I'm really trying to do is to build an AI-first telco. And what it means is three things for me. I think the first is we need to build the trusted foundations on which AI could be built across the whole of Orange. The second is we need to leverage that to create value for different countries and businesses that we have in Orange Group. And thirdly, we have 130,000 people in the company and AI is not something that can be ignored in terms of people transformation, right? So how to make sure that we take everybody on the journey to get the best value out of AI?

Amol Phadke (Host)

01:34

Wow, very strong mandate, very exciting, I'm sure. And also very, very pertinent to the theme of the podcast today. Because today really what we wanted to explore was a little bit about AI is not something that is now a theory. Everybody around the world across all industries are now trying to adopt it at mainstream levels at very large scale. But there are a lot of constituents when we talk about AI because it's such a broad subject. And so today the idea is to decompose it a little bit. and give our audience a sense of what's really important, what's not being focused on as much as it should be, what's being focused a bit too much. And so I think that really with your expertise, with your wisdom, we will decipher it hopefully together over the next few minutes. So why don't I start with a question that is on the mind of pretty much all the leaders in the industry when we talk to them, right? I mean, every day, all of us, you and I, get a constant stream of discussions around AI models and AI infrastructure. And it just feels that there is a lot more in the middle that probably has not been explored. So, I would love your take

on the debate around models, particularly around whether it should be open weight, whether it should be frontier, because Orange has actually led that debate a while ago, and you've already taken your stance and are delivering on that stance. So just love to hear perspective on that.

Usman Javaid (Guest)

03:07

No, thanks. I think if you step back a little bit and try to understand what's happening, I think we need to realize is that we are entering into a new chapter of AI, where AI sort of answering our questions very intelligently to performing actions on the behalf of employees, of customers. And I think that you need to take time to really understand that shift because it's very different. In the first, you can take AI as a tool and then you have an LLM and you have an interaction directly with the model. Whereas in the second, the agentic transformation model is just one part of the overall system. What you are really doing is you are reinventing the workflow, you are reinventing the business process, your commercial model, your business model, your operating model, and also the way you interact with your customers, your employees interact with the customers and also with the technology. So, when you think about Agentic AI as a new chapter of AI, actually you need to take a very different approach and the system that you design Model is one of the part of that system. Now, I think more and more what we're learning is that the real differentiation is not gonna come from the model itself. The real differentiation is gonna come from the harness that you create on top of the model, which is a combination of your enterprise data, your enterprise context, the business process, and the logic that you have in terms of differentiating for your customers. And I like to call this as enterprise cortex. This is your enterprise cortex. That is your second brain that you're building with the agentic systems. And I think this is where the differentiation is going to be. So model is going to be an important element, but it's going to be not the only element. Now when it comes to model, I think we have taken this approach from the very beginning is that we take the approach of responsible AI. and which means that open source and openness of the system is critically important for us. So, we were probably the very first company in the world who actually deployed one of the open source model, or actually one of the first open source models from OpenAI into our own infrastructure. And also, we worked with OpenAI early on to train the model for languages. I mean, today the models only speak, I think, 20, 25 languages and there are hundreds of languages in the world, right? So, I think we need to make AI inclusive. So, I think there's a lot of work to do on the model layer. There is a lot of development in the open weight models that we want, we are leveraging and our employees today use a lot of open weight models. And then, you know, there is Models that we deploy on cloud infrastructure as well as on our own infrastructure, so we would have all the variety from Frontier to OpenWay to our infra or on the cloud, but then the real differentiation in the agentic world is going to come from the layers above where what I call the enterprise cortex.

Amol Phadke (Host)

06:11

Fantastic. You just hit so many different things that we need to unpack, but I really love the analogy of the cortex and this sort of data powered brain that is actually the differentiation, right? And we see that on our side as well. I mean, the work that we do globally, increasingly, there is a recognition that that semantic layer, that context layer, that ontology layer, combined with the data as you described is actually where the power of differentiation lies.

But I also really liked the sort of drive that Orange has taken in some ways, probably as you said, only telco in the world when they started doing this journey to drive an open weight adoption, of course, with customizations along the way, as you said. And I also like the focus on the fact that it should be really suiting each need, which could be different. Some of them could be hybrid, some of them could be public cloud, some of them could be hosted by yourselves. So I think let's just tease that a little bit more and move away from the model to your point. And let's focus a little bit on the cortex side because I think that's where you were really alluding to where the value comes. Now, when somebody looks at that, the technologists within both of us would naturally try to get into the technology of it, right? How should the data structures be associated, how should they be organized, and so on, but of course, in your experience and the breadth of your role. I'm sure you've seen non-technology challenges, a lot of them, right? So perhaps you could just outline to us because there is a lot more than just a technology challenge, which in itself is there. But I would love to hear your perspective on some of the other organizational things that might be something that you are thinking about.

Usman Javaid (Guest)

07:59

Yeah, so I think there are a variety of things. I think the first output is I mean, given historically as enterprise leaders, we are used to bring a tool and serve a specific need for the business. And I think this is the first time what we're trying to do is different, right? An agentic system is not a tool, right? And I think that is something that we need to understand. We are bringing a workflow. We are building a coworker. We're building a work buddy who is helping us to perform certain actions and certain tasks. And when you think through that lens of it's not a tool, actually it's an operating system that you are changing, I think you need to think about that very differently. I think the first thing that I like to think about is you need to be very AI first from the get go. I think the biggest mistake that I see many enterprises do is that they sort of take AI and then add on the edges of the workflows. for example, you have a customer support and you create a voice bot and say, I have now AI interaction, but you haven't really transformed the core of your customer support. You have a network operation center and then you added some AI to do summaries of the tickets and classifying the incidents. But what you have not done is really think through your knock as an AI system and then humans as overseeing that and supporting where needed. So, I think the AI first mindset to transformation With clean sheet of paper, redesigning the business processes before you apply AI to that, I think is the number one non-technical challenge that I think we are facing. And that's not easy. The second thing that I will say is that given it's not a tool, it's the operating system, it's not something that you can completely outsource. So, you cannot outsource your brain. You cannot outsource your enterprise cortex. And I think in this case, you need to somehow build the foundation where you have control on the intellectual property and the differentiation that you have, because eventually you're going to codify all that intelligence into the agents. And from experience, we have all seen that when you put any agent in production, the sort of, you know, the first outcome that you get, you are very lucky if you get 50% of what you expected. Because is the compounding intelligence is the feedback loop over which it get better over time. So, your system is going to get only intelligent and differentiated over time. So, you need to be somehow in control of that system, of course, working with your partners who help you to build it. But that intelligence needs to reside within the organization. You cannot go for an outsource off-the-shelf solution to give you an agentic platform that does the job. And that is a

mistake that many enterprises are potentially doing, which we would not like to do. And finally, I think the third thing is, at the end, I like to say that AI is not an adoption problem. It's an adaptation problem, right? So, you have to really, you know, make sure you really, you know, adopt your ways of working around AI, which is where the enablement comes in, right? So, the people change can never be, you know, underestimated with AI because the change is huge. It's changing habits, right? Every day you have to think through, okay, how could I have done that with AI differently from what I have done? And I think putting these three things into perspective, I feel that that's sort of the challenges that we have to overcome.

Amol Phadke (Host)

11:35

It's just spot on, spot on, Usman. In fact, a couple of weeks ago, we actually released our Zero Gravity Architecture framework. And I think that framework highlights exactly the point you just made, which is that there is a core system that needs to be thought of as a whole and needs to be ready for you to actually get the benefit. Otherwise, as you say, you can sort of put some use cases around network and suddenly call itself a success. But actually you have to think of the whole network operations as a system and a workflow and a process. And only then can you start to redesign it. Because I think.

Usman Javaid (Guest)

12:15

Yeah, and I think there is a potential risk with taking an approach which is incremental in certain cases. I mean, I'm not against experimenting, right? So, it's good to be obsessed with the number of use cases. So, everybody is experimenting and we have 400 use cases in production across the company and I feel proud of that. But at the same time, if you're always incremental, the risk is that your legacy cost stays, and then your AI costs keep adding up on top. And we all know that the AI costs are becoming very unpredictable. So eventually, either you get to, if you're very lucky, you get to break even. or you eventually going to increase your cost base, which is not what the telco industry can afford, right? So I think there is this commercial aspects behind that need to be looked at.

Amol Phadke (Host)

13:03

Yeah, and I think what you describe is what in our paper we sort of are saying gravity. the gravity of the existing systems, processes and workflows. And we give the analogy of the Artemis mission, right? It's the gravity that is holding the AI benefits back because you're just putting use cases on top, which is good and needs to be experimented, as you say. But you really want to escape that legacy gravity. And that only comes when you redesign the processes underneath, which is a great thought really. But now here comes the kicker, right? When you speak to your CFO colleague, they of course want the immediate benefits. And so their approach is, but hang on, this readiness and redesigning, isn't that going to cost a lot as well, right? So how do you convince those sort of voices, right, that actually you need a balanced probably view of how much you want to do the readiness and the redesign and how much you want to do the identification and the adoption, right? So maybe talk about that because I'm sure that's a daily thing for you.

Usman Javaid (Guest)

14:09

No, that's true, actually. I think it's tricky because, you know, you have to be, you have to build the foundation while you are building the value on top of those foundations, right? And I think we have seen that in the past when there were some big projects about, you know, data transformation and those failed because the data transformation takes a lot of time. And then the CFO don't have that much patience to wait for those returns to come in, because only once you have the foundations, then you say, okay, I know. So I think what the way I like to approach this is that you have to build the foundations while you are building the value and somehow need to go hand in hand together, right? So I think What we try to do is to sort of, we have a framework internally, we call it value management framework, which is where we cost and benefit each AI transformation project. And then we track that through the investment that it requires into the foundation as well as the value that it would generate. And then we track this number on annual basis. And then we have every entity budget is locked into that number. So, for example, last year we created 300 million of value from the value management framework. And then you can go down by a number of use cases. Like I said, we have 400 use cases in production. Now, most of those use cases need to have foundational work. So, I like to talk to my CFO first about the value. And then, by the way, we also need to build that foundation, which I may not be able to show a very fast business case. but it's tied to the value creation aspects. The second thing that we're trying to standardize a lot more is the AI return on investment. Because from, you know, you take anything that you're doing in an enterprise, the largest ROI that you can get today is with AI, right? And I think many CFOs get it, right? So I think it's about having, a multiple of investment over a shorter period of time and then demonstrate that ROI. I think the telco industry is somewhere around 3.8x investment versus return. And I think if you are able to demonstrate that, the CFO realize that, okay, where I'm going to put the money, here I get the highest ROI, why don't I go for that?

Amol Phadke (Host)

16:38

Wonderful. I think if many telcos when they are going to hear this podcast and even non telcos and other industries, 400 use cases and 300 million of value is a not even an aspiration. It's a wish, right, for many telcos. So now we're going to try and pivot a little bit to, you know, somebody who's just about to start this journey, right? I mean, they have a few questions obviously on their mind. Orange is, of course, a leader in this space, and therefore taking this opportunity to learn a little bit and sharing that knowledge, right? So I have a few thoughts that I wanted to just get your perspective on. Number one was really the sequencing part of this, right? Because obviously, let's take Orange, right? Multi-opco operates in so many different countries. In all countries, there is a bunch of different applications, whether it's the IT systems, the network systems, the back office systems, front office systems, and they are all sort of tied in a loose mesh across different countries, right? So most operators who are about to start their journey are going to feel a little bit overwhelmed with the challenge that lies ahead, right? What would be your guidance or sort of suggestion around, first of all, what is the first thing they should start to think about in terms of doing? And then closely associated with that is what would be the sort of rough mindset to have in terms of planning, in terms of how to tackle this beast, right? Because it's a large beast to tackle. So I would love your perspective on that a little bit.

Usman Javaid (Guest)

18:20

Yeah, I think one of the basic thing that you have to do is to get your data into the right order, right? Because what you don't want to do is to create false hopes when you're not confident that you're able to deliver that to that transformation, right? So I think your data need to be in a certain level of maturity that you have confidence that you would be able to deliver that. So I think that for me is sort of a starting point. And then I think the other thing is that then you need to you know, not wear your technology hat, but you need to wear your business value hat. And then you need to identify what is the first or second sort of areas where you would be able to create that value. I think in our case, for example, we knew that, you know, the area where we want to create the first, you know, set of value is around customer value management, CVM. Because we know that, you know, we are working in a very fast market, in a tough competition, And then we need to continuously thinking about how can we increase the long-term value for the customer, keep them engaged with us, avoid churn, and also do upsell and cross-sell whenever the opportunity lies. As a converse player, selling mobile, fixed, offering other type of products and services, right? So for us, it was like bread and butter, we could not ignore AI in customer value management. Now think about the number of customer touch points that we can create with AI or without AI. We could definitely create a lot more touch points. We could personalize the offers. We could create more commercial acts, you know, multiple commercial acts versus what we do just with man process. So I think identifying what is your first and the second area potentially is the customer support, right? When the customer interact with us, we can create a much more engaging experience with customers. For example, leveraging AI and augmenting our call center agent, we realized that we could reduce the duration of the call and then that increased the customer NPS and we have demonstrated that in real life. So I think identifying a couple of areas where you're 100% certain that this is a value creation with AI and then making sure that we have got some level of foundation with data is really the starting point.

Amol Phadke (Host)

20:49

Wonderful. I mean, that is very sound advice. I particularly resonate with the customer support and customer value because they are really two ends of the same customer. Start with customer, end with customer, right? So I think and I think that way you really can get that value of AI and that really doesn't matter whether you are a multi op core or a single op core or what systems you start with, right? At the end of the day, that's the lens you have. So let's pivot to a fun segment of the podcast, Usman, where this is where we call it signal over noise, right? Because there is no right or wrong answer in this segment, but I would like your reflection. I will make certain statements. And I would like your reflection on whether you feel it's a signal, which means you resonate with it, or it's noise for you because then you disagree with it, right? And then, of course, I would love to understand why. So hopefully it will be exciting and interesting and hopefully we'll agree more than disagree. But let's see. Let me start with the first one, which is, I think the statement I'm going to make is, let's say three years from now. all operators implementing AI would be fine tuning someone else's models and not start training something from scratch. What do you think?

Usman Javaid (Guest)

22:20
Very hard to predict that many years out. I would say it's like a 50-50. I would think that there will be hard problems. I think there will be hard problems that we don't know yet. and we would have to solve. And one of the areas of those problem is potentially cybersecurity. I truly believe that AI, sorry, the network is the first defense against agentic AI. When the agents come and sort of attack an enterprise, you know, network is the first line of defense. Now, when the agents are attacking, you cannot have a humans protecting, right? So you also need to make sure that you have the same level of response. And which is where I would think that you need more specialized models who understand the network and the network signals and the data and the machine scale of network. And you don't use the standard models that are being trained on consumer data, right? So I think this is one area where I think you need a lot more you know, frontier models specialized from the task instead of just fine tuning what exists. But I think in most cases, I would think that you would actually be using the model that exists with some level of fine tuning.

Amol Phadke (Host)

23:41
Wow, love the answer. You know, mostly signal, but some noise as well. There's also a hot topic in the industry around distributed inferencing. And so again, the statement here would be the revenue that operators would get from distributed inferencing would be more over time than the value they would generate from using inferencing for their internal operations.

Usman Javaid (Guest)

24:15
I think it's a noise and the reason I say is that it doesn't mean that we will not have an opportunity to have this new market segment opening up for the telcos. Yes, we will offer inference services and as Orange, we almost for two years, we are an NVIDIA cloud partner, and we offer free as a service. So, we do that and we increasingly do that leveraging our infrastructure. But my point here is that it's not the only opportunity for revenue making that is being created for us, right? So, I would expect that in the consumer market, we should reinvent the core telco services. I think one of my biggest frustrations knowing the telco industry for so long is the same voice and the same SMS that we have ever used first time and is the same today, right? So how much we have invented with the core telco services and I believe the agentic AI give us this opportunity to do that as a layer of protection from voice, you know, fake attacks as well as a layer of value, which is where we can use agentic systems behind voice to perform certain productivity actions on our behalf. So I think reinventing the core Telco services in the consumer market, launching new set of services beyond inference in the enterprise market, for example, The live intelligence, which is our trusted AI platform, is sold to more than 200 enterprises around the world. It's the same platform we use for our own employees and 100,000 of our employees use that launching new set of services in the SMB market. So, I would think that a lot of value creation and then selling inference services, yes, but beyond that, many other things.

Amol Phadke (Host)

26:03
Love the response. The next one will be interesting for you to reflect because both of us were fortunate enough to work in hyperscaler environments ourselves at different ones. And now coming to operator and services and so on. So, we have really seen the full spectrum of what it means. So the statement really is in three years from now, operators will not really build data layer themselves. They will just partner with the hyperscalers when it comes to building the data layer? What do you think?

Usman Javaid (Guest)

26:36
I think it's a big noise. And the reason I say this is that AI by design is very local. And then also the fact that as we build those agentic systems, they would have a lot of your differentiation and your local intelligence. So you want to have a better control on that. And that would drive a decision where you may like to build some of those data capabilities on-prem and within your own private cloud. So I think that shift would be interesting to watch. That does not mean that hyperscalers don't have a role. Of course, in certain areas, you would still use hyperscalers. In certain areas, you would have a bit of a mesh architecture. But I would expect that there would be a lot of localization that would start happening. Also, I think with agents, what you would see is that the barrier would lower down a little bit, which means you would be able to do a lot more than what you were able to do in the past in terms of skills and expertise. So, I think that would also allow people to start owning more of their architectures and systems.

Amol Phadke (Host)

27:48
My final statement, which I'm hoping is more signaled, which is that most operators will have to follow Orange and will need their own chief AI and data officer in three years time.

Usman Javaid (Guest)

28:05
I think it's a signal. Otherwise, I am out of noise. But I think, yeah, but I think I have a reflection on this. I don't see chief AI officer's role as a technical role or technology only role. I think it's a transformation role. And it's very much a business-led transformation role because as we discussed earlier, I think, you know, for that transformation, you need to have a very AI first mindset towards business. So, you don't really start with the best model and the best harness and the best agentic platform and the data layer. You actually start from what my business process is today? What is my business process going to look like in the agentic world? I think it's very difficult question to answer exactly how would that look like, but what is for sure is that it's going to look very different. And for that to look very different, your chief AI officer should have a vision about the business transformation before it should have a vision about the technology transformation. So, I feel myself very fortunate to be able to balance these two skills that I bring. And I think to be successful in that role, you need to be very much speaking the business language more than the technology language.

Amol Phadke (Host)

29:22
Fully agree. In fact, if I recollect correctly, Usman, before taking this role, you actually built products inside Quran's business, which meant that has already sort of equipped you with the business challenges and driving the monetization. And as you say, this role will evolve over time. Of course, there's a technology element, but the business value element is a lot more prominent, as you say.

Usman Javaid (Guest)

29:47
Yeah, absolutely. And I also have a view that maybe we don't need this role in X years in time, right? Because it would become BAU. You would not have any software without AI. You would not have any network, any product without AI. So, I think it's a phase of transformation. And I think it has to be business-led and it has to be you know, technology differentiated and it has to cease to exist for something else that comes next.

Amol Phadke (Host)

30:13
I agree. In fact, I'm going to say the same applies to my role as Chief Transformation Officer because in a few years time, obviously the company should have a lot of this as PAU and but there will be some other interesting things to do at that point.

Usman Javaid (Guest)

30:26
I look forward to have a podcast Amol with you in X number of years then we can see where we have ended up both of us.

Amol Phadke (Host)

30:32
Absolutely. Absolutely. So let me just quickly summarize Usman, first of all, an exceptionally powerful set of messages. If we go back to the beginning, it's not just about the model or the infrastructure or even just the data. It's the coming together of everything in that enterprise cortex, which is really the value. And then the best way to realize that value is to think about it in the context of redesigning the workflow and looking at it as an entire system as opposed to just a use case by use case approach. And then start with the customer, end with the customer, whether it's customer value or customer support, and then you are in safe hands really in terms of how you sequence and so on. And then of course the debates with our CFO colleagues will continue to go on in terms of value realized versus investment needed. But a strong balance is needed, which I think you have also resonated with and what we have said in our zero-gravity architecture that spend some time on the readiness and also spend some time on AI. And then that balance is what really helps you drive the overall value. And I really liked your take on all the signal over noise because I do believe this space is evolving so much. that there isn't really a binary answer. There's always a combination of all of them, including what happens to our rules. So, I think it has been an absolute pleasure and a privilege to host you and to have you. And I definitely take up your offer that in a few years' time, we will do another one of these and see how things have panned out. But thank you very much, Usman.

It's really wonderful to have you. And for those who are listening, this has been a Signal Over Noise Tech Mahindra podcast. Thank you very much for listening.

About Tech Mahindra

Tech Mahindra (NSE: TECHM) offers technology consulting and digital solutions to global enterprises across industries, enabling transformative scale at unparalleled speed. With 149,000+ professionals across 90+ countries helping 1100+ clients, Tech Mahindra provides a full spectrum of services including consulting, information technology, enterprise applications, business process services, engineering services, network services, customer experience & design, AI & analytics, and cloud & infrastructure services. It is the first Indian company in the world to have been awarded the Sustainable Markets Initiative's Terra Carta Seal, which recognizes global companies that are actively leading the charge to create a climate and nature-positive future. Tech Mahindra is part of the Mahindra Group, founded in 1945, one of the largest and most admired multinational federation of companies.







Copyright © Tech Mahindra Ltd 2026. All Rights Reserved.

Disclaimer: Brand names, logos, taglines, service marks, tradenames and trademarks used herein remain the property of their respective owners. Any unauthorized use or distribution of this content is strictly prohibited. The information in this document is provided on "as is" basis and Tech Mahindra Ltd. makes no representations or warranties, express or implied, as to the accuracy, completeness or reliability of the information provided in this document. This document is for general informational purposes only and is not intended to be a substitute for detailed research or professional advice and does not constitute an offer, solicitation, or recommendation to buy or sell any product, service or solution. Tech Mahindra Ltd. shall not be responsible for any loss whatsoever sustained by any person or entity by reason of access to, use of or reliance on, this material. Information in this document is subject to change without notice.