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THE MISSING CONNECTION

The Future of Telcos Affects Us All.



Index

p.3	Foreword	Time to Tell It Like It Is.
	PART I	The Problem: Why the Telco Market is Unsustainable.
4	Chapter 1	A Crisis No One Talks About.
5	Chapter 2	Too Many Telcos, Too Little Value.
6	Chapter 3	The Hidden Cost of Connectivity.
7	Chapter 4	Consolidation Is Not a Threat, It's the Only Way Forward.
	PART II	The Vision: Toward the Telco Model of the Future.
8	Chapter 5	The Telco That No Longer Exists.
9	Chapter 6	The Multi-Service Telco.
10	Chapter 7	Telcos as Social Infrastructure.
11	Chapter 8	ARPU, Value, Trust.
	PART III	The Brave Choices We Need Now.
12	Chapter 9	From Words to Action.
13	Chapter 10	The Europe We Need to Build.
14	Conclusion	The Connection That Truly Matters.

Time to Tell It Like It Is.

Writing this book wasn't a communications move. It was a necessity. I've been working in telecommunications for almost thirty years. I've seen it growing, exploding, innovating. I've seen it creating value, connecting people, revolutionizing habits. But today, with the same honesty I apply when reviewing a financial statement, I must say the sector is in crisis. A silent crisis, one that doesn't make headlines, but affects everyone. Because without solid and sustainable networks, digital stops. And if digital stops, so does Italy. It's that simple. But almost no one says it clearly.

That's why I decided to write this book: to explain, in plain language, why telcos must change — and why this change matters to all of us. Not just managers, investors, politicians. But also the student learning with a smartphone, the parent working from home, the entrepreneur relying on data. Even TIM customers, who entrust us every day with something essential: their trust. Let me be clear. This isn't a technical book or an economics paper. It's a direct narrative from within the system.

Anyone who knows me will tell you I deeply believe: "Inaction is not an option."

And when it comes to the future of our country, that's even more true. This is my contribution. And I hope it can also be a starting point to understand, reflect — and why not — take action.

Because change isn't just in the hands of company leaders. It's a shared responsibility. And if we come together, we can really build a new kind of connection. The one that's missing today, but could make a difference tomorrow.

Before we begin, I want to make it clear that this book is also the result of an experiment: I wrote it together with an AI that helped me organize ideas, summarize complex scenarios, and turn my strategic vision into simple language.

What you'll find in these pages is therefore the result of a co-creation process between technology and human thinking. My voice, my thoughts, my experience remain the core of this book. AI was just the tool that allowed me to tell them more effectively.

Because innovation isn't an option for tomorrow — it's the solution for today.

Pietro Labriola



A Crisis No One Talks About.

Telecommunications are everywhere. Except in public discussion. Every day, we use networks to work, talk, share, take care of our health, and stay informed. Everything goes through them. Yet, a major issue is missing from the public debate: the crisis in the telecommunications sector.

I'm talking about a silent crisis. It doesn't make noise like the steel or automotive industries. But it chips away, month after month, at companies' balance sheets and the country's opportunities. In recent years, the telco sector has been overwhelmed by a paradox: the more we invest, the less we earn.

We've spent billions to build 5G networks, bring fiber everywhere, and provide increasingly reliable and high-performing services. But revenues aren't growing. In many cases, they're declining.

In Italy, mobile plan prices are among the lowest in Europe. Good for consumers? Not really. If a company can't even cover the cost of the service it offers, that "bargain" won't last. Because quality declines, investments slow, and innovation stalls.

And when the infrastructure that holds up the digital world — basically everything — comes to a halt, the damage isn't just felt by those working in the sector. Everyone pays for it.

Cutthroat Competition, Value Destroyed.

In recent years, we've lived in a state of unruly hyper-competition. Too many operators, too many discounts, too many price wars. Those who invested the most were often penalized. And those who practiced dumping were rewarded. This isn't a healthy market. It's not even a sustainable one.

Yet when you try to explain this outside the bubble, people look at you with skepticism. Why? Because there's a lack of basic economic education about the role of telecommunications.

We have a responsibility: to help everyone understand that telcos aren't a commodity, they're not just "pipes" to be filled, but enablers of the future. And behind every connection, there are people, technology, investments, and expertise.

The Risk of Resignation.

The most dangerous problem? We're starting to get used to this. Used to operating with thin margins, to working at a loss, to only talking about cuts and debt. But this mindset must not become the norm. Because if we don't act today, tomorrow will be too late.

That's why we need to break the silence. To speak up, explain, and show — with courage. Not to complain. But to change things.

Too Many Telcos, Too Little Value. When fragmentation becomes a constraint to the future.

In Europe, in the year 2000, there were eight major telecom operators. Today, there are over 40. That number might suggest a dynamic, competitive, vibrant market. But it's just an illusion. Because in reality, this fragmentation has backfired: too many duplicated investments, too much resource dispersion, and no scale. Meanwhile, the true global giants watch from the outside and say thank you.

The European Case.

In the United States, there are three major mobile operators. In China, essentially two. In Brazil — a country I know well — three. In Europe...a myriad. But none with the strength, scale, or margins needed to compete with the global digital giants.

Why? Because in Europe, we confused consumer protection with competitor proliferation. We defended “low prices” at all costs, without asking whether that price truly reflected the value of the service.

The result? Telcos don't grow, don't innovate, don't generate adequate returns on investments. And eventually, even customers lose. Because without investment, network quality declines. Without innovation, services remain stuck in the past. And without sustainability, even the connection itself eventually disappears.

The Lesson of Consolidation.

The word “consolidation” scares people. It evokes monopolies, aggressive mergers, and less consumer choice. But that's the wrong interpretation. Consolidation isn't a threat. It's the only way to give the sector a sustainable industrial structure.

It means fewer operators, but stronger ones. It means not spending billions building ten parallel networks, but investing in a single, solid, modern, far-reaching one. It means freeing up resources for new services, better infrastructure, fairer wages, and more innovation.

In a consolidated market, value comes back into focus. And when there is value, everyone wins: companies, customers, employees, and the country.

Italy Has a Double Urgency.

Our market is one of the most fragmented, the most (destructively) competitive, and the most complicated. Consolidation must start here first. Because more than anywhere else, we need companies with critical mass, investment capacity, and an industrial vision.

We can't afford to stand still any longer. And we can't rely solely on market forces.

We need an industrial policy decision. We need the courage to say that “too many operators” today isn't a sign of health — it's a sign of weakness.

The Hidden Cost of Connectivity. Paying less today may cost us much more tomorrow.

We live in a country where we're used to seeking out the lowest price. It's understandable: purchasing power has declined, and every euro counts. But there are sectors where price cannot be the only factor. Connectivity is one of them.

Because it's not just any good. It's an essential service, like electricity, water, or gas.

Today, without internet, we can't work, study, or access healthcare. We can't live.

Yet for years, public messaging framed the race to the bottom as a victory for consumers.

But What's Behind a "Low-Cost" Offer?

Behind every gigabyte, every minute of calls, every fiber connection, there's a world of:

- billion-euro infrastructure investments;
- constant maintenance;
- continuous technological innovation;
- people working day and night to ensure quality and security.

When an offer drops below certain price levels, those costs are no longer covered. Someone has to pay. If it's not the user, it's the company. And if the company pays, it cuts. And when it cuts, services suffer, networks degrade, jobs are lost, and the ability to invest in the future disappears.

The Price War Is a Trap.

For years, telcos competed to see who could "give away" the most: unlimited gigabytes, endless minutes, rock-bottom prices. That logic — seemingly advantageous for the customer — has become a noose for the sector. Because you can't demand quality at zero cost. You can't build the future on promotions. And now that investments are needed in 5G, cybersecurity, and artificial intelligence, we're realizing there's no margin left.

Value Shouldn't Be Discounted. It Should Be Built.

People often say, "If a telco is making a profit, it should lower prices." But the opposite is true. If a telco makes a profit, it can reinvest. It can hire, innovate, and offer stability. It can be more valuable to everyone.

Quality has a cost. And respect for the customer has value too. Making the sector sustainable means just this: offering the right things at the right price. Teaching people the value of connectivity is a cultural step. And today, more than ever, we must take it. Because behind a low price, there may be a very high cost: the future.



Consolidation Is Not a Threat, It's the Only Way Forward, because without critical mass, the future cannot be built.

Every time I talk about consolidating the telco sector, I see mixed reactions. Some worry about reduced competition, others fear rising prices, some immediately mention monopolies. But the truth is this: consolidation is not a threat to the market. It's the condition for its survival.

Today, telcos can no longer go it alone. Too many companies, distorted competition, duplicated investments. And no one has the scale needed to withstand the shock of global innovation.

Consolidation Means Efficiency.

Fewer operators doesn't mean fewer choices. It means stronger companies, with greater investment capacity and long-term industrial vision. It means not wasting resources on ten parallel networks. It means better investment, faster construction, more innovation. It means not diverting every euro into aggressive promotions instead of infrastructure. And to be clear: I'm not saying we need subsidies, but fair rules and the freedom to grow.

The Difference Between Competition and Sustainability.

Competition is good. But only if we compete on value, not endless price-cutting. A market where 100% of offers are losing money isn't competitive. It's sick. Consolidation is necessary to bring balance back to the sector. To ensure innovation isn't stalled by economic fragility. To guarantee that the digital transition is real and inclusive — not just a slogan.

The TIM Case: A Real-World Lesson.

At TIM, we've lived this firsthand. We've had to make difficult, often unpopular decisions. We've separated the network from other assets, we've streamlined operations, we've refinanced billions in debt. All for a clear goal: to make the core business sustainable again. Because without a strong company, even the best projects stay on paper. Consolidation is not a theory. It's an industrial condition we've already begun to pursue. And we must finish it — in Italy and in Europe.

A Call for Industrial Policy.

Consolidation cannot be left solely to market forces. We need a European industrial policy that supports the creation of continental champions. We need a European Commission that's not afraid to choose. That has the courage to say an efficient network is worth more than ten inefficient ones. And we need a vision.

I'll close this chapter with a clear belief: Consolidation is essential to regain the capacity for innovation. It's not a slogan. It's an industrial fact. It's the difference between a sector that floats and one that builds the future.

The Telco That No Longer Exists. The end of an era: connectivity alone is no longer enough.

For years, we thought of telcos as “pipes” — channels through which voice, data, and images flowed. We did everything we could to make them faster, bigger, and cheaper. But today, that model has reached its limit.

The traditional telco is finished. Not because it failed, but because it’s no longer enough.

The World Has Changed — and So Have People.

Customers today don’t just want to “be connected.” They want to feel secure, save time, and enjoy a seamless experience across devices, cloud services, home, work, and entertainment. They want solutions, not just gigabytes.

And so, if we don’t change our approach — if we don’t go beyond simple connectivity — we’ll become replaceable. Not by direct competitors, but by companies in other sectors that are faster, more integrated, and better at building ecosystems.

From Telco to TechCo.

To stay relevant in the coming decade, telcos must transform into platforms. Not just network providers, but enablers of services: cloud, security, digital identity, smart homes, health, entertainment, data for public administration, and SME support.

That’s the leap — from connectivity providers to partners in digital life. It’s our challenge, but also our opportunity. Because those who own the networks hold the heart of the system. They just need to use it the right way.

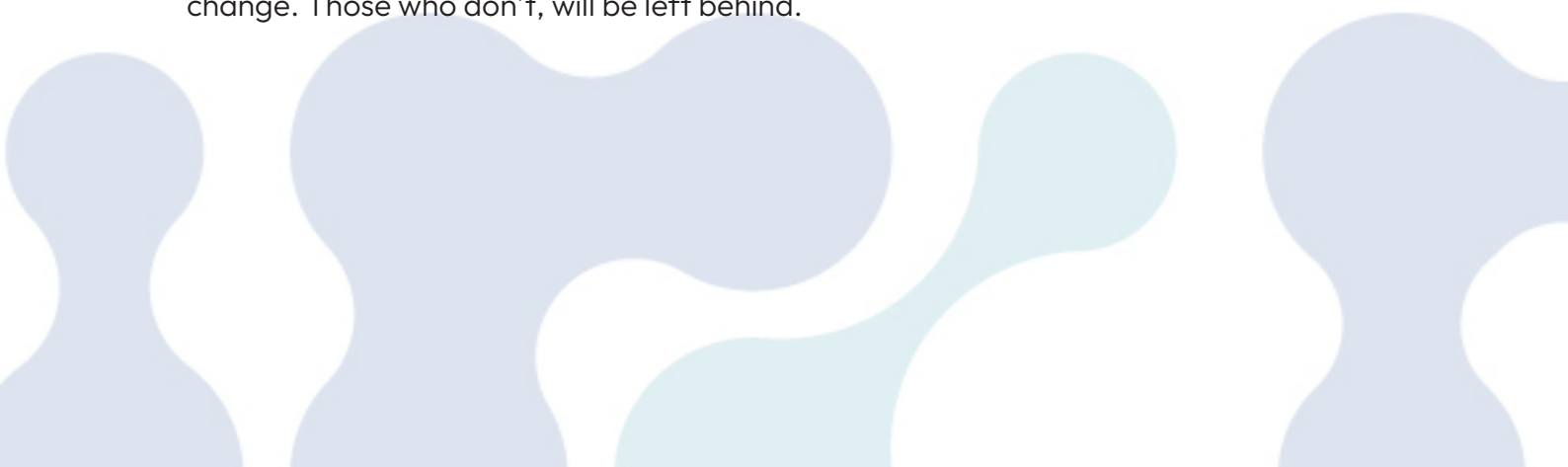
TIM: A Concrete Example of Evolution.

At TIM, we’re already doing this. We’ve shifted from chasing customers to building vertical platforms for families, businesses, and the public sector. We’re investing in cloud, cybersecurity, IoT, and our data centers. No longer just connectivity — but added value. And the numbers are proving us right. We’re the only Italian telco with a growing average revenue per user. Because when you offer more, you can ask for more. And customers understand that — if you explain it well.

Those Who Don’t Change Will Be Left Behind.

The real threat isn’t consolidation. It’s inertia. It’s clinging to a model that no longer works. It’s thinking that cutting prices is enough to stay in the game. That doesn’t work anymore.

The future lies beyond connectivity. Those who understand this in time will lead the change. Those who don’t, will be left behind.



The Multi-Service Telco.

From connection to solution: a new experience for everyone.

Connecting people was our job for years. But today, it's not enough to just "link" — we need to accompany. Accompany people through the complexities of digital life. Protecting, simplifying, integrating. This is the heart of the new telco: a trusted partner capable of offering much more than connectivity.

A New Idea of Service.

Picture a customer. They no longer ask, "How many gigabytes do I have?" They ask:

- "Is my network secure?"
- "Can I manage home, work, and family from a single app?"
- "Can I save time, energy, and stress thanks to technology?"
- "Do I have someone to call — always — if something goes wrong?"

The answer to all of this must come from us. And we don't need to be a Big Tech company to make it happen. We need vision, integration, and simplicity. We need to truly listen to customers' needs and build on those — not on our products, but on their lives. I'm not referring to an abstract approach, but to concrete actions.

What does a multi-service telco actually do?

- Smart Home — Not just internet, but automation, assistance, and home security;
- Cybersecurity — Protection against scams, viruses, and attacks. For everyone, not just large companies;
- Personal Cloud — Automatic backups of content, accessible anywhere, with guaranteed privacy;
- Digital Support — A single access point to solve every problem, in real-time.
- Telemedicine and Digital Health — Stable connections for remote monitoring, intuitive apps to talk to doctors;
- Solutions for SMEs — Secure connections, smart working, data management, simple e-commerce tools.

Providing value means going beyond connectivity. It's not just about "selling more." It's about offering more. About making customers feel supported, protected, and valued. Because in a digital world, the real currency is trust. And trust is built over time, with transparency, quality, and presence.

TIM: The Evolution Is Already Underway.

TIM has started down this path. We're integrating services, data, AI, and support. We want every customer — from individuals to multinationals — to find a digital ally in us. This requires a new mindset: no longer "sell products," but "build relationships." It also means creating new skills, new roles, and new ways of thinking. Because this isn't just a technological transformation — it's a cultural one.

Telcos as Social Infrastructure. When technology is invisible, but makes all the difference.

The network is invisible. You can't touch it. It doesn't make noise. But it's there, every day, supporting activities vital to the country. And when it works well, no one notices. But if it stops, everything stops: schools, hospitals, businesses, courts, emergencies. Telcos aren't just companies. They're strategic infrastructure. They're public assets. They are, in every sense, a modern form of public service.

What do telcos really do for the country?

- They manage the network that connects emergency services like 911 to law enforcement and public responders;
- They assist public prosecutors with communication tracking for investigations;
- They monitor the coasts 24/7 using radiomaritime systems;
- They connect schools, hospitals, and museums, ensuring access to education, telemedicine, and culture;
- They protect millions of sensitive data records from cyberattacks every single day.

All of this has a cost — economic, technological, and human. But it's often unrecognized. And therefore, not properly valued.

A Value That Can't Be Invisible.

We can no longer afford to let this infrastructure go unnoticed. Telcos are not just companies generating revenue. They are networks that enable rights.

Digital justice, educational inclusion, public healthcare, remote work — none of these exist without a reliable, secure, always-on network. And this value must be both told and acknowledged in the rules that govern the market.

The Concept of a “Smart Utility”.

Our sector must evolve even in how it is institutionally framed. Not just as service providers, but as “smart utilities” — like energy or water providers, but with the ability to innovate, evolve, and anticipate change.

This means we need:

- Rules that match the complexity of today's technology;
- Targeted public investment where the market cannot reach;
- Official recognition of telcos' strategic role.

TIM: Responsibility Is in Our DNA.

TIM has always put the country first. Even when it wasn't easy. Even when it came at a cost. Because that's our mission. To be part of the social fabric, to be present when needed, and to always be reliable. We do this through our stores, contact centers, tech teams, and data centers. We do it silently. But now, it's time to say it out loud.

ARPU, Value, Trust.

If value doesn't grow, neither does the future.

There's a technical term often used in our industry: ARPU — Average Revenue Per User. It's often looked at with suspicion: "They just want to raise prices," "They only care about profits," "They're going to charge us more." But the reality is quite different.

ARPU doesn't measure corporate greed. It measures the sustainability of the system.

Why a Higher ARPU Is Good News (Even for Customers).

When a company has a healthy ARPU, it can:

- Invest in network quality and security;
- Offer real customer support — not just automated responses;
- Develop useful new services;
- To reward human capital with fair salaries;
- Maintain strategic infrastructure even in areas without immediate financial return.

A healthy ARPU isn't a privilege. It's the condition that allows telcos to give more to everyone.

Value Must Be Built, Not Imposed.

Nobody today is willing to pay more "just because." And rightly so. But if what we offer has more value, if we clearly explain what's behind every connection, if we enrich the customer experience, that value will be recognized. That's why we need to change our approach. We can't keep thinking only in terms of "price."

We must think in terms of:

- Trust
- Quality
- Service
- Social impact

Communicating value is our responsibility. We can't expect customers to understand our worth on their own. It's up to us to show them. With transparency. With examples. With a clear narrative that connects technology with everyday life. Only in this way can we escape the price war and build relationships based on trust and mutual respect.

TIM: From Numbers to Meaning.

In 2024, TIM is the only Italian telco with rising ARPU. Not because we're selling more. But because we're offering more: platforms, vertical services, real support, solid infrastructure. That's why customers recognize the value — and consciously choose to stay. Giving value to customers means going beyond connectivity. It's the right direction. Not just for TIM — but for the entire industry.

From Words to Action.

Change doesn't happen by itself. It must be built, led, defended.

There comes a point when explaining is no longer enough. When every additional analysis risks becoming an excuse. And for the telecommunications sector, that moment is now. We've talked about the crisis, the solutions, the vision. Now it's time for the next step: to act.

Inaction is not an option.

I've said it many times, because I truly believe it. In a context like ours, where innovation moves faster than regulation, standing still is the most dangerous choice. Change isn't optional — it's a necessity. And it must be driven with courage. Not by reacting to events, but by anticipating them.

Courage Is Needed at Every Level.

Corporate courage, to transform, leave the comfort zone, and innovate even when it's hard. Institutional courage, to make unpopular but necessary decisions, such as supporting consolidation or updating outdated regulations.

Market courage, to reward quality, sustainability, and value — not just the lowest price. And yes, citizen courage, to understand that the future won't be built by spectators, but by informed participants.

Words Are No Longer Enough.

In recent years, our sector has produced reports, analyses, appeals. But all that alone hasn't changed much. European telcos still have thinner margins than other strategic industries. Investments have slowed. Regulations are often outdated.

It's time to decide. To decide whether we truly want a competitive digital Europe.

To decide whether our future will be shaped by American and Asian platforms — or by European players able to keep up.

Leadership Is Measured in Difficult Times

Today, those who lead companies, institutions, and ecosystems have an added responsibility: not to leave the future to chance. Vision is needed, yes. But also determination, coherence, and accountability. Because now it's no longer enough to talk about transformation. We must be the transformation — always keeping people at the center.



The Europe We Need to Build.

We need a digital industrial policy. Now.

We're at a pivotal moment. European telcos are facing monumental challenges: digital transition, 5G, cybersecurity, artificial intelligence, environmental sustainability.

But we're approaching them with a fragile market structure, low margins, and rules built for a world that no longer exists.

The risk isn't just economic. It's geopolitical. Because without strong and autonomous digital infrastructure, Europe becomes dependent on external industrial and technological models.

A Competition We've Already Lost.

In the United States and Asia, digital giants are growing, investing, and setting the standards. In Europe, we're still debating over who should pay for the networks. We have talent, ideas, and capability. But we lack a system. And a Europe without a system cannot be a digital Europe.

Three things Europe must do immediately:

- Promote consolidation – We can't have dozens of fragile operators. We need a few strong players that can invest;
- Create a true level playing field – The same rules must apply to everyone: OTTs and operators alike. That's not the case today;
- Recognize the strategic role of telcos – As "smart utilities," not just simple service providers.

We Need a Digital Industrial Policy.

Just like with energy or agriculture, the digital sector needs a shared strategy, clear goals, adequate resources, and a long-term vision. We can't just regulate anymore.

We must build. And building means:

- Supporting infrastructure innovation;
- Promoting open and interoperable standards;
- Investing in digital skills;
- Creating European champions in cloud, platforms, and network services.

TIM's Role and Italy's Voice.

In this landscape, TIM can and must play its part. And it's already doing so. We're at the European tables, on the GSMA board, and in the decision-making circles that matter. But more importantly, we're bringing a clear point of view: if we want a competitive digital Europe, we need bold decisions.

As I've said before: "A digital Europe requires clear and equal rules for everyone.

" Now is the time to go from declarations to action.

The Connection That Truly Matters. Building the future, together.

Everything starts with a connection. But I'm not talking about the technical one — between devices and networks. I'm talking about a deeper connection: between business and society, between innovation and well-being, between technology and humanity.

This book was written to explain. To explain why our sector is in trouble. To explain why a radical change — not a cosmetic one — is needed. To explain why the value of telecommunications affects everyone: not just those who produce it, but above all those who live it every day.

The Future Can't Be Improvised. It Must Be Built.

I often say: "The future is built with vision and determination." And today, we have all the tools we need. We have the skills, the technology, and the will to change. All that's missing is one thing: the shared will to act. That will must come from a new awareness. That networks are not a luxury — they're a right. That telcos are not just businesses — they are citizenship infrastructure. That digital transformation won't be real until it's sustainable, inclusive, and useful.

The Time Is Now.

We can't delay any longer. We can't keep floating. We can't leave it to inertia. Every day we don't act is a missed opportunity — to innovate, to grow, to make a difference. *Inaction is not an option.*

A New Kind of Connection Is Possible.

A connection between business and country. Between telcos and citizens. Between technology and humanity. And this is the connection that truly matters — The one that's not measured in megabits, but in trust, vision, and positive impact. If we can build this, then yes: we will have given real meaning to our work — and true value to the future.

