Orange Poland Disrupts Its Own Legacy to Lead Mobile Innovation

“We’ve used MATRIXX in a new digital stack, enabling an innovative project that’s fit for the digital world.”

Jean-François Fallacher, CEO Orange Poland

Despite being the leading operator in Poland, Orange decided not to wait for an upstart to disrupt their legacy business. Instead, they disrupted their own model to create a new offering called Orange Flex. Orange Flex offers consumers a more simplified, flexible, user-friendly mobile service, free from the usual constraints and contracts. Not only was this new service operationally and technologically distinct from its parent company, it was also designed to be an entirely digital experience—a massive shift for the traditional telco company.
In this candid interview with Nik Willetts, CEO of TM Forum, Orange Poland’s CEO Jean-François Fallacher shares his point of view on Orange’s transformation, the unique opportunities and challenges of this new model and where he sees telcos going in the future.

**Future-Proofing for eSIMs**

With traditional land line phones declining year-over-year, the Orange Flex project focused on future development and digital innovation — the only way for them to see real growth according to Fallacher. Knowing that eSIM would remove the last barrier to customer churn, the physical SIM, Orange Flex was designed for the digital world first and not, as seen too often, merely an adaptation of an existing infrastructure to fit a new world.

“We really asked ourselves at Orange Poland how could these new technologies like eSIMs allow a newcomer to really disrupt us… How would a new entrant bring to market a completely new digital experience?”

While the bulk of the Orange business has been focused on brick and mortar retail and the building out of assets like fibre, Orange Flex is a “Telco in an app,” offering a radically different approach to attract a younger, digitally-savvy audience. By eliminating all the usual retail and call center customer touchpoints, customers are empowered to complete all transactions directly within the Orange Flex app, including initial signup, payment, adding/changing features, roaming, and customer service requests.

“We have changed the rules because as it is, it is an application. It’s fully digital... there is no more invoice... there is no more 24-month contract. You can hop on and hop off at any time. Flex is about freedom. You want, you get. That is the motto of Flex.”
Transforming the IT Stack

“We decided not at all to use our legacy (technology). Every time we want to develop a new product or we are doing any modifications, they are usually very long, very costly when we launch a new product in our legacy business.”

Orange’s legacy infrastructure includes more than four hundred fifty IT systems interconnected to serve different businesses. As a result, a decision to develop new products, or even modify an existing one, touches a minimum of twenty systems. The overhead in terms of cost and effort was seen as limiting the ability to respond to the market.

“We are in a business where we need to anticipate a lot… this is an industry… where reactivity and time to market is critical. So when we thought about Flex, we decided to do it really different.”

Beyond simply choosing to make Orange Flex an entirely digital experience for customers, the team at Orange also made the decision to build the new service on an entirely new IT platform. This decision allowed them to bring Orange Flex to market faster and more efficiently.

“We have structured Flex with an IT stack which is a pure digital stack and it’s completely separate from our legacy IT. There are no links. We are in a completely new paradigm and the results have been amazing.”

The new IT stack is completely independent from the legacy IT of Orange and seamlessly integrates two proven market software solutions: MATRIXX Software and Vlocity (a Salesforce Company). Chosen for performance, as well as for their pre-integration, the result is a cloud native IT stack that is fit-for-purpose for digital, opening a completely new paradigm for go-to-market.

Organizing for Transformation

While many operators choose to set-up new digital brands as their innovation hubs, Orange took a different view. With so many of their projects focused on cost-cutting and efficiency within the core business, Orange Flex was viewed as an opportunity to develop something new and valuable.

“This product was an occasion to transform the company in terms of ways of working… We have really structured the (Orange Flex) team in agile mode inside Orange Poland… They were really working in an agile methodology with agile tools.”

By choosing to keep the Orange Flex innovation in-house, the entire organization could realize the benefits of this new digital offering. Further, by bringing together all the necessary competencies into one place to run the new digital business, Orange were able to innovate how the team functioned.
Reimagining Loyalty

“I believe the future is Flex... We launched one year ago and perception is good and NPS is very high, higher than our other products...”

Without the long-term contracts and obligations so often associated with mobile service providers, would customer churn be an issue for Orange Flex? Fallacher strongly believes that operators don’t need to lock people down into contracts to build loyalty.

“If we provide a perfect service, people won’t churn... The features that we provide with Flex are themselves loyalty features. I am a big believer that it is not by locking people down in contracts that you are creating loyalty.”

The service operates on the belief that customers aren’t dreaming of churning. Rather, they are focused on the basics of the quality of service and experience. This belief is borne out by the fact that, as with other digital-first services like Revolut and Spotify where people are free to go at any time, churn is very low with Orange Flex.

Embracing Constant Innovation

While the cloud native platform is currently running on a private cloud, the plan for the future is to move to a public cloud environment. More importantly, thanks to the fully digital platform, the digital stack provided by MATRIXX and Vlocity enables the Orange Flex team to constantly innovate.

“Since the launch we have been constantly learning and adapting... We have a ton of data which enables us to factualize what is happening in the pipe in real time and correct and move in a very agile way.”

With the ability to see what’s happening in real time, Orange has unprecedented insight into how users move through their digital pipeline. As a result, the Flex team has been able to use that data to respond quickly and agilely to market conditions, a capability that simply isn’t possible with legacy infrastructure.

The Future of Orange

As for as the future of Orange Flex, Fallacher says that they are still learning but have many things in development such as the addition of more features, devices, multi-language capabilities and even a potential expansion into other countries.

“The way Flex has been built, it would be pretty straight forward to instantiate and extend into other countries... so we are looking at other opportunities to go outside the borders of Poland...”

Learn more about how MATRIXX Software can help you reinvent.