

Navigating Resilience

Key Insights for the Communications C-suite

The current situation for Communications companies

Communications companies are no longer just managing tariff exposure, they're navigating a broader wave of geo-economic fragmentation. From tech sovereignty and supply chain restructuring to shifting capital markets, the sector faces rising costs, shifting consumer expectations, and pressure to modernize networks while protecting margin. To stay competitive, telcos must pivot from reaction to reinvention.

\$2,200–\$4,900

potential annual cost increase per US household

0.8–3.0%

expected increase in US inflation under new scenarios

0.3–3.9%

projected GDP contraction across escalation paths

3-5%

additional increase in network deployment costs

Sources: Accenture Ready for resilience: how to navigate the new tariff landscape, April 2025

Top CEO concerns

Network costs – Network construction costs are forecasted to rise by over 10% in 2025, particularly affecting companies in aggressive build cycles like fiber companies, leading to slower builds and re-evaluation of economically tight projects.

Device costs – U.S. wireless companies face a risk of upgrade slowdowns, though mitigated by phone tariff exemptions. Fiber and Cable companies may see slight CPE cost increases (2-3%), affecting installation economics, while Europe remains largely shielded.

Macroeconomic impacts – Tariff increases on devices, with average subsidies around \$1,000, could raise the cost of acquisition (COA) and long-term debt (LTD), potentially impacting credit ratings, interest rates, and shareholder dividends.

What makes a resilient enterprise?

Resiliency will be the key differentiator for companies who can navigate this uncertain economic and policy environment – this covers commercial, operations, people, and technology. Scenario planning is a critical to building enterprise and financial resilience.

Technology Resilience:

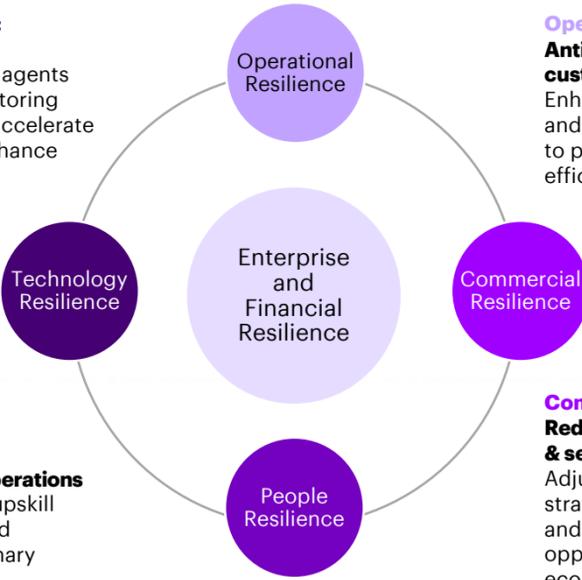
Scale Data & AI

Embed autonomous AI agents for real-time data monitoring and decision-making, accelerate AI productivity, and enhance security processes.

Operational Resilience:

Anticipate and deliver for customers

Enhance supply chain resilience and cost/productivity reinvention to protect margins and boost efficiency



People Resilience:

Evolve talent across operations

Reorganize structure, upskill individuals globally, and empower multidisciplinary resilience squads.

Commercial Resilience:

Redevelop relevant new products & services at scale

Adjust pricing and commercial strategies for tariff uncertainties and explore growth and M&A opportunities in a slower economy.

Resilience for competitive advantage today and tomorrow

Resilience across these dimensions is the key to responding to the uncertain economic and policy environment ahead. Consider no regret moves that will yield value regardless of how the tariff environment evolves.

| | What to do Now | What to do Next |
|-----------------------------------|--|---|
| Enterprise & Financial Resilience | Assess tariff impacts on device costs, promotional bundles, and network expansion; focus on customer experience and underpenetrated segments | Shift to refurbished devices, reduce network capital spend, and drive higher ROI |
| Operational Resilience | Enhance supply chain visibility and modeling, reevaluate sourcing strategy to include tariff impacts | Evaluate network strategy, accelerate open access and SDN, explore alternative sourcing models |
| Commercial Resilience | Monitor consumer sentiment and elasticity, update promotions, and target acquisition campaigns | Use GenAI for data insights, develop elasticity solutions to improve service revenues |
| People Resilience | Leverage ecosystem for workforce capacity, drive productivity with automation and reskilling, build AI capabilities | Ongoing strategic workforce planning to optimize work/roles for an agentic organization |
| Technology Resilience | Build end-to-end visibility, AI-enabled next-best-action, and sovereign technology choices | Revise platforms and architecture for flexibility, absorb market volatility, and focus on scalable, dynamic technology sourcing |