Vendor Profile

Netcracker's Evolution into Prime Systems Integrator: Accelerating Telecom Transformation in the Middle East and Africa

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IDC OPINION

Telecom operators in the Middle East and Africa are entering a more demanding phase of digital transformation (DX), where the success of multiyear BSS/OSS modernization programs depends less on individual technology choices and more on how effectively the surrounding ecosystem of vendors, systems integrators (SIs), hyperscalers, and SaaS partners is governed and held accountable. As fragmented multi-vendor programs continue to expose operators to delivery delays, cost leakage, and diluted ownership, IDC sees a clear shift in operator preference toward delivery models that consolidate accountability under a single, telecom-native partner and tie transformation outcomes directly to measurable business key performance indicators (KPIs).

Netcracker has repositioned itself decisively in this direction over the past year. Its evolution from a BSS/OSS software vendor into a Prime SI — anchored in an integrated platform, a layered AI foundation spanning the AI Asset Factory, Telecom Knowledge Center, Agentic AI Platform, predictive AI models, AI governance, and a structured xOps framework with AIOps and DevSecOps at its core — is reinforced by its 2026 strategic priorities: the acquisition of CSG (formerly CSG Systems International), growth in end-to-end services, and an "AI inside and out" strategy. The transformation of a tier 1 META operator, in which Netcracker assumed end-to-end accountability across an ecosystem of more than 30 IT partners and reportedly enabled a one-year go-live and approximately 2x revenue growth, illustrates the model in practice. Regional engagements with e&, Vodafone Oman, and Zain, increasingly extending into agentic AI use cases across customer care, billing, sales, and network operations, reflect a broader Middle East, Turkey, and Africa (META) appetite for AI-enabled, outcome-based transformation partnerships.

In IDC's view, Netcracker is well-positioned for the next phase of regional telecom transformation. Still, its long-term traction as a Prime SI will depend on its ability to broaden the visibility of its accountability-led engagements across diverse operator contexts in META, to convert internal AI productivity gains into customer-visible business outcomes, such as OPEX reduction, Net Promoter Score (NPS) uplift, time-to-revenue improvement,

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and to maintain credible interoperability with hyperscalers, third-party SIs, and emerging satellite and NTN ecosystems. Combined with intensifying data sovereignty and DevSecOps requirements across the Middle East and Africa, these factors will shape the company's market position through 2026 and beyond.

IN THIS VENDOR PROFILE

This IDC Vendor Profile examines Netcracker's evolution from a telecom-focused BSS/OSS software vendor into a Prime SI, with global and regional presence across the Middle East and Africa. It provides an overview of the company, its 2026 strategy and AI-led delivery model, and its regional engagements with operators including e&, Vodafone Oman, and Zain — anchored by the transformation of a tier 1 Middle East, Turkey, and Africa (META) operator as a regional proof point. The study aims to inform global and regional telecom operators, IT buyers, channel partners, and other digital ecosystem players about Netcracker's regional market position, transformation accountability model, and outlook through 2026 and beyond.

SITUATION OVERVIEW

Company Overview

Netcracker Technology, a wholly owned subsidiary of NEC Corporation, is one of the leading global BSS/OSS software and services providers for the telecom industry. In 2025, the company delivered a year of profitable growth, with managed services revenues expanding by double digits year over year and AI-related engagements growing 60%, underscoring both the maturity of its core portfolio and the accelerating adoption of its AI-led offerings.

A notable development during the past year was Netcracker's acquisition of CSG. Netcracker positions the deal as a strategic fit that combines its telecom IT capabilities with CSG's diversified customer footprint, approximately 85% of which is based in the Americas, with nearly 30% outside the telecom sector. The combined entity is expected to expand Netcracker's reach into adjacent verticals such as financial services, healthcare, and logistics while broadening its addressable market for next-generation digital BSS, AI-native platforms, and SaaS-based delivery models.

In META, Netcracker continues to work with operators including du, e&, and Vodafone Oman through long-running BSS/OSS transformation programs and AI initiatives. Over the past year, its regional engagement model has shifted from a primarily product-led approach toward a broader transformation-partner role, with an increasing emphasis on end-to-end Prime SI.

Company strategy

Netcracker's 2025–2026 strategic agenda is centered around three reinforcing pillars:

1. The acquisition of CSG, which adds scale, strengthens its Americas presence, and expands exposure to non-telecom revenue streams
2. Growth in end-to-end services, including multi-vendor transformation engagements that extend beyond Netcracker's own portfolio for operators such as du, T-Mobile, Rogers, and Virgin Media O2
3. An "AI inside and out" strategy that combines commercial agentic AI solutions for telecom operators with AI-led transformation across Netcracker's own delivery and operational functions

Among these priorities, the company's increasing role as a Prime SI has emerged as one of the most visible strategic shifts. It is increasingly positioned as the connective layer across its platform, services, and AI ambitions.

From telecom software vendor to Prime SI

According to Netcracker, the company's expanding role as a Prime SI is largely a response to persistent challenges operators face with fragmented, multi-vendor transformation programs. The company observes that CIOs typically turn to a Prime SI model only after transformation initiatives begin to exhibit clear distress signals, including delivery delays, cost overruns, governance complexity, and weak accountability. These issues frequently emerge in large-scale OSS/BSS programs where multiple vendors create duplication, rework, and blurred ownership structures. Netcracker frames the Prime SI model to consolidate accountability, simplify governance, and reduce the operational and organizational risks associated with stalled or underperforming transformation programs.

Netcracker frames the value proposition of Prime SI primarily in financial and operational terms rather than as a purely technical offering. The company presents the model as a mechanism to accelerate time-to-value, improve release predictability, and reduce cost leakage stemming from scope creep, vendor overlap, and delayed defect resolution. Equally important in its narrative is the mitigation of downside risk, including regulatory exposure, customer churn, and revenue delays linked to transformation slippage. By reframing the discussion around the financial impact of delays and the cost of inaction, Netcracker strengthens the case for assuming a more central integration and governance role within operator transformation programs.

Differentiation as a Prime SI

Netcracker positions its Prime SI model around two key differentiators relative to traditional or local SIs: its telecom-native expertise — built on more than three decades of BSS/OSS focus — and its ownership of a cloud-native BSS/OSS platform embedded with AI. Unlike

traditional SIs that assemble disparate third-party components, Netcracker states that its platform-led approach enables faster ramp-up, lower integration risk, and more predictable execution. The company also highlights its familiarity with both the target architecture and incumbent environments, which support smoother transitions and more effective orchestration across multi-vendor ecosystems. Collectively, these factors give the company a structural advantage for delivering end-to-end accountability across product, integration, and operations, a level of integration that the company suggests generic or local systems integrators often struggle to match.

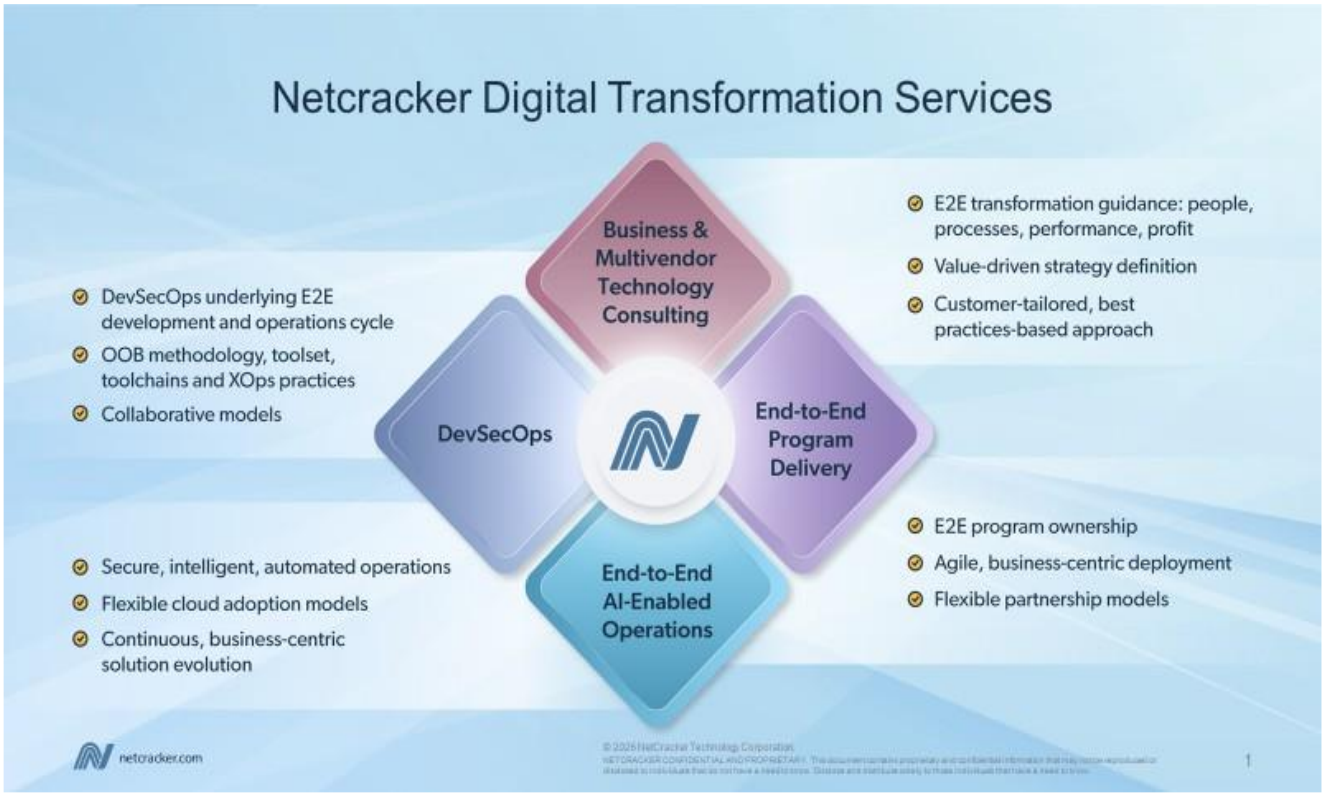
The company further differentiates through flexible engagement and commercial models, including phased transitions, parallel-run strategies, and milestone-based commitments designed to reduce the perceived disruption of consolidating delivery under a single integrator. Its end-to-end scope across governance, architecture, integration, testing, and operations is designed to enable measurable improvements in cost, speed, and quality, including lower development and testing costs and faster time-to-market. Taken together, these capabilities frame Netcracker not only as a technology vendor but as a strategic transformation partner accountable for business outcomes.

Professional services portfolio

Netcracker positions its AI-led professional services portfolio as a foundational element of its Prime SI strategy. The portfolio is organized across three horizontal layers: business and multi-vendor technology consulting, end-to-end program delivery, and AI-enabled operations, supported by two cross-functional capabilities: DevSecOps and joint development and operations (XOps). The breadth of the portfolio is illustrated in Figure 1.

FIGURE 1

Netcracker digital transformation services



Source: Netcracker

Netcracker presents its portfolio to support both modular engagements for targeted requirements and integrated, full-lifecycle transformation programs. Central to this model is the concept of a single accountable owner across products, integration, delivery, and operations — a principle that directly reinforces the company's broader Prime SI proposition.

AI as the backbone of Netcracker's services value proposition

A distinguishing element of Netcracker's services narrative is its emphasis on internal AI adoption as the foundation for customer-facing value. The company indicates that AI is embedded across the full delivery life cycle, from ideation and analysis through development, testing, program management, and operations. Netcracker is already seeing significant improvements in a number of areas, including faster and more accurate coding, test data generation and test design, dramatic improvement in knowledge-base query response, faster and more accurate ticket processing, and massive reduction in billing issue

resolution time. These internal efficiencies are positioned as directly transferable to customer engagements where Netcracker assumes Prime SI accountability.

Underpinning this strategy is a layered AI foundation comprising an AI Asset Factory, Telecom Knowledge Center, Agentic AI Platform, predictive AI models and applications, and a dedicated AI governance layer. Use cases span AI model deployment acceleration, CI/CD/CT optimization, intelligent business processes, application resilience, security enhancement, infrastructure automation, and AI-driven business insights. Netcracker positions agentic AI across BSS, OSS, and CX domains as particularly relevant to Prime SI engagements, where speed, governance, and quality across multi-vendor environments are critical success factors.

AIOps and DevSecOps in service delivery

Netcracker organizes its operational services under a broader xOps framework spanning AIOps, DevSecOps, FinOps, and GreenOps within a continuous Observe–Operate–Optimize value-creation loop. In the Prime SI context, AIOps and DevSecOps are the two most significant pillars.

Netcracker positions AIOps as the mechanism for aligning technical operations with business outcomes by embedding predictive automation, anomaly detection, intelligent root-cause analysis, and closed-loop remediation across both its own product estate and multi-vendor environments. Supported by the company's Agentic AI Platform and predictive AI models, the objective is to shift operational decision-making from reactive to predictive, particularly in Prime SI engagements where accountability extends beyond Netcracker-developed components and requires unified observability, orchestration, and remediation across third-party systems.

DevSecOps is positioned as the second critical pillar, with Netcracker framing it as programmatic, end-to-end security ownership for telecom operators. The company integrates security throughout the software development life cycle through multidisciplinary teams, continuous application life-cycle management, automated delivery and deployment, standardized toolsets with embedded security controls, and pre-validated templates. As transformation programs become increasingly cloud-native, AI-driven, and externally exposed, Netcracker positions structural ownership of security as a core requirement of modern Prime SI engagements rather than an optional add-on.

Customer case study: Tier 1 META operator Prime SI transformation

Netcracker's engagement with a tier 1 META operator provides one of the clearest examples of its Prime SI model in practice. Building on a strategic partnership spanning more than 15 years, the relationship evolved from a traditional BSS supplier engagement into an end-to-end, multi-party transformation program in which Netcracker assumed Prime SI responsibility across an ecosystem of more than 30 IT partners.

These partners included vendors providing support for digital channels, API integration, migration services, campaign management, and OSS, in addition to the operator's internal digital channel and integration teams, all coordinated around Netcracker's BSS platform and a broader third-party technology environment.

Under the Prime SI model, Netcracker assumed end-to-end accountability across the program management office (PMO), SI and governance, business demand management, migration management, third-party coordination, digital channels, and end-to-end architecture, design, and testing. This consolidated delivery under a single integrator with ownership spanning architectural intent, migration, multi-vendor orchestration, and testing, rather than relying on coordination across multiple independent SIs.

Netcracker positions this "one owner, full accountability" model as the key mechanism behind the program's productivity and efficiency gains, as well as its transition from a cost-absorption exercise into a revenue-generating transformation initiative.

The outcomes cited by the company reinforce the broader Prime SI narrative. According to Netcracker, the program had been in development for nearly two years before the Prime SI transition. Following delivery consolidation under Netcracker, the transformation reached go-live within one year and ultimately contributed to approximately 2x revenue expansion for the operator. Netcracker presents the combination of long-term strategic partnership, telecom-native platform ownership, and end-to-end integration accountability as the primary differentiator behind the turnaround — and increasingly as a model for operators facing similar multi-vendor transformation pressures across the META region.

Regional momentum in META

Netcracker continues to deepen its footprint across the Middle East and Africa, with regional engagements increasingly reflecting its broader shift toward AI-led transformation and Prime SI accountability.

- **e&:** Beyond the previously announced full-stack BSS transformation, Netcracker has expanded engagement across large-scale revenue management, CPQ for cross-business convergence, and AI agents supporting sales automation and core network engineering.
- **du:** du is expanding into AI-driven use cases, including agentic personalized customer assistance and digital self-care, highlighted during Mobile World Congress 2026.
- **Vodafone Oman:** Vodafone Oman continues to run on Netcracker's Digital BSS, AI/Data Analytics platform, and integration layer, originally deployed under its BSS2Cloud initiative. The relationship has expanded over time to include analytics, DevOps, and managed services.

FUTURE OUTLOOK

Over the next 12–24 months, Netcracker is expected to continue evolving its position in the Middle East and Africa from a primarily product-led engagement model toward a broader transformation-partner role, with Prime SI increasingly acting as the connecting layer across its platform, services, and AI portfolios. The acquisition of CSG is likely to expand Netcracker's global addressable market and managed services, while regional operators may indirectly benefit from increased delivery capacity and a broader commercial portfolio, particularly across revenue management, billing, and customer engagement domains.

Regional demand for AI co-innovation is also expected to remain strong, particularly around agentic AI use cases spanning customer care, billing, sales, and network operations, as operators increasingly seek measurable productivity and revenue outcomes from AI investments. At the same time, META operators continue to face multi-year, multi-vendor transformation pressures alongside regulatory and data-sovereignty requirements that closely align with the transformation accountability model Netcracker is emphasizing.

Looking ahead, the company's ability to replicate Prime SI success beyond its current flagship META engagement, convert internal AI productivity gains into customer-visible business outcomes, and sustain interoperability across hyperscalers, third-party SIs, and emerging satellite/NTN ecosystems will likely be the key factors shaping its regional momentum through 2026 and beyond.

ESSENTIAL GUIDANCE

Advice for Netcracker

- **Continue building Prime SI visibility, multi-vendor orchestration credibility, and operator education in parallel.** The tier 1 META Prime SI transformation has become a powerful, publicly visible proof point, but Prime SI adoption across META will hinge on three reinforcing dynamics: a broader public reference base spanning diverse operator contexts (greenfield versus brownfield, BSS-led versus OSS-led, full versus partial integration scope); demonstrable success in governing and orchestrating third-party SIs, hyperscalers (AWS, Microsoft, Google), and SaaS partners; and continued executive-level education on the financial and operational consequences of fragmented multi-vendor transformation. Sustained investment across all three will help convert a credible strategic narrative into a more clearly repeatable market motion.
- **Sharpen the security and data sovereignty narrative for META.** As DevSecOps becomes a structural component of Prime SI engagements and as data sovereignty, in-country hosting, and regulatory compliance intensify across the Gulf, Türkiye, and Africa, Netcracker should more explicitly position its programmatic security ownership

and sovereign deployment capabilities. This will be especially relevant for operators serving government, defense, and critical infrastructure verticals, where transformation programs carry heightened compliance and resilience requirements.

- **Translate internal AI productivity gains into customer-visible business outcomes.** Netcracker's reported internal AI efficiencies are significant and credible, but telcos will increasingly expect to see these gains expressed as customer-visible KPIs such as release predictability, OPEX reduction, NPS uplift, and time-to-revenue improvement. Strengthening the link between internal AI metrics and customer-facing business outcomes will be central to monetizing the broader "AI inside and out" strategy at scale.

LEARN MORE

Related research

- *AI-Driven Network Operations and Maintenance* (IDC #META54101226, March 2026)
- *IDC Market Glance: Telecom Network Infrastructure and IT, 1Q26* (IDC #US54330726, March 2026)
- *5G/LTE Fixed Wireless Access Growth and Monetization Opportunities in the Middle East, Türkiye, and Africa* (IDC #META52916725, September 2025)
- *AI-Powered Transformation and Use Cases for the Telco and Vendor Ecosystem in the META Region* (IDC #META52916525, July 2025)
- *Netcracker's Role in Accelerating Telecom Digital Transformation in the Middle East, Türkiye, and Africa* (IDC #META53320625, April 2025)

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