**Blockchain Tech is Disruptor for Telecoms: EncryptoTel CEO**

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Exploration of Blockchain technology has gone far beyond financial industry. Today many companies in a variety of industries are testing the potential of this innovation to streamline complex processes and transactions, making them faster, cheaper and more transparent. The telecommunication industry is no exception and industry players are now looking into how Blockchain can impact their businesses.

Cointelegraph had a chat with [Roman Nekrasov](https://encryptotel.com/), CEO and Founder at [EncryptoTel, an intriguing project](https://cointelegraph.com/news/telecom-breakthrough-blockchain-to-stop-big-brother-from-watching-you" \t "_blank) offering privacy-oriented encrypted audio and video calling for individuals and groups through secure Blockchain-based communications infrastructure.

**Is Blockchain indeed a disruptor for telecoms?**

Until quite recently Blockchain technology has been going hand in hand with Bitcoin, its most successful use-case so far. However, the new generation of programmable Blockchains allows going far beyond cryptocurrencies and financial services.

It certainly might be very hard to do any prediction concerning the exact forms of change caused by the Blockchain in a very particular industry of telecommunications, or whether it is to cause any change at all. It has already provided us with at least one key benefit – it allows ensuring transparency of transactions.

Nekrasov shares with Cointelegraph how his team is making use of Blockchain:

*“Nowadays Blockchain technology is being explored in a number of industries, it is right about the time for the telecom industry to take a closer look at it. The technology offers huge advantages for building decentralized systems. We are planning to integrate this technology at least for enabling verification of outgoing calls, along with ensuring the integrity of the whole network. I am not even mentioning the benefits of payments in cryptocurrencies (anonymity and transparency for both parties). Besides, we are working on the cryptographic protocol deploying Blockchain technology, which is our killer feature. It is still too early to announce any specific solutions, but our developers already have something in store. I am certain that our investors are going to be satisfied with their investments – everything goes according to what we have outlined in the Roadmap.”*

**Rethinking the role of intermediaries**

Telecom providers are connecting people and things to each other, therefore, essentially they are sort of intermediaries, who need to manage databases, back-office systems, and purchase third parties services.

Blockchain allows rethinking the roles of intermediaries in the telecom industry, Nekrasov says:

*“With our project, we are trying to eliminate intermediaries in the telecom industry. Possibility to communicate directly and anonymously implies the absence of third parties. In the beginning we would not be able, however, to eliminate middlemen completely. As our customers would need to have a possibility to register a direct phone number with other mobile operators or use a number they already have, we can’t avoid involving third parties, but we are working on it. Another advantage brought by Blockchain technology is that it plays a role of a guard in a sense that it prevents unauthorized intervention of third parties.”*

**What telecoms are looking for**

All efforts in the telecom industry nowadays are directed towards keeping maintenance costs low while exploring new services. The market is growing at an incredible speed and traditional players are forced to look for ways to improve the quality of existing services, maybe even reimagine them, offering innovative approaches and tools which haven’t been available before.

Nekrasov believes that Blockchain technology in this sense is like a whiff of fresh air offering new perspectives in the way we think of telecom services. “Technology has a huge potential in building new reliable services allowing to compete with industry giants,” he says.

Competition in the telecom industry is heightened, revenue from voice calls is decreasing, while expenses due to the high bandwidth demands are rising, all of which is forcing telecoms to both look for a way to reduce these costs and find new sources of revenue.

Nekrasov agrees:

*“Revenues from traditional voice calls are indeed decreasing, however, the market of VoIP services is expanding, especially in B2B sector. It is one of the most fast-growing markets nowadays, and the positive dynamic will remain for upcoming five to 10 years.”*

Nekrasov says that offering a free and secured connection with the focus on quality and encryption is among the main priorities at the moment.

He continues by explaining:

*“At the moment ensuring privacy and protection from bugging is very important, especially for business. I think that Blockchain technology can shoulder a part of network load, as a result cutting down the expenses for network maintenance. Besides, exploration of cryptocurrency market allows attracting additional investments into business, telecoms mistakenly underestimate this market.”*

Nekrasov and his colleagues possess an extensive experience of working in the industry. They have identified what is exactly missing to make customer’s experience better – security, ease of use, user-friendly interface, and affordable pricing.

**Where exactly is Blockchain applicable?**

According to a [report](http://www.ngi-summit.org/wp-content/materials/Deloitte_PoV_Blockchain_Telco.pdf) by Deloitte Germany, the telecom industry will see a huge impact of Blockchain in upcoming years. Precisely offering new solutions for fraud management, Identity-as-a-Service and data management, enablement of 5G and building secure IoT connectivity.

Fraud detection and prevention are still the hot topics in the industry, mostly due to massive losses annually. Blockchain is believed to offer an effective and sustainable tool for fraud prevention, especially in roaming and in subscription identity management.

5G technology implementation is said to be another example of how the industry can benefit from the deployment of Blockchain in streamlining the process. Thus, to ensure ubiquitous access across the networks through 5G, telecoms would need to handle heterogeneous access nodes and diverse access mechanisms. The central challenge here is expected to be the selecting the fastest access node for every user or machine.

Blockchain technology is believed to enable the new generation of access technology selection mechanisms for building sustainable solutions. Nekrasov agrees:

*“Blockchain can indeed offer solutions to tackle fraud – here we talk about smart contracts and the overall transparency of transactions allowed by technology. The combination of solutions built on top of Blockchain and Identity-as-a-Service has a huge potential for identity and access management, allowing for stronger protection from hackers’ attacks. Blockchain is indeed useful for ensuring of communication between IoT devices, they are often more vulnerable to attacks, technology can help solving this problem.”*

**Remaining challenges**

There is still a number of challenges in the industry, which should be addressed. These challenges mostly concern ensuring of security and confidentiality of calls and text messages, prevention of all kinds of attacks and hacks carried aiming at stealing customers’ personal data. There are certain challenges related to the deployment of VoIP, many customers face certain difficulties switching to this type of services. Nekrasov says that EncryptoTel aims at tackling these challenges.

EncryptoTel is a complex telecommunication system which can be deployed for establishing simple and more complicated scenarios. The company is building an extensive platform for setting corporate networks for businesses, private customers are not left out of focus.

Nekrasov notes:

*“It is actually not so common for PBX systems to be oriented at personal customers. We are trying to simplify the platform to make it available for less tech-savvy customers. Our competitive advantage is that we are trying to take the best out of innovative technologies, including Blockchain technology, and expanding payment methods to cryptocurrencies.”*

EncryptoTel is developing encryption protocols deploying Blockchain technology to ensure the security of customers’ personal data. In addition, the team is deploying multilevel authentication system.

Centralized storing of data always raises a number of concerns, Nekrasov explains to Cointelegraph:

*“Currently in beta version we are working with a centralized database, however, later we are planning to reconsider it and develop a new approach where we store only minimum amount of data in a centralized way while ensuring encryption.”*

**Ongoing ICO**

[EncryptoTel is now in the middle of ICO](https://cointelegraph.com/news/blockchain-companies-raised-24x-more-from-icos-than-vc-investment), Nekrasov shared with Cointelegraph preliminary results. Thus, during the first week of ICO, EncryptoTel saw a huge interest in the project and managed to attract $1,800,000. Nekrasov expressed his gratitude to the community actively supporting the initiative and wishing best of luck to the team, it is certainly a great motivator. Besides, EncryptoTel team wished to thank Waves community, which demonstrated their support, also in the form of extensive investments amounting to over 1,000,000 Waves ($700,000).