

CIO Silobreakers – Why clear strategy and measurable results are essential enablers for Entel’s sustained transformation success

An interview with Carlos Palito, the CIO of Entel

Carlos Palito, the CIO of Entel, explains how the 60-year-old company has put aside failed attempts at digital transformation to reap the rewards of Entel 3.0, its clearly defined, unified transformation strategy across fixed and mobile operations in Chile and Peru. Unwavering focus on network quality, customer service, automation and process efficiency have created a virtuous circle of continuous progress with seamless collaboration across key teams including marketing, sales, finance, risk, operations, information systems (IS), IT, cybersecurity and network functions.

Fragmented transformation efforts have seen millions of dollars spent for little reward. The temptation to upgrade systems in isolation has seen cloud-native, software-as-a-service (SaaS) enabled architectures promise efficiency gains but fail to fully deliver as traditional silos have been replicated on the new infrastructure. What’s needed, says Palito, is company-wide commitment to a long-term transformational process that follows a clear consistent strategy that doesn’t deviate.

Patience and resilience are required but if the right partners, the best technologies and the culture can adapt, the results will flow and the transformation project can gather its own momentum, becoming self-sustaining. Entel has achieved this by identifying its priorities – B2X business agility and autonomy, ecommerce/eDelivery, 5G standalone, security, data, zero touch operations, network performance, TV and over-the-top services, and massive transitioning to cloud – and assembling multi-disciplinary teams with expertise from various departments.

The results have been compelling and include Entel’s ability, as one of only a few telcos globally, to be capable of delivering services in under one hour in major cities. While achieving this speed of action the telco has also achieved a 50-60% reduction in running costs over five-to-six years as it has transformed its IS and IT by applying structured methodologies.

Silobreaking starts with a vision and a strategy behind it

That ability to apply structure to strategy unlocks sustainable transformation for the long-term. “Everything we do is because of our clear strategic vision and we’re obsessed with sticking to our proven value creation model that aligns the organization with our objectives,” explains Palito. “We’re not a Tier 1 telco, we’re a Tier 2 player and, while we don’t play to be the biggest in Latin America, we definitely play to be the best in LatAm and as a benchmark worldwide.”



There are four key elements to the strategy: First is to be an early adopter of technology, next is to encourage a culture focused on delivering exceptional customer experience, a further goal is to be a world-class organization, and the final priority is to provide a challenging and encouraging workplace.

Specifically, those elements mean maintaining mobile leadership in Chile, gaining scale and performance in Peru and achieving faster growth in fiber and across the mobile base. Beyond those targets, Palito sees numerous opportunities in serving business-to-business markets with new offerings, with Entel’s digital business unit making use of its connectivity to gain business customers and increase average revenue per user (ARPU) across the entire value chain.



“These are our strategic priorities, and everything fits around them,” he confirms. “If you sustain this strategy, you create a virtuous circle in which good network quality brings great customer experiences which, in turn, reduce churn and increase revenue so we can invest more in a better-quality network and digital enablers.”

The design of a decade

Silobreaking demands effort and disruption in equal measure so being able to attract all stakeholders from the board room to the call center to a long-term vision is central to success for Palito.

“We were no different from other telcos that invest a lot of money but didn’t get the, so called digital transformation,” he explains. “Up to 2014 we made the same mistakes as others around digital transformation. We engaged in isolated programs which failed so, to avoid further disappointments, we created a sustainable plan around digital transformation which we have followed, we call it TD@E (Digital Transformation of Entel). We now have the same enterprise architecture, the same landscape, in Peru as in Chile with one solution and one team across the two countries and fixed and mobile operations.”

This decade of transformation has seen sustained engagement along with management support to ensure sufficient time has been given for results to come through. Palito believes transformation can lose momentum if too much is expected too soon and points out that isolated projects can’t deliver their full value until they are integrated into the company-wide transformed landscape. He acknowledges that, for many, the holistic ideal is never realized, and the effort and disruption are wasted.

That’s not to trivialize the scale of the financial burden and the need to allow time for the disruption to bear fruit. “We invested US\$300 million between 2015 and 2019 but we have changed everything in our landscape,” acknowledges Palito. “That’s order entry, customer relationship management, billing, charging, mediation, order management, catalog, revenue assurance, fraud management, business intelligence, loyalty, campaigns, service orchestration and assurance, application program interfaces, the retail solution, eCommerce and the app framework (low-code/no-code) – everything excepted enterprise resource planning!”

Entel has simplified processes, which are now zero touch, paperless and peopleless, and engaged external advisors for major initiatives as well as adopted agile methodologies and low-code frameworks to break down silos. Reusable platforms have been an important enabler of acceleration of transformation and the telco has reduced deployment times by more than 50%. This has been particularly evident when scaling up operations from Chile to Peru and transitioning from business-to-consumer to business-to-business (B2C/B2B) offerings.

No pain, no gain

Entel has changed its entire IT landscape for B2C and B2B during its digital transformation, called TD@E which comprises one vision, one architecture, one solution, one team and two countries. Inevitably, transformation of this scale causes difficulties as job functions change, new skills are required, and some resources are no longer needed. “We have changed, and reskilled, more than 90% of our IT workforce and we have reduced 50% of the people,” says Palito. “There has been a huge transformation in skillset – more than 2,700 certifications within our teams – services, technologies and processes which allows us to be very efficient. We are changing from a pyramid model, in some areas, to a diamond model in which we will have fewer but better people.”

The work that remains is more interesting and contributes more to enhancing customer experiences and, by extension, improves monetisation. “Technologically everything is cloud-based, with software-as-a-service and we are pushing full autonomy to the business and automation within IS/IT/network side,” adds Palito.

From all-IP to all-IT

To execute on its silobreaking strategy, Entel works with three strategic partners, one of which is Ericsson. Ericsson works on Entel’s core telco IS/IT to transform charging, billing, order management, catalog, mediation and the next generation of OSS. “I do believe in future there will be no such thing as OSS/BSS but there will be a space for next generation OSS as the

industry moves from all-IP to all-IT,” explains Palito. “To make that quantum leap you need a powerful enterprise architecture and good software solutions from a vendor perspective, so we are pushing our vendors to enable this because most telcos are stuck in the past.”

Palito feels Entel is in a position to push its partners to innovate and create business-wide transformation success. “The discussions we have had with Ericsson are not the same as it might have with other Tier 1 telcos,” he says. “We see the future of the telco as a non-IT organization, moving to a NoOps and NoIT organization – you just have product and sales teams and marketing to the client.”

Palito sees future adoption of AI and tools such as GenAI helping to accelerate this vision. Unsurprisingly, Entel is already committed to the technology and has built more than 40 traditional AI models and launched more than 30 initiatives that involve GenAI. Priorities are identifying Next Best Action, managing risk behavior and achieving network optimization.

“It’s early stage but we started about two years ago and we do believe we can generate advantages,” he adds. “Use cases need to be very clear and without that it’s very easy to get stuck and lose momentum in this technology shift.”

It’s important not to get distracted by the latest technology trend and Palito is maintaining focus on Entel’s transformation priorities. “We’re working tightly with Ericsson, and other partners, to consolidate the platform for the next two-to-three years to create the 5G and 6G environment that is truly disruptive,” he says. “Before 2014 we failed several times – three times to be precise – and spent significantly to do so but we learn from our mistakes. That’s basically like most of the transformations made around the world in other telcos which have been IT-driven and not business-driven. This is a five-to-ten-year plan and having the time to see it through is essential to achieve the maximum value from it.”

Looking ahead, Palito sees continuous transformation enabling telcos to eradicate siloes and move to a cloud-based, SaaS-enabled model of agile operations. This will provide significant flexibility to serve customers how they want to be served and with the propositions they find appealing.

“We’re a 60-year-old company and we are our own legacy,” he confirms. “We respect the values of our history, but we will not be stuck in the past. Change of this scale is not easy to make but we are changing, and we need to make these changes now so we can compete and succeed by delivering better customer experiences to our clients, more agility and autonomy to the business with much more efficiency. Digital transformation is a continuous journey, not a fixed destination... it’s a never-ending process.”