

# CIO Silobreakers – How continuous improvement and re-use of telco IT innovation has taken Elisa beyond network speed

An interview with Markus Kinnunen, the CIO of Elisa

Markus Kinnunen, the CIO of Elisa, discusses how a long-term approach to continuous innovation has seen the operator diversify over his 20-year tenure into a provider of digital services to businesses and consumers. A focus on re-utilizing telecoms-related IT innovation, such as automation for other use cases, has seen Elisa add network and industrial automation, as well as emerging power grid businesses to its portfolio. It's no longer your parents' generation of telco - Elisa is now poised to reap the benefits of AI, 5G and automation.

Telco transformation would be simple if you could start with a clean sheet of paper, but for Kinnunen, as with most telco CIOs, that sheet is packed full of the technical decisions, mergers and acquisitions as well as the inevitable dead-ends of decades of innovation. "I start from the background of Elisa's 140-years of history," he says. "It's a lot of time and a lot of different companies have been merged over the years. We've also bought a lot of companies recently, so simplification is one underlying theme in our company strategy."

Those acquisitions have made Elisa, which has telecom operations in Finland and Estonia and serves 2.8 million customers, able to serve customers in more than 100 countries. As well as the standard industry approach of aiming for growth in 5G and fiber, it is targeting consumers with home services such as security and smart home enablement, and corporations with security, IT and software services. Significantly, Elisa reports its performance in three categories: consumer customers, corporate customers and international software services.

The company's international software services market also includes other operators. Kinnunen says that Elisa Polystar, its automated assurance systems for telcos businesses, has more than 100 customers. "We started those automation solutions back in 2010 and we now sell predictive maintenance and automation solutions to traditional, non-telco industries as well," he adds. "For 15 years, we've been implementing automation in our networks, and now we're turning into a new era where we are making an autonomous network happen that is self-assuring and zero trouble."

## Beyond speed

A current focus is on maximizing of 5G opportunities. "We've already been successful with 5G in Finland because it's a speed-based market here," he says. "In our industry, there's a lot of talk about 5G use cases beyond speed and that's something we want to try and build up. We have a nationwide 5G standalone network up and running, 5G Advanced in chosen areas, and done early experimenting with network slicing as guaranteed bandwidth for customers."



"We also have an Innovation Hub with Ericsson, which we think is very interesting as it is based on different 5G capabilities and focuses on experimenting with and validating new technologies and service capabilities," he adds. "The Hub brings us, Ericsson, third parties, industrial stakeholders, app developers and our customers together to innovate new mobile services. It could be new network capabilities like network slicing or different monetization opportunities based on 5G standalone networks."

Being able to invest in innovation to address Elisa's needs as a telco and then to monetize that investment by productizing the technology and selling it to others, both within and outside of the telecoms industry, takes off some of the pressure, but universal telecoms challenges still need to be addressed. "The underlying theme is simplicity and getting the efficiency from that and, of course, that means consolidating systems," Kinnunen explains.



## Already on the way

Fragmented IT architecture, multiple overlapping systems and the need for further automation are priorities to address. "If we have the natural complexity of IT in a company that has done several acquisitions, there is a clear potential for productivity improvement," he acknowledges. "We are underway with a multi-year, step-by-step simplification project that involves our IT architecture and business processes renewal to improve cost competitiveness going forward, and now AI and especially agentic AI is at the very center of everything we are doing."

Kinnunen advocates a staged approach that allows for results to be achieved as the program completes a project or stage. "It's about the approach to the transformation," he explains. "We're a brownfield environment rather than a greenfield one, which presents challenges, but our program has decent scope while not being too big, so we get output early enough on the way to our goal."

Keeping on track involves keeping everybody informed and ensuring that results can be seen. "It's about communication and managing business change," he adds. "It's important to get something done on the way so the program doesn't get diluted. Top management is focused on having concrete steps and outputs all the time to measure progress."

## Learning by doing

No CIO conversation is complete without mention of AI, and Kinnunen is keen to demonstrate how Elisa is using the technology in multiple ways. The company has a training program so its people can utilize AI effectively. The technology is being embedded into all of Elisa's operations, extending from applying AI to its IT transformation initiatives to adopting agentic AI for its own telco use cases.

"We're learning by doing," he says. "We have automated Elisa's network with our own software, and now, with companies like Google, we can use their tools and capabilities as we go to more cloud-based systems and platforms to run our networks autonomously. The big part is how to get the greatest benefits out of AI also with our vendors and partners."

One highlight has been the adoption of AI in customer services to accelerate summarisation of call-center interactions. Significant time savings for each call are achieved by replacing a previously manual summarisation process, performed by a worker after the call, with summarisation performed automatically with AI instantly right after the call. The aim has also been to increase work satisfaction among the frontline personnel by cutting down the time used in routine tasks.

"It's not just about how we use AI but also about how we can sell AI solutions," Kinnunen explains. "For example, our Gridle virtual power plant business enables distributed energy storage with batteries for consumers and corporates. AI calculates the optimal use of energy on behalf of the customer, and we can monetize that."

"We don't even know what the world will be like," he adds. "Will the bots talk to each other and make decisions themselves? Security and data protection will be very important for that."

Whatever the future holds, the strategy of developing systems to address both the telco business and the IT and digital services businesses is setting Elisa up for a changed world. "We've been able to turn something we do for ourselves into a business opportunity by adapting our software development arm into a growth opportunity and selling its capabilities to other telcos and selected industries," he says. "It's very exciting and we are now scaling that up. I've been with the company for 20 years and there is a continuous improvement culture here. Now the ambition level is even higher than ever before, and we are ready for it."