

SK Telecom and Deutsche Telekom to jointly develop telco-specific LLM

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- Companies sign LOI for joint development of a large language model specifically for telecommunication companies.
- Telco-specific LLM will be built through collaboration with AI companies and unveiled in the first quarter of 2024.
- Collaboration between the two companies is expected to strengthen their leadership in AI and lead to a thriving global AI ecosystem.

SK Telecom (NYSE: SKM, "SKT") and Deutsche Telekom today announced that they signed a Letter of Intent (LOI) to jointly develop a telco-specific LLM that enables global telecommunication companies (telcos) to develop generative AI models easily and quickly.

The LOI signing ceremony took place at SK Seorin Building located in Seoul with the attendance of key executives from both companies including Ryu Young-sang, CEO of SKT, Chung Sukgeun, Chief AI Global Officer of SKT, Tim Höttges, CEO of Deutsche Telekom, Claudia Nemat, Board Member Technology and Innovation of Deutsche Telekome, and Jonathan Abrahamson, Chief Product and Digital Officer of Deutsche Telekom.

This marks the first fruition of discussions held by the Global Telco AI Alliance, which was launched by SKT, Deutsche Telekom, E&, and Singtel, in July 2023, and lays the foundation to enter the global market.

SKT and Deutsche Telekom plan to collaborate with AI companies such as Anthropic (Claude 2) and Meta (Llama2) to co-develop a multilingual – i.e, German, English, Korean, etc. – large language model (LLM) tailored to the needs of telcos. They plan to unveil the first version of the telco-specific LLM in the first quarter of 2024.

The telco-specific LLM will have a higher understanding of telecommunication service-related areas and customer's intentions than general LLMs, making it suitable for customer services like AI contact centre.

The goal is to support telcos across the world, including Europe, Asia, and the Middle East, to develop generative AI services such as AI agents flexibly according to their respective



environment.

This will enable telcos to save both time and cost for developing large platforms, and secure new business opportunities and growth engines through AI innovation that shifts the paradigm in the traditional telecommunications industry.

To this end, SKT and Deutsche Telekom plan to jointly develop AI platform technologies that telcos can use to create generative AI services to reduce both development time and cost.

For instance, when a telco tries to build an AI contact centre based on generative AI, it itself will be able to build one that suits their environment more quickly and flexibly. In addition, AI can be applied to other areas such as network monitoring and on-site operations to increase efficiency, resulting in cost savings in the mid- to long-term.

Through this collaboration, the two companies will proactively respond to the recent surge in AI demand from telcos, while also promoting the expansion of the global AI ecosystem through the successful introduction of generative AI optimised for specific industries or domains.

"AI shows impressive potential to significantly enhance human problem-solving capabilities. To maximise its use especially in customer service, we need to adapt existing large language models and train them with our unique data. This will elevate our generative AI tools," says Claudia Nemat, Member of the Board of Management for Technology and Innovation at Deutsche Telekom.

"Through our partnership with Deutsche Telekom, we have secured a strong opportunity and momentum to gain global AI leadership and drive new growth," said **Ryu Young-sang, CEO of SKT**. "By combining the strengths and capabilities of the two companies in AI technology, platform and infrastructure, we expect to empower enterprises in many different industries to deliver new and higher value to their customers."

About SK Telecom

SK Telecom has been leading the growth of the mobile industry since 1984. Now, it is taking customer experience to new heights by extending beyond connectivity. By placing AI at the core of its business, SK Telecom is rapidly transforming into an AI company. It is focusing on driving innovations in areas of telecommunications, media, AI, metaverse, cloud and connected intelligence to deliver greater value for both individuals and enterprises.

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