

Espoo, an established high-tech hot-spot

The city of Espoo is today regarded as one of the high-tech hot-spots of Europe. The city was long heavily dependent on a limited number of technology flagship companies: Espoo was synonymous to Nokia. Hence, when Nokia's situation became tougher, Espoo had to face a major challenge: how to cope with a massive wave high-skilled unemployed technologies experts. This crisis was turned into new opportunities by Espoo, by creating a vibrant start-up ecosystem. For example, Slush, Europe's leading startup event, originates from Aalto University of Technology. Today, Espoo is entrepreneurship and entrepreneurship is Espoo.

The city of Espoo is regarded as one of the high-tech hot-spots of Europe. The city benefits from strong innovative roots deeply linked with the history of Aalto University of Technology and the presence of the headquarters of large companies such as Nokia and OUTOTEC Corporation.

The crisis of Nokia brought new opportunities in Espoo. The city of Espoo along with the national government, Nokia and education providers have therefore developed collaborative strategies to ease Nokia's strain and to turn it into Finland's gain.



Despite the Nokia crisis, the city of Espoo managed to preserve its technology-driven prosperity. Over the past 10 years the vibrant start-up community in Espoo has been extremely active and highly contributed to the digital transformation process of local traditional companies.

Key initiatives

From a Nokia dependency ...

Nokia played a major role in the digital economy of Espoo. In its glory days, the Finnish multinational ICT-company employed more than 23,000 workers in Finland. Over the past decade, the series of layoffs at Nokia and the acquisition of Nokia's mobile phone business by Microsoft have left the city of Espoo with a surplus of tech workers. Out of the approximately 100,000 ICT-workers in Finland, about 14,000 ICT professionals (14%) have been affected by the mass layoffs with a large majority of Espoo residents.

In 2011, Nokia launched the "Bridge programme" which aimed to provide new career opportunities to its laid-off employees. The Bridge programme led to the creation of about 1,000 business start-ups by former Nokia workers who benefitted from the entrepreneurship programs and the investments made by Nokia to (re)train its former labour force.

The engagement of the city of Espoo was reflected by the creation of the "Task force for the structural change in the Metropolitan area". This network-based collaboration model gathered companies, educational institutions and career planning services.

The aim of this collaborative action was to survey the skill and recruitment requirements of companies in the metropolitan area in order to provide advices and trainings to Nokia's laid off

employees on how to meet those requirements. The success of the initiative is illustrated by the high number of former Nokia employees who found new career paths and employment opportunities thanks to the program.

... to a vibrant local ecosystem

Foreign tech companies struggling to find highly skilled developers and engineers moved to Espoo to benefit from the skills of Nokia employees who had been made redundant. Leading global companies such as Google, Microsoft and most recently the Chinese tech company Huawei and the Russian Yandex have engaged direct investments in Finland.

The abundance of tech workers in the city also spurred an innovation and entrepreneurship spirit which has the capacity to culminate in an unparalleled burst of digital transformation in Espoo.

As a result an increasing number of traditional businesses in Espoo are engaging in a digital transformation process. This digital shift of part of the traditional businesses in Espoo completely rejuvenated the local economic fabric.

The city of Espoo is increasingly involving local tech companies and students to develop innovative digital solutions to tackle local societal or environmental challenges.

The phenomenal success of Nokia and the rapidity of its decline act as powerful reminders of the negative impacts and knock-on effects likely to result from a digital disruption.

The Nokia case and the new opportunities which resulted from the generation of a surplus of highly skilled ICT professionals serves as a prime evidence of the benefits arising from creation of a digital ecosystem in Espoo.

The Startup Sauna, a student operated accelerator

The Startup Sauna located at the Aalto University campus in Otaniemi is a prime evidence of the engagement of students in the digital transformation process of local businesses. The accelerator is totally operated by students and was awarded the prize of best accelerator run by students of the world in 2014.

University students benefits from the support from coaches who represent some of the most successful serial entrepreneurs, investors and industry experts in Finland. The creation of this accelerator not only acts as a prime evidence of the commitment of students in the digital ecosystem but it is also a guarantee of the continuity of the digital transformation process by future generations.

