

# Nokia Business Case

# What are Nokia's concerns

Internal conflicts

The management don't approve smartphone manufacturing

The management are financial experts, not visionaries (like Steve Jobs)

Nokia's management believed they could handle any crisis.

# Suggestions for improvement

- **Do nothing** - Keep produce the old school phones
- **Sony Erica** - Start a collaboration with Sony Ericsson to develop smartphones
- **iPhonokia** - Start a collaboration with Apple to develop smartphones
- **Nokia Mega Game** - Abandon mobile manufacturing and become a game developers
- **Nokia Android Smartphone** - Reorganize and develop smartphone with android OS

# Do nothing

Nokia has all the assets, both material and knowledge-wise, to produce feature phones

Nokia will not be able to compete with innovative phone manufacturers. Customers simply don't want those old school phones anymore.

With the iPhone coming onto the market, Nokia's feature phones will be phased out heavily.

It is not feasible as the company invests large assets that do not return anything. Thus, Nokia loses a large share of its customers and financial status.

# Sony Erica - A collaboration with Sony Ericsson

Nokia and Ericsson are both Nordic companies, Sony belongs to Japan. All these 3 countries are quite similar in their culture.

Sony Ericsson could influence Nokia in a positive way through both product-wise and socially.

But Sony Ericsson, unlike Nokia, was a small company and might not have enough say to lead to positive change in Nokia.

Uncertain if Nokia want a collaboration because they are a large and independent company.



# iPhonokia - A collaboration with Apple

The positive aspect of a collaboration is Nokia's large circle of loyal customers together with Apple's developed products. That would be optimal.

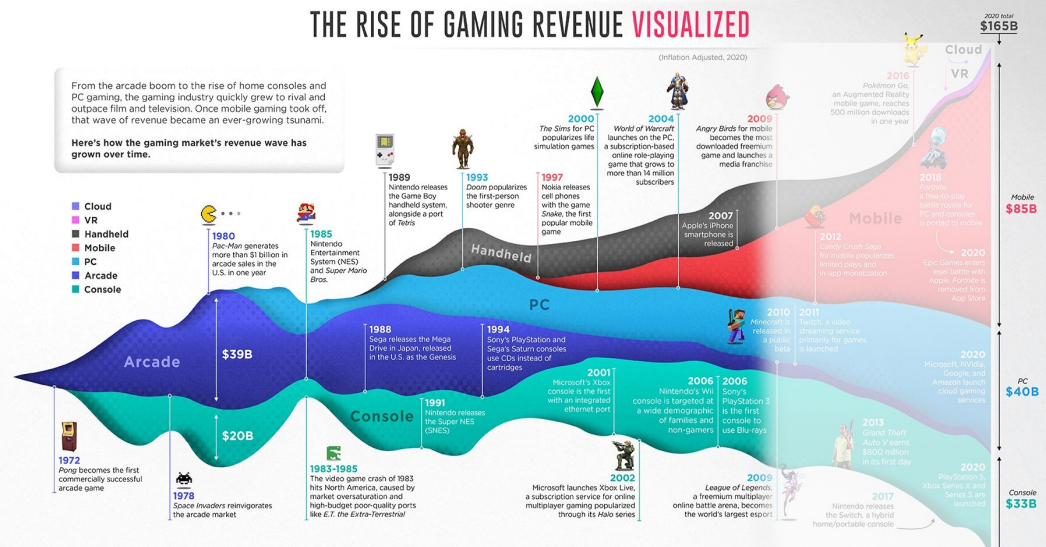
But realistically it would never work as Nokia and Apple are not compatible for a collaboration as they have completely different corporate culture and morals and in which direction the products should be further developed.

Also, Apple is so far ahead in development. Even then, Nokia may see themselves as superior and doesn't want to cooperate with Apple, Apple probably thinks the same way.

# NOKIA MEGA GAME

The game industry is a growing market where consoles and games for PC but especially mobile games are a product in demand. The future looks promising.

In the diagram shows a growing trend in the gaming industry. We can see that there is a general increase of the gaming industry but especially in mobile games (red area).



# Nokia Mega Game

However, it is doubtful whether Nokia's management would agree to such a major reorganization.

The change that would entail is extensive and if the management does not even want to take the step further and develop their smartphone prototypes, there is very little chance of considering an even more drastic idea such as moving into the gaming industry.



# Nokia Android Smartphone

In order to continue to be the world's leading mobile phone manufacturer, Nokia must review its strategies when it comes to the internal climate and the development of products.

In order to compete with innovative companies such as Apple and Samsung, which both go all in for modern design and technology, Nokia cannot fall behind.

With Android, Nokia can offer services like google maps, youtube, HTML browser, including apps. Symbian is perceived as outdated.

Many of the phones sold in 2007 were of the Nokia model, many of these buyers would probably consider it a natural process and an obvious upgrade to switch to the Nokia Android Smartphone.

# Nokia Android Smartphone

Nokia has good technical knowledge with skilled and knowledgeable experts in software and hardware.

Nokia also had a good economy in 2007 and was the leading company in mobile manufacturing, thus they also have financial opportunities to design a smartphone.

Only 10% of all mobile phones sold were smartphones in 2007, 1.39 million units were sold but the following year Apple's smartphone sold 11.63 million. That's an increase of about 740%.

# Nokia Android Smartphone

Nokia already has prototypes for smartphones. But the management does not want to approve them for further development and manufacturing.

If Nokia changes its strategies and values now, then they will catch up with the developments of other companies. They will then be able to compete with other mobile phone manufacturers.

If they choose to develop android smartphones, Nokia will most likely continue to be the leading company in the industry.



Unreleased Nokia ataya 3 with Android OS from 2008

# Conclusion

After considering various solutions, I have come to the conclusion that the best answer would be if management decided to manufacture smartphones with the Android operating system.

What we need is a “go-ahead” from management because smartphones are the technology of the future.

If such an effort is to be made, Nokia must reorganize the business so that internal conflicts are resolved. Cohesion is extremely important and Nokia must work together as a big team to achieve the result they want.

# Conclusion

It is a bold decision to make but in an age of technological change only the innovative and daring will stand a chance in the market. Mobile phone developers who will soon switch to Android are HTC, LG, Motorola, Samsung, T-mobile and Sony Ericsson and we cannot miss that trend.

Because in such a drastic change in mobile phone business history, manufacturers who do not take bold risks will perish.

