**Innovation Assignment**

**Summary of Nokia Current Business Model**

Nokia is a global broadcasting and technology firm. Nokia was founded in 1865 in Finland. Initially, it was a pulp mill, but in due course shifted its focus to broadcasting and technology (Nokia., 2021). Currently, Nokia operates in four primary business areas; networks, technology, digital health, and branded licensing. Nokia Networks provides mobile and fixed network solutions for telecom operators as well as enterprises. This includes radio access network solutions, core networks and services, cloud core, cloud radio access networks, customer experience management, and network planning, optimization, and security (Nokia., 2021).

Nokia Technologies provides both consumer and industrial products. It is a research and development company that focuses on digital health, virtual reality, and digital media products and services. Nokia Technologies also provides software, services, and solutions to protect the digital rights of companies and content owners. Nokia Digital Health provides digital health products and services, such as its Witlings digital health products. It also provides digital health services, such as health coaching, health monitoring, and health data analytics. Nokia Brand Licensing provides branded products and services to consumers. This includes Nokia-branded mobile phones, wearables, accessories, and related services.

**Why changes to Nokia business model are necessary**

Nokia is a technology giant that has been operating in the market since 1865. The company was initially a paper mill, but over the years it has evolved and diversified its operations to become one of the largest mobile phone manufacturers in the world (PwC., 2020). Nokia is well known for its innovation and has released several new products and services in the past including the iconic Nokia 3310, the N-Gage gaming console, and the Ovi store. However, in recent years, Nokia has struggled to keep up with the pace of technological change and has seen its market share steadily decline (NPD Group., 2020). This is mainly due to the increasing popularity of Apple and Android devices, which have been able to offer more innovative and appealing products than Nokia. As a result, Nokia has seen its profits and market share steadily decline over the last decade.

In order to address this issue, Nokia needs to make changes to its business model in order to promote innovation and remain competitive in the market. This can be achieved by focusing on the following areas:

1. Research and development: Nokia needs to invest more heavily in research and development in order to create innovative products and services. This can involve investing in new technologies, investing in new software, and hiring experts in the fields of artificial intelligence, machine learning, and virtual reality.

2. Strategic partnerships: Nokia should look to form strategic partnerships with other companies in order to access new technologies and ideas. This can involve forming alliances with other technology companies in order to share resources and expertise, as well as forming partnerships with other industries such as fashion and entertainment in order to create products that appeal to a wider audience.

3. Product innovation: Nokia needs to focus on creating products that are innovative and appeal to customers. This can involve introducing new features to existing products, creating entirely new product categories, and offering products at different price points.

4. Re-organization of business processes: Nokia needs to re-organize its business processes in order to better promote innovation. This can involve streamlining processes and eliminating unnecessary steps. It can also involve introducing new processes and systems that are more flexible and facilitate faster decision-making.

5. Adaptation to changing markets: Nokia needs to be adaptable to the changing needs of the market. This can involve responding quickly to consumer trends and adapting products and services to better meet customer needs. This can also involve introducing new products and services that address emerging markets and consumer needs.

Nokia must also focus on creating a culture of innovation within the company. This can involve encouraging employees to be creative and take risks, and providing a platform for employees to share ideas and collaborate on projects. It can also involve providing incentives and rewards for creative thinking and innovation (Nokia., n.d.). By making changes to its business model and focus on innovation, Nokia can remain competitive in the market and ensure its long-term success. It is essential that Nokia takes the necessary steps to promote innovation and remain ahead of the competition. These changes will require significant investment and a shift in strategy, but the long-term benefits will be worth the effort. Nokia will be better positioned to create, deliver, and capture value, which will ultimately lead to increased profits and market share.

**Recommended changes to Nokia’s Business model**

The ‘Business Model Canvas’ is a strategic management and entrepreneurial tool that helps businesses to develop, design, and analyze new business models. It is a visual chart that maps out a company’s value propositions, activities, customer segments, customer relationships, resources, channels, and revenue streams. By understanding and utilizing this framework, a company can create, deliver, and capture value in new ways.

Nokia’s current business model is largely focused on the production and sale of mobile phones and other related consumer electronics. In order to become more innovative and create new value, the company should consider making changes to the following components of their business model:

**Customer Segments**: Nokia should explore the potential to expand their customer base by developing products that are tailored to specific customer needs. For example, the company could create a range of mobile phones that are designed to meet the needs of specific market segments, such as elderly people, children, or people with disabilities. By focusing on specific customer segments, Nokia can create tailored products that will address the needs of these customers and provide a valuable service.

**Value Propositions**: Nokia should consider developing and offering new value propositions to their customers. This could include offering a range of services such as mobile device insurance, warranty services, customer support, or other value-added services. This will allow the company to create additional value for their customers, while also generating additional revenue.

**Customer Relationships:** Nokia should focus on developing strong relationships with their customers. This could include offering personalized customer service, as well as providing customers with access to online customer support. Additionally, the company should also look to develop customer loyalty programmers that reward customers for their loyalty and encourage them to purchase more products.

**Channels:** Nokia should consider a range of different channels for marketing and selling their products. This could include online stores, physical retail stores, or even through third-party retailers. Additionally, the company should look to develop partnerships with other companies to reach new customers, such as mobile network operators or other consumer electronics retailers.

**Revenue Streams:** Nokia should look to develop multiple revenue streams, such as subscription-based services, or revenue generated from advertising. Additionally, the company should explore the potential to enter new markets and develop new products that can generate additional revenue.

**Resources:** Nokia should focus on developing and utilizing the resources that it has at its disposal. This could include developing their own technology and research and development capabilities, as well as utilizing the expertise of their employees. Additionally, the company should look to utilize external resources, such as outsourcing services, to gain access to new skills and technologies.

By making changes to their business model, Nokia will be able to create, deliver, and capture value in new ways. This will allow the company to become more innovative and competitive, while also allowing them to reach new customers and generate additional revenue streams.

**Justification of the recommended changes**

The need for Nokia to innovate and create new value within their business model is essential for the company to remain competitive in the market. According to (Saad & Al-Fahad, 2017), “innovation is the key to business success in today’s dynamic, high-tech business environment”. By making changes to their business model, Nokia can create new opportunities for growth and innovation.

The mobile phone market is highly competitive, with many different companies offering similar products. Nokia should focus on creating unique value propositions that set them apart from their competitors. For example, the company could focus on developing innovative products that cater to specific customer needs, such as elderly people, children, or people with disabilities. Additionally, Nokia should focus on creating strong customer relationships by offering personalized customer service, as well as loyalty programmers and rewards for customers.

Nokia should also focus on developing new revenue streams. According to (Deloitte., 2018), “companies are increasingly looking for new ways to generate revenue beyond their traditional sources, such as subscription-based services, advertising, and new markets”. By developing new revenue streams, Nokia can gain access to new markets and create additional sources of income.

In addition to creating new value propositions, Nokia should also focus on utilizing the resources at its disposal. This includes developing their own research and development capabilities, as well as utilizing the expertise of their employees. Additionally, the company should look to utilize external resources, such as outsourcing services, to gain access to new skills and technologies.

Nokia should also focus on developing multiple channels for marketing and selling their products. This could include online stores, physical retail stores, or even through third-party retailers. Additionally, the company should look to develop partnerships with other companies to reach new customers, such as mobile network operators or other consumer electronics retailers. By utilizing these channels, Nokia can gain access to new customers and generate additional revenue.

Generally, Nokia should focus on making changes to their business model in order to create, deliver, and capture value in new ways. By focusing on creating unique value propositions, developing strong customer relationships, utilizing resources, and developing multiple channels for marketing and selling their products, Nokia can become more innovative and competitive in the market.

**Executive Summary**

Nokia is a technology giant that has been operating in the market since 1865. Over the years, the company has evolved and diversified its operations to become one of the largest mobile phone manufacturers in the world. However, in recent years, Nokia has struggled to keep up with the pace of technological change and has seen its market share steadily decline. In order to address this issue and remain competitive, Nokia needs to make changes to its business model in order to promote innovation and remain competitive in the market.

The ‘Business Model Canvas’ is a strategic management and entrepreneurial tool that helps businesses to develop, design, and analyze new business models. By making changes to their business model, Nokia can create, deliver, and capture value in new ways. This includes focusing on developing unique value propositions that set them apart from their competitors, creating strong customer relationships, utilizing resources, and developing multiple channels for marketing and selling their products.

Generally, Nokia should focus on making changes to their business model in order to create, deliver, and capture value in new ways. By focusing on creating unique value propositions, developing strong customer relationships, utilizing resources, and developing multiple channels for marketing and selling their products, Nokia can become more innovative and competitive in the market. This will allow the company to create additional value for their customers, while also generating additional revenue.

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**Appendix**

**What did you do? (Description)**

For this assignment, I conducted research on Nokia’s current business model, identified areas for improvement, and recommended changes to the business model to promote innovation and remain competitive in the market. I used the ‘Business Model Canvas’ as a framework to identify and analyze the components of Nokia’s business model, and provided recommendations for changes to each component.

**How did you do it? (In answering this question analyze the process that you undertook, e.g. how did you allocate time, allocate roles, priorities the work, analyze the data obtained, organize and write the report?)**

In order to complete this assignment, I adopted an iterative process. This began by researching the current business model of Nokia and understanding the current challenges that the company is facing. This allowed me to gain an understanding of the current situation and identify areas where changes could be made in order to promote innovation.

I then developed a ‘Business Model Canvas’ and identified the components of the business model that needed to be changed. This involved researching potential changes to the customer segments, value propositions, customer relationships, channels, resources, and revenue streams. This allowed me to develop a comprehensive understanding of the changes that could be made to the business model to promote innovation.

After identifying the potential changes, I then wrote a report outlining the recommended changes to Nokia’s business model. This included providing a justification for the recommended changes and offering advice on how to implement them. I ensured that the report was clear and concise, and that the recommendations were both practical and achievable. Lastly, I conducted a critical assessment of my work. This involved reflecting on my research, the process I undertook, and any challenges that I faced. This allowed me to gain an understanding of the strengths and weaknesses of my work, and identify areas for improvement.

**How well did you do? (Evaluate how your group performed, e.g. how long did the assignment take? Were there any critical incidents? Etc.)**

Generally, I believe my group performed well on this assignment. We had a clear set of objectives and worked together to achieve them. We divided up tasks based on each member’s strengths and worked collaboratively to ensure that the assignment was completed in a timely manner. We kept track of our progress and communicated regularly, which helped to ensure that the assignment was completed on time and to a high standard. We also used a variety of tools and resources to ensure that we had access to the most up-to-date information.

**Identify the skills that you have used to complete this assignment and identify any new skills that you have started to develop during the assignment.**

For this assignment, we were able to utilize my research skills to gather and analyze information from various sources. Additionally, we were able to apply my critical thinking skills to evaluate the data and synthesize it into a cohesive report. We were also able to use our communication skills to effectively convey the information in a clear and concise manner. Lastly, we were able to utilize my writing skills to organize the information into a well-structured report.

In addition to the skills that we already had, we were able to start to develop new skills during this assignment. We were able to develop my skills in using the ‘Business Model Canvas’, which is a strategic management and entrepreneurial tool. We were also able to develop my problem-solving skills by identifying the issues that Nokia is facing and proposing solutions to address them. This assignment also enabled me to develop my understanding of the mobile phone market, as well as the strategies that companies can use to remain competitive.

**How did the process of completing the assignment enhance these skills?**

Completing this assignment enhanced our existing skills by allowing us to apply them in a practical way. For example, we were able to apply our research skills to gather and analyze data from various sources, which enabled us to form an informed opinion on the issues facing Nokia. Additionally, we were able to use our critical thinking skills to evaluate the data and come up with solutions to address the issues. Our writing skills were also enhanced as we were able to organize the information into a well-structured report.

Completing this assignment also enabled us to develop new skills. We were able to develop our understanding of the ‘Business Model Canvas’ and how it can be used to develop new business models. We were also able to develop my problem-solving skills by identifying the issues that Nokia is facing and proposing solutions to address them. This assignment also enabled us to develop my understanding of the mobile phone market and the strategies that companies can use to remain competitive.

**If you were to undertake a similar group assignment at a future date, what improvements would you make?**

If we were to undertake a similar group assignment in the future, we would make sure to plan and organize our work more thoroughly. We would also ensure that we are communicating effectively among teammates and that we are all on the same page in terms of our goals and objectives. Additionally, we would make sure to take the time to review and revise my work and ensure that it is of a high standard. Lastly, we would make sure to allow sufficient time to complete the assignment and ensure that we are meeting all of the deadlines.