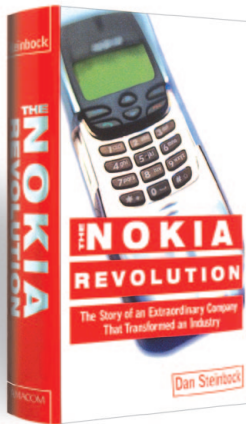


SOUNDVIEW Executive Book Summaries®



By Dan Steinbock

Success Factors of an Extraordinary Company

THE NOKIA REVOLUTION

THE SUMMARY IN BRIEF

In its transformation from a small pulp mill in Finland to the leading worldwide force in cellular and mobile information technology, the Nokia Corp. has irrefutably redefined the term “evolution” in the context of global business.

In *The Nokia Revolution*, Dan Steinbock traces, with pinpoint detail, the steps Nokia took to gain and maintain its position at the head of such a rapidly changing technology field, as well as the occasional misstep that helped the company learn important lessons and come back stronger. Among the things that have made Nokia special are the following:

- **Strategic Intent.** As it moved into increasingly deregulated markets, Nokia faced a bevy of new challenges and competitive shifts, all of which it tackled by fearlessly addressing new opportunities outside its organization and a new process focus within its organization.

- **Global Focus.** Nokia’s propensity for thriving in times of upheaval served it well in the cellular industry, where the company was forced to set global objectives or fall behind its competitors.

- **Strategic Market-Making.** By considering both unique competencies and market-based industry segments, Nokia’s executive board hit upon a strategy that has served it well in a dynamic environment.

- **Focus on People.** Nokia treats human resource management issues with the same focus as it has tackled more strategic business issues. In doing so, the company has defined the key values and key challenges for its “Nokians” to address in the short- and long-term.

- **Global R&D.** At Nokia, research and development apply across the entire value chain, rather than simply in more technical sectors of the company, enabling the company to strike a necessary balance between technological factors of its business (upstream processes) and more people- or service-related factors (downstream processes).

Are you ready to learn how Nokia does it? Turn the page and get started ...



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THE NOKIA REVOLUTION

by Dan Steinbock

— THE COMPLETE SUMMARY

PART I: GLOBAL FOCUS STRATEGY

Strategic Intent: New Customers, New Rules

In the 1980s and 1990s, mobile communications markets were changing dramatically, and Nokia found itself having to change its structure and strategies in order to keep up. The company's leadership knew it had to transform its organization, developing new capabilities, building new strategic advantages on those capabilities, and globalizing its efforts. Nokia's customer focus — always a strong point — would need to become even stronger.

In this period, Nokia's customer base moved from the traditional, state-owned and regulated Postal, Telegraph and Telephone (PTT) customers to deregulated markets. As a result, it found lots of old rules changing.

- **Regulations.** Customers that were once driven by compliance to regulation were now free of those regulations; private sector customers replaced government-owned and -operated businesses as Nokia's chief customers and target audiences.

- **Orders.** Nokia could previously count on orders for a particular product line; as the market changed, customers demanded more integrated turnkey solutions on common platforms.

- **Work force.** In the past, the typical work force was technically driven. When the market shifted, so did the work force's specialties — away from strictly technical expertise, toward more business- and marketing-driven work.

- **Business cycles.** Prior to the change in the market, Nokia could rely on highly predictable order and delivery cycles. When the rules changed, so did those cycles, which became increasingly less predictable.

- **Competitive pressures.** Whereas Nokia's chief competition was national in nature before the mobile communications market changed, the market shift saw Nokia and its competitors forced to go global, to keep up with one another. The steady evolution of product prices and price structures eroded rapidly in this period, while delivery times grew increasingly faster. Service also became a key competitive issue; customers demanded higher levels of service than ever before, forcing Nokia and its competitors to comply or step aside.

Nokia addressed competitive shifts by fearlessly jumping into new opportunities as deregulation spread across Europe, enabling the company to establish strong footholds in the United Kingdom and Germany, among other newly open markets. By the late 1990s, Nokia was known for its ability to listen and respond to market developments in a rapid, efficient and flexible manner; the company was more agile and entrepreneurial than many of its large competitors — a trait not lost on customers looking for a flexible, responsive mobile communications vendor.

The Price of Success

Nokia's success caused its share of problems. By May 1996, the company experienced staggering drops in profit (a 70 percent decline in the first quarter) and operating profit (a 62 percent decline), which stemmed, in large part, from several years of hyper-growth and its accompanying logistics challenges:

- **Newer, larger work force.** In 1995 alone, Nokia added 7,000 employees to its work force to meet customer demand for its phones in Europe and Asia.

- **Productivity.** Problems with suppliers and delivery of components caused the company's productivity level to tail off considerably, from 15 percent to 3 percent.

- **A stagnant American market.** The market for digital handsets in the United States did not grow as expected, due to regulatory delays.

- **Cheap analog.** Analog phone manufacturers cut prices as much as 50 percent in this period, as the move to digital technology in many countries was hung up in regulations.

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The author: Dan Steinbock is an affiliate researcher at the Columbia Business School Institute for TeleInformation (CITI), and a visiting virtual professor at the Helsinki School of Economics and Business Administration. Steinbock is the author of *The Birth of Internet Marketing Communications* and *Triumph and Erosion in the American Media and Entertainment Industries*.

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Strategic Intent: New Customers, New Rules

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Despite understandable market anxiety, Nokia held firm to its focus strategy, even in the midst of its logistics problems, which the company understood, correctly, to have stemmed from its reorganization just prior to the market shift. The company's leadership knew it had to not only catch up and adapt to its external environment, it also had to upgrade and innovate its IT strategies, then align those strategies with a new strategic direction. ■

A Process-Driven Organization

The origins of Nokia's recovery and market superiority can be traced to 1992, when Mikko Kosonen, the company's vice president of corporate planning, launched an IT strategy study that helped move Nokia toward process-based management. The study identified two core business processes common to all businesses at Nokia Telecommunications: product development (R&D) and customer commitment (order fulfillment). This realization led to the institution of a new account management structure that would serve as an interface between all the company's divisions and their customers, rather than between the customer and a single product line, as had been the case in the past.

The goal of the study was to increase Nokia's customer orientation, looking at its businesses from the customer's perspective, leading to new performance measures that focused on customer value. Such a focus also benefited the company's efforts at innovation, which had always flowed through the entire value chain, rather than being strictly the responsibility of a product development or R&D arm.

Two Types of Operational Processes

By the mid-1990s, Nokia's operational processes could be divided into two broad types:

- **Business processes.** Processes associated with the physical or virtual creation of the product, its sale and transfer to the buyer, and post-sale servicing. In practice, they can be divided into upstream and downstream processes.

- **Corporate processes.** Processes that reinforce business activities by providing purchased inputs, technology development, human resources management and a variety of company-wide functions. In practice, these processes can be seen in management, performance measurement and control, HR management, and R&D activities.

Nokia put these processes into action in its process chain by firming up its commitment to partners, channels, suppliers and buyers, creating long-standing relationships through a commitment to customers. The next

Strategic Intent and Senior Management

In its attempts to move from old-style strategic planning to new management and strategic methods, Nokia's leadership recognized that simple cost-cutting measures were not enough to compensate for past excesses — the company simply had to develop future-driven strategies. Nokia needed strategic intent that would motivate every employee, not strategic memos drafted at headquarters for the investment community. Nokia's then-current capabilities and resources would not accomplish this.

In addition to restructuring efforts designed to cut costs, Nokia focused on three key themes in its strategic intent for future competition — globalization, strategy and structure, and volatile environments. These phases involved competing for intellectual leadership, shaping and shortening migration paths between current and future markets and industry structures, and competing for market power and position as new opportunities helped form new industry structures.

As part of developing a strategic intent, Nokia's leadership had to create a sense of urgency in a management environment that was, at best, skeptical. Titles were not important — teamwork was. Nokia challenged its managers to rely less on actual resources, concentrating instead on building resourcefulness, just as it had to exploit the pace at which new competitive advantages had to be built to deter rivals. Japanese companies in the 1970s and 1980s were able to create new global brand franchises in this manner; Nokia was eager to follow their example.

step was to turn the company into an industry giant. ■

Global Focus: Nokia Targets Niche Markets

In global competition, short product life cycles forced companies to emphasize innovation, as well as to recognize new opportunities and exploit them with better timing. Because of high R&D costs, however, economies of scale were critical.

Nokia's leadership recognized that in this new environment, the ability to segment markets and target niche segments within those markets was a key success factor.

As Nokia saw a niche opportunity, it tailored its strategy to the narrow segment. Since the company was faster, more flexible and more responsive than its larger

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Global Focus: Nokia Targets Niche Markets

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competitors, it could use its niche to gain access to the entire market. In the course of this competitive effort, Nokia moved from low-end to high-end markets; while it kept many of its defense and government contracts, it also targeted customers around the globe as its cellular products got smaller and more popular.

How to Lead Globally

For Nokia's leadership, global growth strategies for companies in its high-technology markets encompassed several critical determinants, each of which precipitated Nokia's success in global wireless markets:

- **Set global objectives and enter lead market early.** Fast-growing challengers establish global orientation and objectives prior to the start of a high growth phase; they enter lead markets during the earliest phases of their evolution.
- **Exploit industry shifts.** Global challengers exploit first-mover advantage, optimizing industry shifts and achieving fast-paced growth.
- **Develop global products.** Global challengers must develop innovative, high-quality products and achieve rapid geographic spread for those products.
- **Build selective, functional foreign investments.** Global challengers must accumulate selective foreign assets and closely spaced investments, in order to sustain their competitive strategies.
- **Nurture global coordination and learning.** Global challengers must nurture global coordination and increase learning, distributing skills and developing global functional networks and a global mindset. ■

Strategic Market-Making

By 1999, Nokia was comprised of three core business groups — Nokia Networks, Nokia Mobile Phones and Nokia Communications Products — as well as a corporate research unit (Nokia Research Center, or NRC). While the company was well on its way to pioneering the mobile digital economy, its segment of “other operations” (most of which were contained within the Communications Products group) experienced a substantial operating loss that year. As a result, Nokia's leadership recognized that, to compete in rapidly expanding markets (such as the multimedia-enabled third-generation systems, or 3G, market), it would have to build new capabilities from scratch and prepare once again for organizational transition.

The company founded Nokia Ventures Organization (NVO), a five-part entity whose goals were to push the limits of Nokia's growth beyond the scope of its current

Rising Tigers, Falling Dragons

Nokia's global strategies in the mid-1990s were shaped mostly by the global business paradigm of strategist and consultant Jean-Pierre Jeannet. Jeannet noted that, in changing environmental circumstances, old-style vertical giants (or “dragons,” in Jeannet's parlance) had been descending, while new-style horizontal players (“horizontal tigers”) had been ascending. The horizontal tigers would dictate the future, he wrote, because companies would have to carefully pick the businesses they want to globalize — thus the shift from broad-based, unfocused businesses to niche companies focused on the global imperative.

businesses and to introduce and develop new business ideas. The NVO consisted of Internet and home communications entities, a mobile display appliances entity, and two venturing units — each reflecting the convergence of wide-area mobile communications and local-area computing, creating innovative types of high-speed mobile multimedia services.

Nokia also leveraged strategic leadership through its “collective mind” — its executive board, creating a flat yet potent organizational structure that has served the company well in the fast moving environments in which Nokia has so remarkably excelled. In the year 2000, the board consisted of chairman Jorma Ollila and eight chief executives, representing key strategic points throughout the company. Because the board members each bring something unique to the table, the entity as a collective is able to refine Nokia's corporate strategy on a continuous basis.

As Ollila and the board gained more experience in the industry and began to ponder the transition from traditional cellular businesses to the mobile Internet, Nokia's leadership aimed to create a “new management paradigm,” designed to cope with developments and challenges in the dynamic markets into which the company was stretching. The paradigm combined two major schools of thought in strategic management:

The first school of thought was the resource-based view, which focused on unique competencies. Companies that bought into this view competed by maximal leverage of the competencies in current and/or future market spaces. The problems Nokia saw in focusing on this view alone were that it was too slow, too driven by past performance, and too focused on history.

The second school of thought was the market-based view, which focused on the most attractive industry seg-

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Strategic Market-Making

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ments. Companies using this view compete by differentiation, low cost or focus.

Taken separately, neither view could meet the full range of Nokia's needs; when employed as a combination — as part of the company's market-making strategies — Nokia's leadership found a paradigm that could tackle head-on the new management challenges faced by global companies in fast-changing markets. The approach would allow the company to focus on both foresight and execution, and to compete by timing and speed — essential aspects for Nokia, which wanted to lead in rapidly evolving mobile cellular markets. ■

“Nokians” and Human Resource Management

Nokia's strategic intent would never have succeeded without its people; thus, the company has treated human resource management (HRM) issues as strategic issues, with the same focus it has used to tackle globalization and innovation. At Nokia, HRM encompasses value activities such as recruiting, hiring, training, development and compensation; it also supports business and corporate processes and the entire value chain. While the company struggled at first with inconsistencies arising from the dispersion of HRM activities throughout the company, it joined its internal forces in the effort to maintain four key values:

1. **A drive to achieve customer satisfaction**
2. **Respect for the individual**
3. **Willingness to achieve and belief in continuous learning**
4. **Encouraging sharing (information and respon-**

sibility) and openness (to each other and to new ideas)

Nokia believes that the combined competencies of the whole organization, its operational mode, and efficient processes, serve as the foundation for future success and growth. This manifests itself in many ways: daily work is often carried out in cross-functional teams; social interaction skills are stalwart course materials in the Nokia Learning Centers; feedback is solicited from employees, and is acted upon.

Nokia also engaged its “Nokians” to identify critical challenges for companies operating in a rapid-growth environment, challenges that hold particular importance for Nokia. The challenges they identified were as follows:

- **Create organizational conditions for rapid growth.** Nokia must maintain its entrepreneurial spirit, creating an organizational structure that enables the expansion and increased number of employees that growth requires without slowing or stifling core processes.
- **Don't recruit — marinate.** Recruiting criteria should be kept clear. Employees must be aligned quickly with the processes and values of the company and must be able to deal with the kinds of unpredictability and uncertainty that accompany rapid growth. This alignment should be forged by team training at the beginning and end of orientation — a “marinating” that eliminates the boundaries between “work” and “learning.”
- **Reinforce humility.** The history of the cellular industry is one of cyclical successes and failures. As companies boost their capabilities, it is easy for rigidity and, eventually, arrogance, to slip into the organization's operations, rendering it vulnerable to quicker, more innovative, less arrogant competitors. Nokians are trained to recognize external changes and respond rapidly to them; they are also trained to respect humility rather than arrogance. ■

PART II: TOWARD THE MOBILE INFORMATION SOCIETY

Nokia's Global R&D

In most companies, research and development (R&D) encompasses a range of activities, reflecting efforts to improve products and processes. At Nokia, R&D applies across the entire value chain, rather than just the traditional engineering department, influencing both the upstream (operations, logistics, new product development) and downstream (marketing, sales, service) processes in unique and strategic ways.

Nokia's R&D activities increased steadily throughout the 1990s, even as the national innovation system in the company's home country of Finland also increased (up to 3 percent of GDP by 1998); indeed, it can be said that the growth of Finnish R&D was, for all practical purposes,

driven by the expansion of Nokia. Nokia's innovation strategies integrated R&D into the entire corporate structure, across business units and particularly at the NRC, where its many innovation-related activities embodied the entrepreneurial spirit of a small organization expanding to meet the needs of the global environment.

Nokia often spends less on R&D than its rivals. At the height of its focus on cellular technologies, Nokia spent between four to seven percent of its revenues on R&D, far behind the 16 percent investment made by close competitor Ericsson by the end of the 1990s. What Nokia's R&D efforts lack in comparative funding, they compensate for in efficiencies in leveraging and exploit-

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Nokia's Global R&D

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ing new knowledge. The company's R&D strategy was to develop generic platforms that could be quickly adapted to different standards. Nokia also chose to focus on software development, the primary value-added component in a handset. This allowed Nokia to concentrate its R&D on high-margin, high-quality products, while selling older models to the low-end market.

Nokia's global network of R&D outposts also distinguishes it from many of its competitors. Whereas in the past, many industry leaders have located their R&D activities in their home base, close to where strategic decisions are made, by the end of the 1990s, many established R&D networks were housed in foreign countries, to tap valuable wells of knowledge and/or address needs specific to that market. Nokia is no different although, considering the successes for which their network has been responsible, the company has not released information on the location or on its key R&D programs, due to competitive interests.

When selecting new R&D sites, contemporary global companies tend to find it helpful to carefully articulate the primary objective of each site. While Nokia's R&D expenditures have been dwarfed by competitors like Ericsson, its successes have come because each site has developed objectives based on a radical approach, one that relied on three central tenets:

- **Focus on applied science.** Throughout the 1990s, Nokia's R&D became increasingly focused, practical, and applied, and continued to be extended globally through networked research communities and intensified collaboration.

- **Diverse base of suppliers and partners.** The importance Nokia placed on platforms triggered a wide array of technology and standards coalitions, mirroring an industry-wide push toward using an increasingly diverse base of suppliers and partners to foster innovation.

- **Tightly knit teams.** Industry leaders often form tightly knit teams of experts to develop new generations of major products and processes, teams that provide a knowledge center and continuity over several generations of products. At Nokia, the significance of the executive board, as well as key product process and customer commitment teams, has been extraordinary.

The team aspect of Nokia's R&D efforts are of particular interest. The common denominator of Nokia's R&D stems from concurrent engineering efforts in which product development, sales, and production units act in cooperation, from the beginning of a project to its conclusion. For example, when product development begins, so does marketing planning; sales is also involved, explaining how features might be embedded

in a product, to make it easier for customers to use.

While these different business units might approach R&D from different angles, the R&D process chain itself consists of three phases:

1. **Research and technologies** (the initial generic development level).

2. **Technology and platforms** (defining goals and looking beyond immediate product development).

3. **Concurrent engineering** (focusing advanced product development on creating products that fulfill customer needs. This approach is intended to cause developers, from the outset, to consider all elements of the product life cycle, from conception through disposal). ■

Upstream Innovation

With a process chain that was designed to satisfy existing and potential customer needs, Nokia has been active in both upstream and downstream innovation. Its upstream efforts have been focused not on technology innovation (which has been more prominent for competitors like Ericsson and Motorola), but in the building of new capabilities and the leveraging of strategic standards coalitions.

Building New Capabilities

Nokia's approach to creating and sustaining its vision of the mobile information society has always followed a single motto — "Look at the next challenge." For example, the company's efforts to develop a portable machine that could utilize Internet and computer technologies (first seen in the Nokia Communicator in 1996) stemmed from Nokia's ability to build new capabilities by doing three key things: managing development capabilities, moving from development to product usage, and fostering growth opportunities that emanated from those efforts.

In the turbulent cellular environment, superior management of development capabilities was Nokia's key to competitive advantage. Development projects in most companies tend to fall into one of five categories:

- **Applied research or advanced development projects.** These projects aim at inventing new science or capturing new know-how for application in specific development projects.

- **Alliance or partnered projects.** These projects find the company "buying" a newly designed product and/or process from another firm to leverage in-house development efforts. Nokia's efforts with Bluetooth, Symbian, and others are an example of a partnered approach.

- **Breakthrough development projects.** These projects create the first generation of an entirely new product and process, breaking new conceptual and/or tech-

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Upstream Innovation

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nological ground for the company, as the Communicator did for Nokia.

● **Platform or generational development projects.** These projects typically have a design life of several years and establish the basic architecture for a set of derivative projects to follow.

● **Derivative development projects.** The projects, such as Nokia's niche product lines, tend to be significantly narrower in scope and resource requirements than platform projects.

Nokia, like many other technology companies, understands that long-term success depends on the sustained ability to build on excellent products, a capabilities-to-development continuum that is fueled by great people, as well as through what it termed "transformational acquisitions." In the late 1990s, Nokia proceeded through this dual development of capabilities in five phases:

● **Assessment of acquisition needs.** These predevelopment investigations (of market, technologies, etc.) made use of information available through external channels (venture capitalists, customers, channel intermediaries, etc.).

● **Expansion of due diligence.** In this phase, Nokia identified potential targets and defined capability requirements

● **Integration and retention.** In this phase, Nokia's focus moved to the internal organization (on such issues as cooperative work efforts), in order to integrate the target company into Nokia's capabilities and to retain key employees.

● **Development projects.** Nokia's focus shifted in the fourth stage to individual projects seeking to meet goals on timing, budget, and performance.

● **New product introductions.** In this last phase, the role of the business unit diminished as focus shifted toward introducing new products into the marketplace. Conversely, other units (logistics, marketing, etc.) began to play a larger part.

It was this view of acquisition that would motivate Nokia's interest in Silicon Valley in the late 1990s, elevating their investigation of and investments in new businesses and technologies by establishing the NVO, a separate organization running parallel to the company's other three core business groups, whose purpose was to foster growth opportunities beyond the scope of the existing business groups. The NVO sought to develop areas with growth potential over a five year period, exploring new business areas facilitating future growth and boosting Nokia's product and business development in key areas, including the Internet, mobile dis-

Nokia's R&D Misstep

Since the 1980s, Nokia's R&D has played a critical role in executing the company's strategic intent, especially in scenarios for the future. The company's successes, however, were not achieved without some failures.

One of those was "Nokia Future Watch," a state-of-the-art strategy and knowledge-creating project vital to the NRC. The failure of this project illustrates the fact that companies must sometimes gamble on the future in emerging markets, and that, sometimes, that gamble does not pay off.

play appliances, and multimedia terminals.

Standards Coalitions

Nokia's other upstream strength lies in its development of and participation in standards coalitions; indeed, over time, the company has co-opted rivals into strategic alliances and identified key technologies that have led to the creation of key coalitions, including the following:

● **Symbian.** Nokia cobbled together a coalition of its closest competitors, along with palmtop software maker Psion and electronics giant Matsushita, to found Symbian, a company designed to speed up the evolution of wireless information devices. In the course of Symbian's development efforts, Nokia took a dominating role in the creation of such future-looking terminals as featurephones, smartphones and communicators.

● **Bluetooth.** Nokia also co-launched this consortium for wireless connectivity, which consists of nearly 1,200 active members, aiming to create an open standard for short-range communications between different electronic devices.

● **WAP.** The Wireless Application Protocol is the communication standard that allows mobile phones to have access to the Internet. This standard came about as a result of cooperation between Nokia, Ericsson, and Motorola, but it was Nokia's active leadership in developing the standard that enabled it to bridge the gap between second- and third-generation markets.

In technology sectors, complexity requires cooperation. Nokia obtained from external sources those complexities that had become too costly in terms of strategic flexibility and financial resources. They expected their coalitions to unlock benefits unobtainable through internal means, or by simple mergers. In particular, the company sought five kinds of benefits:

● **Access to expertise.** Strategic coalitions enable the participants to acquire, pool, or sell access to the knowledge or ability to perform activities. For Nokia, access

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Upstream Innovation

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to knowledge likely contributed to its involvement with Symbian, which allowed the company to catch up with handheld technology leaders.

- **Scale economies and learning.** Pooling volume serves to raise the scale of the activity or the rate of learning about how to perform over that of each company operating separately.

- **Shaping rivalry.** Companies employ coalitions to help others entering an industry to develop a technology that would affect its competitors' business, or to shape competition in their favor.

- **Risk reduction.** Because no single partner bears the full risk and cost of the coalition activity, such partnerships provide attractive mechanisms to reduce risk.

- **Upstream standardization.** This benefit was unique to Nokia, in that, by initiating upstream coalitions and promoting open standards built on externalization, Nokia has weakened its competitor's strengths (upstream innovation) while increasing its own (downstream innovation). ■

Downstream Innovation

In anticipation of new products and markets, Nokia does not proceed from upstream to downstream processes (technology over customers), but from downstream to upstream (customers over technology). Two key areas in which this approach is evident are in the company's strategies on market segmentation and branding.

Market Segmentation

From the beginning of the cellular era, Nokia excelled in product and market segmentation, because the company listened to its customers, anticipated needs and met them head-on. In this customer-focused approach, marketing strategy has played a critical role, in terms of the type and timing of segmentation, particularly in the following areas:

- **Lifestyle.** Nokia's market strategies have been focused on researching how their customers use their products in real life situations. Only by listening to and understanding its customers can the company obtain the specific information needed to differentiate its products from competitors on the basis of usage and needs.

- **Design.** Using its unerring focus on the needs of its customers, Nokia developed creative product designs that fulfilled those needs, enabling buyers to gain real benefits from those products.

- **Technology-Adoption Life Cycles.** In transitioning between upstream and downstream activities, Nokia

Standardization and Downstream Innovation

Unlike some of its key cellular rivals, Nokia has opted not to run its own semiconductor production, choosing instead to purchase components from outside vendors. While the company has been able to avoid the heavy expenditures and risks inherent to semiconductors, it is nevertheless more vulnerable than its competitors to distribution and market fluctuations.

This decision is, however, typical of Nokia's emphasis on downstream innovation, at the expense of upstream innovation; while its rivals have developed new technologies, Nokia has been more intent on listening to its customers.

found it had to deal with a chasm framework focused on the gaps between different life-cycle markets: moving from business-to-business to consumer markets, and maintaining its industry leadership by creating new product generations. Nokia bridged the chasm by developing a model of its target customers, then developing strategies to capture the lead segments in each target, enabling their products to "trickle down" to other segments as well.

Branding

Early in the cellular age, Nokia's key branding objective was to make its mobile phones a global brand product, with the key messages being inspired technology, ease of use and durability. It — like such brand leaders as Nike, Daimler-Benz, and Phillip Morris before it — marketed its products as a single brand, considering the brand in every aspect of the value chain, from design to production to distribution. Such a holistic approach to branding dictated that Nokia would have to penetrate its entire organization with its unifying branding message.

By attempting to brand its entire company, Nokia focused on several distinct strategic endeavors, including the following:

- **Listening to the customer.** The point was not how a certain technology worked, but whether or not it contributed to customer satisfaction. Cellular standards would change and shift, but brand awareness would not.

- **Consistent look and feel.** Nokia's branding made sure the look and feel of its mobile phones would be the same worldwide. Although each market had its own unique requirements, there were sufficient similarities for a single, unified approach to branding.

- **Communicating humanity.** Rather than focus on the technical features of their products, Nokia sought to communicate in its branding the emotional benefits of purchasing a Nokia product. Their phones were "most human," "designed for you and I," etc. ■