



# NOKIA

## Business Doctor

Decision-Making processes and their long-term impact on the business

## Scene 1: The Decision to Diversify

Title: The Foundation of Flexibility

Explanation: Nokia's early history is characterized by a series of strategic decisions to diversify its business operations. Initially established as a paper mill in 1865, Nokia ventured into rubber, cable, and eventually electronics over the next century. The decision to diversify allowed Nokia to mitigate risks associated with market fluctuations in any single industry. In the 1960s and 1970s, Nokia's investment in electronics, including radio telephones for the military and emergency services, laid the groundwork for its entry into telecommunications. This diversification strategy was crucial in building the technological and manufacturing capabilities that would later underpin its success in the mobile phone industry.

Key Events:

- Expansion into rubber and cables in the early 20th century.
- Entry into the electronics market in the 1960s and 1970s.

**Suggested Video:** Nokia's History: From Paper to Electronics

**Reflection Questions:**

1. What if Nokia had remained focused on a single industry, such as paper or rubber?
2. What if Nokia had not invested in electronics in the 1960s?
3. What if Nokia's diversification efforts had led it away from telecommunications?

## Scene 2: Embracing Mobile Telecommunications

Title: The Strategic Shift to Mobile Dominance

Explanation: One of Nokia's most critical decisions was to focus on mobile telecommunications in the 1980s, pivoting away from its diverse interests to concentrate on becoming a leader in mobile phones. This decision was fueled by the foresight of Nokia's leadership, who recognized the potential of mobile technology early on. Investing heavily in mobile R&D, Nokia introduced innovative products such as the Mobira Cityman, one of the first mobile phones. This focus on mobile telecommunications not only capitalized on emerging market trends but also positioned Nokia at the forefront of the mobile revolution, leading to its dominance in the mobile phone market by the late 1990s.

Key Events:

- Decision to focus on mobile telecommunications in the 1980s.
- Introduction of the Mobira Cityman.

**Suggested Video:** Nokia: The Leader in Mobile Innovation

**Reflection Questions:**

1. What if Nokia had not shifted its focus to mobile telecommunications?
2. What if Nokia's early mobile phones had not been successful?
3. What if another company had dominated the mobile telecommunications space before Nokia could establish its leadership?

## Scene 3: Nokia's Return to the Mobile Market

Title: "Nostalgia Meets Innovation: Nokia's Mobile Market Comeback" Explanation:

In a surprising twist, Nokia re-entered the mobile phone market through a licensing agreement with HMD Global in 2016. This move leveraged Nokia's strong brand nostalgia by reintroducing classic models like the Nokia 3310 alongside new Android smartphones. While Nokia doesn't manufacture these devices, the brand's legacy and recognition gave HMD Global a unique market entry point. This re-entry illustrates the enduring power of brand value and nostalgia in technology markets, as well as the innovative approaches to leveraging brand legacy in modern business contexts.

**Key Events:**

- Licensing agreement with HMD Global in 2016.
- Reintroduction of classic models like the Nokia 3310.
- Launch of new Nokia-branded Android smartphones.

**Suggested Video:** Nokia Phones: The Return of the King?

**Reflection Questions:**

1. What if Nokia had directly re-entered the market with its own manufacturing?
2. How might Nokia's re-entry into the mobile market have been different without the nostalgia factor?
3. What if Nokia had chosen a different partner or strategy for its brand revival?