

Vertu phone case



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This case refers to Vertu and Nokia. We must examine the problems that both companies are going through. We must also evaluate their strengths and weaknesses to determine a possible solution to these problems. Synopsis of the Situation Nokia has been one of the leaders in the mobile phone industry for a long time. The Vertu phone was one of the successes of Nokia with it being a luxury mobile with expensive materials for expensive tastes. Since its launch Vertu showed growth in 70 countries selling many mobile phones (Kwong and Wong 2011).

In 2011 things started to change for both companies. Key Issues One of the problems that Nokia was facing was that it was having many failed attempts at improvement and it was losing revenue fast. Due to this Elop, Nokia's new CEO, decided that they would partner with Microsoft by using Windows as their mobile operating system. The partnership did not go as planned because on the day of the announcement Nokia's share price dropped 14 per cent. At this time Vertu had to make a decision.

Would they remain under Nokia and with their product attempt to bring Nokia back or would they go off and do it on their own without Nokia. Define the Problem There are two problems that are clear in this case. The failure of Nokia while attempting to partner with Microsoft is one of them. The other problem is Vertu's decision to stick with Nokia or go out on its own. Any decisions made could affect both companies to a large extent. Alternative Solutions There are a couple of solutions that the companies can take. The first would be for Vertu to go off on its own.

Since Vertu's launch it was backed up by Nokia but as Nokia declines they could also take a hit if they decide to stick with them. The other option would

be for Vertu to stay under and with Nokia. They could attempt to bring Nokia back to the positive light by putting their name on the luxury items that they produce. Selected Solution to the Problem The solution to the problem would be for Vertu to go off on its own. The company has already created a client base of clients that would continue to purchase and recommend them to others.

This option would also help Nokia because They would be able to concentrate on the problems with their company and try to implement any correction actions that they see necessary. Implementation The company would need to evaluate itself apart from Nokia. This way they can tell what they would need in order to make it on their own. They can also take a look at other possible partners that could help with funding as well as assist in new and innovative designs. Recommendations Not having the backing from Nokia may turn out to be hard at first.

Having an organized plan and decisions on where the company would like to go will help Vertu accomplish its goals. The company as a whole needs to feel confident in its products and its customer base. If the company has this they will be able to weather tough times that may come ahead. Conclusion Vertu must make a decision as to whether they would like to continue with Nokia or not. The problems that they can experience by being with Nokia can be more costly than those that may come up with going off on their own. At the end the company must decide which direction they would like to go in.