

Strategic analysis of nokia corporation

[Business](#), [Company](#)



INTRODUCTION

Nokia is a well known brand in the world of mobile communication and it is the world leader in the industry because of its history, name, reliability and unique products and provision of protected solutions. It is one of the most well-known companies and it has offices all over the world. The main product of Nokia is mobile phones and it also deals in household items. Nokia recognizes its corporate responsibility and states that “ in all parts of business it makes corporate responsibility a part of decision making”.

Mission statement: Nokia is “ CONNECTING PEOPLE”

Goal: The goal of Nokia “ In every business place where WE operate to be a good corporate citizen and be an accountable and causative member of society and serve young people to structure their own place in the world”.

Target market: The target market of Nokia is spread widely. The demand of Nokia products is worldwide and it has given first choice on other cellular companies of the world. If we compare the rates of Nokia with other similar companies then it come to know that Nokia has low rates compared to others, and the performance of Nokia products is very good and have many interesting features so most people prefer Nokia. Nokia products have big market place in Asia, America and the Middle East. Due to manufacturing of Nokia products in GSM and AMPS technologies, it meets requirement of every kind of customers.

MICRO AND MACRO ENVIRONMENTAL FACTORS:

Marketing environment: The factors outside the market which affect the capability of marketing management in developing and continuing successful transactions within target customers.

Categories of marketing environment:

1. Micro environment

2. Macro environment

Micro environment:

The following factors are micro environmental and affect the organization:

Dealers

Consumers

Competitor

Marketing rules

General public

Macro environment:

The following factors are macro environmental and affect the organization:

Trade and industry environment

Political environment

Cultural environment

Technological environment

Demographic environment

THE COMPETITORS OF NOKIA:

Nokia has huge market and demand, but we can consider some companies as competitors of Nokia which include the following:

Samsung

Motorola

Ericson

Sony

Siemens

When we analyze these companies separately, we can conclude that these companies have also big market but when we compare it with Nokia we can conclude that these companies do not have same level of market.

Social factors

Every employee of Nokia is influenced by Nokia performance and status which result in problems such as problems of physical condition, protection, safety, relationship among employees, human rights and corporate citizenship.

Business environment

Nokia competes in both general and particular level. It competes generally in global telecommunication and particularly in mobile industry and all its products have fast growth, change and union.

WHY CHANGE?

Why organizations need to make change or changes Prior to deciding about the change, all organizations must recognize the causes for change. The

organization is the place where different people working together to arrive at the expansion for the business. Therefore, an organization is the brain of business. The collective aim of all employees is the success of the business and they collectively think for some possibilities on how to bring success in life. The organization is main part of the business. It consists of different inventive brains and if the ideas are not sufficient, the organization starts the brainstorming sessions. Some changes are bad for the organizations and some changes are good for the business. Changes invite the employees to share new ideas.

ORGANIZATIONAL CHANGE IN NOKIA

Some organizations make change regularly to keep in business and competitive. Nokia started its business by producing tools and equipments which were used to cut down woods in Finland. Then it changed its business paper, from paper change itself into paperless office related to IT and from there it changed its business into mobile telephone. Nowadays as a world leader of the mobiles, Nokia is going to drive the transformation and playing main role in joining the internet and communication industries. The Nokia manufactures lot of devices which contain services and software from which people can playmusic, watch videos, TV, make photos, play games, business transaction by using mobile and much more. They focus on providing the consumer internet services and company solution. It is observed that the company consider the change and rearrange the management every year.

THE AIMS OF NOKIA:

1. Nokia intends to start Nokia research centre (NCR), which concentrate on long-term research activities and focus on stronger research areas.
2. The company is planning to change its place for their activities on more suitable areas.
3. For operations in all over world, company is also planning workers change.

ORGANIZATIONAL CHANGE APPROACH:

In strategic planning model there are two change approaches that are normally used by Nokia in creating their efforts. There are many kinds of models but we have taken two models for suspicious assessment.

1. Alignment model
2. Scenario planning model

1. Alignment model

The strong position among the mission of the company and its resources for effectively running the organization can be ensured by this alignment model. This model is helpful for those companies that want to amend their planning regularly and discover the causes for not working. This approach can also be applied by organizations facing huge number of problems in domestic efficiencies. This model may include the following steps:

1. 1. The organization's mission, programs, resources and support needed by the organizations is summarized by the planning group.

1. 2. Recognition of procedures working well and those needing modification

1. 3. Recognize how the modifications can be made.

1. 4. Strategies should also be included in the strategic planning for modification.

2. Scenario planning model

This approach is not necessary to use separately, it can be used in combination of other models. The purpose of this model is to ensure that the deliberate thoughts are carried out by planners for classification of planned problems and goals. This is an effective model and consists of the following steps.

2. 1. Many external factors causes change and these changes affect the whole organization.

2. 2. Describe unusual potential organizational situations which occur in organization due to modification. The analysis of unfavorable scenario may annoy motivation to make modification in the organization.

2. 3. From the description of the situations to respond the modification, the change management team may develop suggestion for what the company may do.

2. 4. Change management team shall identify approaches for addressing the response to modification from exterior factors.

2. 5. Identify the external factors that cause the modification which affected the company, and describe the approaches that the organization can use to respond to the change.

IMPORTANCE OF CHANGE MANAGEMENT IN GENERAL

Change management is a very important issue in information technology, and it's very essential for mobile companies like Nokia because the needs of the mobile users are changing day by day and there is lot of increase in technology. Change management is part of the business of the Nokia but due to increase in technology this issue has become serious. Information technology includes all the components which are essential for effective functioning of the business approaches which may be prevented by the technological issues and other problems. For meeting the needs and choices of the customers it is very important to make the modification and some interval of time. The rule of the change is first of all its very important for businessmen to change their attitude towards change management. The sign of good change management system is that the management always takes up new ways for success in business. For making modification in the organization when we use change management system. This system is not only to implement new approaches to make changes in organization but it is the rules and regulation of the information technology infrastructure management in which changes are carried out with more organized, consistent, accurate and discipline approach.

CAUSES OF CHANGE

The basic reason for the change management is some occurrences or customer requirements or technological advancement. When the demand of the products becomes low, then the profits start to reduce and also results in reduction of market. Other reason is when the company reduces its costs and marketing budgets then the opportunity cost for bringing capital and resources presents other favorable opportunity. This will result in two options, one is selling the current operations and the other is stopping the production. This is the result of increase in new products in market which will fulfill the same need, or there may be change in the habits of the customers purchasing style, the investment and labor has been utilized at new business activities. This is the common cause of the organizational change.

Amalgamation and acquisition: the amalgamation is the process of combining or merging two companies and both companies centralize their system for efficiency in decision making. By doing this the departments and processes of both companies can be merged, decline in cost, use of accessible resources. It can result in big organizational change.

Change in structure: The modification also comes from new administrative approaches. When company introduces technology system in organization, replace old system with new system, old software and hardware updated in new version, manual system converted in automated system, these all will result in training the employees for operating new system.

Procedure dependency: if any organization redesigns its procedures for its operations, it also results in change management. When Nokia changed its

policies and procedures, it caused in huge changes in company and result in big resistance.

DECREASE IN PROFITS OF NOKIA RESULT IN CHANGE

When the profits of the Nokia have started to decrease from the third quarter 2009, the management of the company decided to restructure the organizational ranks of the management. Nokia separated its entities which are mobile phone division and the division for smart phone. In this division the chief financial officer (CFO) of Motorola Rick Simonson was appointed. He has good knowledge about business and finance. The CEO of Nokia Olli-Pekka allasvuo said that from 2001 to 2004, Rick Simonson has remained as CFO. Now as a Head of Mobile Phones division, Rick will work hard with full responsibility for carrying out the products out side the division. In the third quarter of 2009, Nokia reported in their quarterly financial statements a decline in profits. If we compare the profits for this quarter and same quarter of last year, it shows that the profit of Nokia falls to 391 million pounds, but in the same quarter last year it was about to 1.3 billion pounds. And the sales also decrease by 20 percent to 9 billion pounds.

CHANGE MANAGEMENT PROCESS

This change management is good in implementing the change with low resistance. There are many other approaches but results of this approach are satisfactory as compare to others. It is divided in three parts. First one is prepare for change, second is managing change, third and last one is reinforcing change.

Prepare for change: This step is designed to get ready for change before implementing change. This part provides the solution of at what level the project requires the change. This helps in obtaining knowledge for implementing change effectively. The results of this step are change in profile of individuals, obtain profile for organization characteristics, prepare change management plan, select members for change management team and assign them roles for change.

Managing change: This part of the change management process help in forming policy for project actions. The results of this step are to make plan for communication, arrangement for training, arrangement for coaching, and the main function of this step is to plan the policy for resistance management.

Reinforcing change: This part of the change management process assists the project team in making policies for confirming that the process of modification is continued. This step also helps project teams in making actions and methods for verifying that the change has taken place, and observing that the employees are working in new way and celebrating effective implementation of the change. The results of this step are reinforcing methods, remedial act policy, individual and organizations approaches for respect, celebration on effective implementation, review work after implementation of the change.

Through change management process, you can supervise the factors for change within our organization. Through use of this change management process, the examination and direction would be easy in identifying what level of change can take place in organization. It may also help in how

change can be implemented by use of approvals and reviews of stake holders. The phases for supervising change are also included in change management process. Through the use of change management process, you can recognize the factors that require change, authenticate the possibility of each change, help in controlling the change, and also supervise in modification approval.

ANALYSIS OF STAKEHOLDERS

Stakeholders are those who have an interest in the organization's activities and are affected by the events and judgment, actions and decisions of the company. These peoples have interest in the organization and extensively affected by the activities of the organization. The company should consider the interest of the stakeholders, what they want, there choices, how they can be facilitated etc. for effective implementation of the change the company should discuss the factors of the change and about the implementation of the change with the stakeholders. Obtain suggestions and decide accordingly. In deciding about the change the organization should take into consideration both the factors and the suggestions of the stakeholders. If the stakeholders resist the proposal for change, let them know about the benefits of the change and what the stakeholders can get after the effective implementation of the change.

RECOMMENDATIONS:

Nokia is the world's largest mobile phone company. It has competent features and services but after consideration of this report some of the

recommendations would help the company in achieving targets of the company.

The prices of the sets should be decreased so that everyone can easily purchase the sets. This may result in market raise and profits may also increase.

The availability of spare parts should be in every country so customers can purchase without any difficulty.

Warranty should also be provided for defects.

For saving the huge amount of entertainment material, the amount of capacity of the memory should be raised.

Training should be provided to employees when there is any change in technology and company want to make use that technology.

Customer care centers should be open at main areas of the country in order to provide good services and facilities to customers.

The terms and conditions for claiming warranty should be consumer oriented.

There should be increase inadvertisment.

Open franchise at those places where the products of competitors are not available.

CONCLUSION:

Nokia is the leader of all the companies which deal in similar products, because of its experience, innovation; it provides easy and protected solutions. The main product of Nokia is mobile phone and its offices are located all over the world. The mission statement of the Nokia is very

attractive “CONNECTING PEOPLE”. The demand of the Nokia products is high as compared to same products of other companies and its products are highly preferable all over the world. There is also effect of the market environment on the company. Market environment can be classified in two categories. One is microenvironment and other is macro environment. Both categories effect the organization. Some of the factors of both categories are such as customers, suppliers, political environment, technical environment, social environment etc. The competitors of Nokia may include Samsung, Motorola, Ericson and so forth. The employees of an organization are influenced by social as well as environmental factors. Change is very essential in organization. Change is unavoidable everything continuously need changes. Prior to making any changes, the organization should identify the causes for change and plan accordingly. Some of the changes are not good for the organization and some are good. The good change is one which pressurizes the employees for sharing new ideas.

Nokia started its business by producing tools and equipment which can be used to cut down woods in Finland. Then it changed its business paper, from paper change itself into paperless office related to IT and from there it changed its business into mobile telephone. Today it's the leader of all the mobiles. Nokia is going to drive the transformation and playing main role in joining the internet and communication industries. For modification in the organization the Nokia uses two approaches, one is Alignment model and other is Scenario planning model. By alignment approach the strong position among the mission of the company and its resources for effectively running

the organization can be ensured. And by scenario planning approach the deliberate thoughts that are carried out by planners can be ensured.

The scenario planning approach is also useful for classification of planned problems and goals. Nokia also made analysis of its stakeholders. Before making any change the company should discuss the matter under consideration with stakeholders, collect information, analyze factors for change and then make decision after taking careful consideration of these factors. The phases included in change management process are preparing for change, managing change and reinforcing change. For increasing the market share and profit and increasing the demand of its products Nokia should decrease the cost of its products, make available its spare parts in every market, increase memory capacity of its products, training should be provided to employees, customer care centers should be opened at main areas of the country, terms and conditions should be customer friendly, franchise should be opened and increase the advertisement for competition. The business of Nokia is mainly related to technology so changes must be made at regular level to satisfy the customer's needs and requirement.