Business organization and environment of nokia

In this assignment, our group has decided to choose Nokia, a phone manufacturing company as our example and decided to write the aspect about the business organization and environment, organization structure and technology society of Nokia.

" Connecting People" is the vision of Nokia. Now, Nokia phones is also recognize as the fifth most value brand in the world. The history of Nokia doesn't begin with the production of phones instead it began with the production of paper in 1865 where the founder of Nokia Fredrik Idestam established a paper mill in south- western Finland. Then in 1992, Nokia decided to focus the company on telecommunication.

According to, John Daniel (2008) Nokia is known for producing the best phones with latest technologies and now is the largest phones manufacturing company compare to the other competitors like Sony Ericsson, Samsung, LG and others. Nokia is a leading brand in the mobile phones world. In year 2005 Nokia sold billions of mobile phone and launches it's most popular N Series phones, and now, Nokia have 35% shares in the market. Nokia phones offer phones that are equipped with different design and functions to satisfied different customers' needs.

Business Organization and Environment

As Nokia is the world wide mobile phone company. By operating such a huge company, they have their slogan that is " Connecting People" , and have three aims; Speed of Anticipation and Fulfilling Evolving Customers and Market Needs, Strong Customers Recognition and Upholding A Solid and Positive /Relationship With It's Stakeholders. What are the Business

Organization and Environment of Nokia? Environment are divided into two main categories, Internal and External Environment.

Internal environment is also known as the controllable environment. Internal environment composed of the elements within the organization, including current employees, management and especially corporate cultures, which defines employee behavior. Although some elements affect the organization as a whole, others affect only the manager. Here is some examples of Internal Environment of The Nokia company,

Employees are important to the company because they are responsible for the operating cores and daily works. Nokia company should motivate them and understand their behaviour and needs properly to as to determine the ways to motivate them. If their needs have being fulfilled, so they will be able to produce good work and results to the Company. Employee should also be provided training which is related to their work to ensure they are able to achieve good performance in the Company . Because of their good performance, the production output achieved will nevertheless, help to boost the sales of Nokia mobile phone. Thus , can also achieve the Income of the company for further growth.

With more Income generated, the Nokia Company can use the money to upgrade the existing machine and employed more designers and engineers to produce more attractive plus sophisticated and high quality phone. This can prevent the customer to choose the others mobile phone company because of limited choice and bad qualities of the phone. Other than that, with more profits, Nokia Company also can send their employees for further

training and gain more experience in manufacturing and designing the mobile phone.

By running such a big Company, Nokia needs to be well equipped so as to produce better quality of the mobile phone. If Nokia company can produce high quality mobile phone, the customers will have more confidence in selecting the mobile phone that is manufactured by Nokia Company. Nokia can produce more mobile phones using the latest modern equipment compare with the obsolete model. This can prevent the delaying of the mobile phone to the Intermediaries.

External environment is also known as Uncontrollable Environment. An outside factors that may affect a organization make up the external environment. The external environment is divided into two parts, that is directly interactive and indirectly interactive.

Firstly is the customer. With more customers, confidence of customers to the Nokia company had increased tremendously. With the increasing in the confidence from customers, the sales of the Nokia phone will also boost because of the reputation of the Nokia business is being good and nokia phone will be the first choice when they have make decision to purchase mobile phone . With the good reputation of the Nokia company , Nokia company can be expanded further and will encourage more investors to bring in more funds to the Company.

Secondly is the supplier. With a good and responsible supplier , the nokia manufacturer can manufacture the mobile phone on time and maintain the quality of mobile phone. This will prevent the nokia company to bear the loss

of the customer for the late supply of the stock. A good supplier will provide quality material to Nokia company which can maintain the good reputation of the nokia company and maintain the loyalty of the customer. When the supplier provide quality material, the nokia company should not bear a huge amount of the compensation of the bad quality of mobile phone.

Lastly is the Competitors. When the competitors appear among the mobile phone companys, it will encourage the nokia company to maintain the good quality of their mobile phone. Nokia company will provide more training for the employee to ensure their knowledge in manufacturing mobile phone is good enough. At the same time, nokia company will employ a professional supervisor to monitor the process of manufacturing mobile phone to ensure the production of mobile phone is on time. On the other hand, nokia company will encourage innovative and creative among the employee in the company to ensure their product is always be the customer's choice.

Organization Structure

Main reason that affected Nokia organization structure is competitors. Even Nokia is still the World's number one in manufacturer of mobile devices but Nokia facing stiff competition from Apple (AAPL) and Research in Motion (RIM) in smart phone area. Nokia's market share has drop from 41 percent to 35 percent in year 2009 in smart phone market. " Yes, we have lost ground in the smart phone space over the past 18 months, but the decline has stopped and stabilized in the second and third quarters of 2009" says Nokia's executive vice-president and head of the mobile phones entity Rick Simonson to India's Economic Times in January of 2010. Nokia has reshuffles its organization structure with an aim to speed up the product innovation

and software to combined with its content consistent with the objectives of the implementation, applications and services into mobile computer, smart phone and mobile phone.

Nokia organization structure at year 2007 is leads by Group Executive Board and follow by Services and Software, Devices, Markets, Nokia's Siemens Networks and NAVTEQ. After that is, Corporate Development Office and Corporate Functions. While the new organization structure is leads by Group Executive Board and follow by five units, which are Mobile Solution, Mobile Phones, Markets, NAVTEQ and Nokia Siemens Networks, continue with Cooperate Functions.

Nokia is a flat networked organization structure with certain amount of bureaucracy. Both organizations are flat structure because both organization structures have wide span of control and short line of authority . Wide span of control means that one managers can manage a lot subordinates. For example, the head for Markets department for both organization structures can control the entire worker that work in the Markets department and he only report straight to the Group Executive Board. Nokia's subordinates are given freedom to make decision because Nokia create freedom for worker's creativity with minimal rules and regulations. Nokia also have a certain amount of bureaucracy. For example, workers are divided into functional departments or known as departmentalization. The old organization structure is divided by function. Each department has its own specialist, such as Device department only responsible for phone, while services and software department only develop software and improve services. That also means the work specialization is higher. But the new organization is divided

by type of product. Every unit has responsible to research new product and its services with software. For example, mobile solution will focus on smart phone also known as high end phone, while Mobile Phones will focus on affordable phone, also known as low end phone. That means the work specialization is lower.

Nokia organization structure will keep changing depends on their external environment but the new organization structure must be flat structure because Nokia need a fast decision making and faster product innovation in order to keep growth in the market.

Technological Society

Technological society defines:

When the Nokia's technology is more advance, the effects of that technology on society increase, so we must recognize positive and negative impacts and try to developed positive effects and reduce the negative one.

Nokia's companies are working with organizations that have plan for protect the environment and society; Nokia's Company's goal is be a leading company in environmental performance. They believe that, by achieving environmental leadership they can improve their technological part.

They create mobile devices, accessories, software and services that reduce the bad effects of their product on environment and society. The technologies and innovations that Nokia's companies are using these days. (Figure 1)

They are managing their consumption of electricity by produce new advanced mobile devices, in new mobile devises we can get more things done using less energy. It means they are making mobile devices that have incorporate features, like: Camera, GPS, media player, Alarm, Windows, Game, internet and etc. So we don't need use lots of electricity for each of them. (Figure 2)

Besides that, they are looking for new source of energy, they have planned to use solar energy by using solar cell on their mobile devices. Furthermore each of them have big impact on society for example, with GPS technology we can choose the best way and the nearest one without traffic jam so we can save time, petroleum and etc.

Nokia is a unique mobile devises company in recycle their products because they use materials that can be recycle to make new products or generate energy, so they help protect environment (figure 3).

Nokia mobile devices have advanced voice (figure 4), high speed of internet, wide range of security and etc (figure 5), so you can connect people with business optimized devices. In addition, the R&D (research and developed) department of Nokia designed new generation of leather covers that can protect user's body of harmful rays of mobile devices (figure 6).

In Nokia's company, sociologist believes that every coin has 2 sides. It means if Bluetooth has some good effects on society certainly it has some bad effects and they want to recognize the negative effects and try to reduce them so they have some research on destructive impacts of Bluetooth on society and they found the destructive impact of Bluetooth is

really dangerous for new generation's society. They want make culture appropriate by good propaganda of Nokia's devices and they are trying to find some other ways to reduce the bad effects of Bluetooth on society.

The opinion of customer is very important for them because they think customer's ideas is the own thing that can help them for improve their technological part so they make new software for dealing their customers and enabling developer and publisher innovation.

Conclusion

In conclusion, all the three aspects that we have discussed in this assignment are very important for Nokia Company. The most important elements in the internal environment are the capital. The capital is the main source that keeps the company run and without capital, the company could not employ people, get new technologies and others. The most important elements in the external environment is the competitors, although competitors are bad for the company, but it also help in a good way, by competing with each others, more new and better products will be produce and this could keeps the company productive.

Nokia organization structure change according the internal and external environment. They change their structure so that they could overcome their problem and make the company more productive and efficient in the future. Nokia produce phone, therefore a technological society is very important to them. Nokia always produce new products with new technologies to keeps its customers. By using new technologies it could attract more customers.