

Nokia Open Source Strategy

Guide fo Owners, Investors, Analysts and Journalists

Open Source Strategy – How to rescue Nokia year 2011

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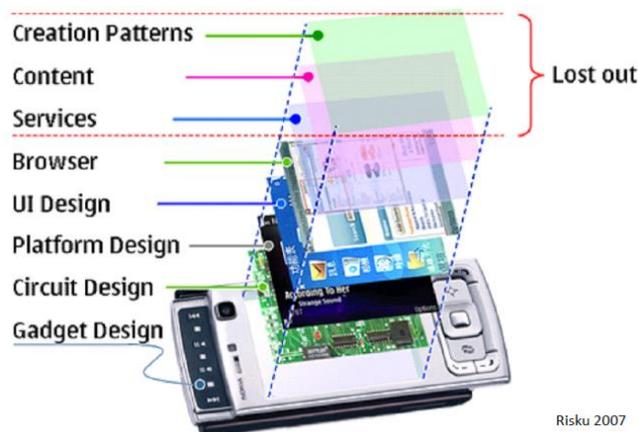
Nokia on the palindrome day 11th of February 2011

Juhani Risku

2011

NOKIA

Abstract: Manuscript for New Nokia 2011



1Q11

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Books

Differ Books

What happened on the...

... *Nokia palindrome day* 11th of February 2011 ?

The Elop way



WIRED
CHARLIE HORREL GEAR 02.11.11 05:52 AM

NOKIA KILLS SYMBIAN, TEAMS UP WITH MICROSOFT FOR WINDOWS PHONE 7



Nokia CEO Stephen Elop (left) and Microsoft CEO Steve Ballmer address the Senior Leadership Event before they announce plans for a broad strategic partnership to build a new global mobile ecosystem. Nokia and Microsoft plan to form a broad strategic partnership that would use their complementary strengths and expertise to create a new global mobile ecosystem.

MICROSOFT AND NOKIA announced a partnership Friday that will pair Microsoft's less-than-successful Windows Phone 7 OS with Nokia's flagging handset business. The move is a dramatic shift for the Finnish handset maker, which is completely abandoning what is still the market-leading, albeit declining, mobile phone operating system. But it is not surprising: In his now-infamous "Burning Platform" memo two days ago Nokia CEO Stephen Elop - a former Microsoft executive - promised to share a new strategy on Feb. 11 which would "transform the company."

The Risku way



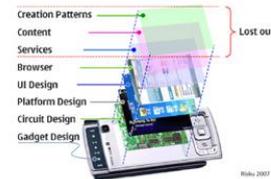
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The palindrome day, 11th of February 2011, was an unfortunate day for Nokia, the Finnish giant of mobile communication. Two strategies were presented, the *Elop strategy* and the *Risku strategy*. Elop strategy destroyed Nokia, Risku strategy tried to save Nokia with numerous new actions and innovations.

This paper is the Risku strategy. It shows how Nokia would have survived and be upgraded to a media and technology company.

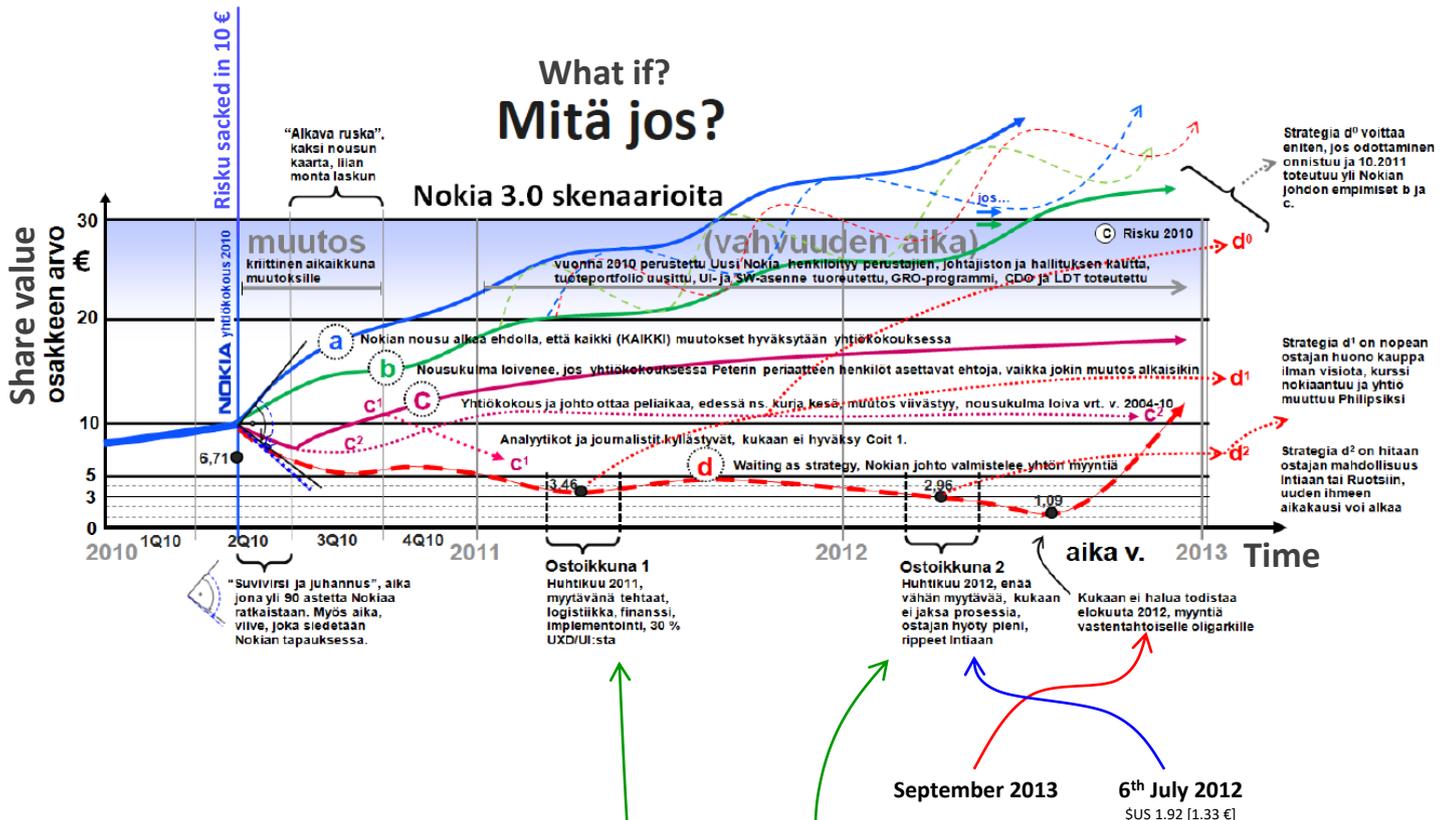
There is a day, when this paper is needed in the Nokiazation of next losers. The signs of regressive actions reveal that *Apple* takes the Nokia way, just because the master, leader, innovator and friendly whipper went away. *Samsung* needs help, as well as *Sony*. *Media houses* and *telecom carriers* are in trouble.

We are going to witness laziness, cowardice and Peter Principle in corporations.

Juhani **Risku**, 11th October 2013, Lapland

What if timeline from May 2010...

... showed many years before how Nokia wins or fails. It failed.



Four success patterns were available on the AGM 2010 in May, also still on the palindrome day 11th of February 2011, but not anymore on 6th of July 2012. Nokia's share value dropped to \$US 1.92 [1.33 €] that beautiful summer day, from the early 65 € and AGM 2010 10 €. Nokia did not follow the advices of Risku's book New Nokia – the Manuscript (in Finnish).

Risku's forecast of the first acquire time window (Sept 2011) is in line with selling Nokia by zero (0) dollars to Microsoft, swapping Symbian to Microsoft OS. The second acquire time window (Apr 2012) happened later in Sep 2013 and the lowest-ever-share-value **1.09 €** was in July 2012, and was 1.33 € (\$US 1.92).

Patterns **a**, **b**, **c** and **d**:

- a.** Nokia starts to soar, if all (ALL) proposals come true
- b.** The rise becomes less steep, if Peter Principle actualizes in personnel
- c.** If AGM 2010 decides delays, the *Miserable Summer 2010* begins, and no rise
- d.** Waiting as strategy → *Nokia goes robot walk to disaster*. This Nokia chose.

Nokia's robot walk to disaster equals to Kodak, Apple, Volvo, Saab, McDonnell Douglas, even HP and Sony, on their walk to chaos and perdition. There is a cycle of loserdom. Nokia showed the way.

Plan and report of Nokia future in design, media
and software business.

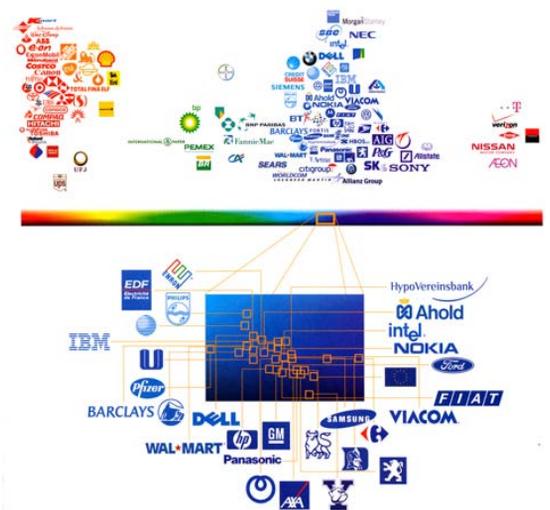
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How to rescue Nokia year 2011



11.02.2011

Juhani Risku & Consortium

Michael Rock, Color Space Coolest Shades in
Corporate America, Wired 06/2003 p. 157

Nokia Open Source Strategy

Guide for Owners, Investors, Analysts
and Journalists

How to rescue Nokia year 2011

This guide is from Risku & Consortium is addressed to Nokia shareholders and controlling shareholders, analysts and journalists.

This document is a strategy summary to restructure Nokia Corporation.

This document is free to be applied during Nokia restructuring.

This document is free to be forwarded and free to be translated.

Disclaimer: R&Con takes no responsibility for false application of this strategy in any businesses.

Juhani Risku, 11th of February 2011

Why?

There is no such thing as simple

Nokia has complex and systemic problems that need to be managed with complex and systemic treatments. Nokia's condition today is very alarming, maybe even extreme actions are too late.

Why can't Nokia do it?

"If Nokia could have done it, they would have done it years ago." Vice versa: "95% of the same people who failed during the years 2004-2010 are writing strategies. Do you trust them?"

Why-why?

1. Nokia could be a winning company because it has potential
2. Nokia has some easy fixes: better vision, abstraction shift in business and products, GRO program, Creative Organization and energetic leaders – all easily executed during 2Q11 and 3Q11
3. Nokia has some advantages no other company has: Scandinavian culture, direct communication, serious attitude, unusual and original vision, guts and drama.

Why?

1. Nokia can easily struggle and suffer the next 10 years but nobody wants to look at those miserable don Quijotes
2. We've had enough promises, excuses and being adrift

Why?

At Nokia several people have a luxurious comfort level. They ask for reasons why they should make new strategies and restructure now that everything is in order. Owners may wonder why somebody puts the blame on share property annihilation. You can do what you want with your money. From the year 2001 when the share value 65 € began to fall, every AGM has been a drama of excuses, apologies and explanations. When the status quo is shaken, Nokia uses its 10 billion € cash-box. Basically Nokia's situation at AGM 2011 does not differ from the years 2009, 2008, 2007...

Nokia Today

Vision & Practice

At present Nokia's vision and practice is leading the corporation into becoming an underclass actor with an ever waning grip on the markets. Nokia's future prospect is miserable, even with harsh restructuring. Sell.

Business Credibility

Nokia is biding for time in front of the owners and customers. A magical combination of a profitable sundown business, obsolete personnel, lost opportunities and 18 month innovation-to-product flow. Nokia is luckily too big to fail and the cash-box is full.

Tactics

1. The old Nokia's AGM in 2011 is like all previous AGMs: the Board proposes and the owners agree
2. No change would be too extreme for the company to get new direction
3. Owners are planning exit strategies on the background
4. Some conscious staff members are fed up and leave the company
5. Several SVPs, VPs and directors join the merry-go-round process to change roles and organization
6. AGM 2012 is on everybody's minds to wait better times
7. Luckily all competitors are sleeping this year.

Present obstacles

Nokia is considered a hostile corporation. Even worse than Microsoft and what Naomi Klein ever wrote about. Nokia has done everything to win The Award of The Most Hostile Corporation Ever: Example of efforts: [Multimedia Disaster](#) and Legacy. Nokia won. The problem is that Nokia wants a quick win through meegos and ovis. Nokia does not realize that modern communication and software business is not from McLuhan and Murdoch, it is from Norwegian sweaters, T-shirts, worn jeans and a relaxed feeling. Nokia is going to fail with its present, stilted look.

Nokia Tomorrow

Vision & Practice

Nokia has its last chance in AGM 2011 to ensure its future and independence. Abstraction shift in vision, Board, executives, staff, design and product portfolio with extreme restructuring matters.

Buy.

Business Credibility

Credibility comes from vision, people, leadership, products and working mode. A systemic equal to Nokia. Systemic upgrade in staff and leaders, systemic products and systemic excellence.

Nokia has to choose between an aggressive business attitude and a gentle "save the world" strategy. The latter is better.

Tactics

1. Nokia's vision transparent about respective strategy and actions
2. Owners and controlling shareholders are present at AGM 2011 expressing seriously their demands for practical changes and actions
3. Nokia takes an abstraction shift in every business factor and surprises the markets and competitors
4. Vision, concepts and design are Nokia's business drivers, not strategic wish lists without operations
5. Nokia has to be much more aggressive in monetizing services or...
6. ... much more gentle about Apple's, Google's and Facebook's hostility and evil control attitude
7. Selection between aggression and gentle is easy: Gentle business approach with aggressive passion is the winner.

Present opportunities

Nokia is forced to reorganize its vision, brand, meaning, leadership, personnel and business. Present CEO does not have any ballast from the past. He can easily listen to the owners and CCO. GRO program gives 1,0 billion €, AGM 2011 decision not to pay dividends gives 1,5 billion €, altogether an extra 2,5 billion € in cash to be used for reorganization. When stock value rises to 15 €, it gives 25 times more value for the owners' than 0,4 € dividend. Would you rather take 10000 € instead of 400 €?

Meaning

Abstraction

Aggressive or Gentle

Owners

Organization Change

Share

AGM

Abstraction →

Abstraction shift = totally new paradigm

Vision

Nokia has vision, strategy, skills and capabilities for an abstraction shift in mobile solutions, respective technologies, design, processes, customer needs and brand. Nokia surprises, you ain't seen nothing yet.

Operations

When preparing this Nokia's biggest change in its business model ever more extreme actions are needed. Owners should their responsibility by demanding quick updates. The new CCO and CTO should together reorganize Nokia gradually to respond to internal and external challenges. Mandate streamlining.

Tactics

1. Immediate start lead by CCO and CTO to transform every project (apprx. 20 000) and reach new abstractions
2. Make use of an external company to investigate and track last 6 years derelictions in product creation, brand management, design, leadership and HR to propose nominees for GRO program
3. Widen and deepen mobile a mobile approach to gentle, meaningful and intuitive communication with or without technical equipment, without ulterior motives and without controlling peoples' intentions, desires and actions – compete by defending and enabling genuine human intentions, respect and freedom – primary Scandinavian dimensions.

Present obstacles

Nokia has always been a company of evolutionary development through torque and clockspeed. Nokia has never had revolutionary products, services or solutions. However, Nokia has succeeded well because of fortunate gambling with the GSM and the miracle of ICT bubble. Nokia follows the same curve as most industrial and technology companies do. It very likely would not have mattered who was the CEO of Nokia in the golden age. During Nokia's own self-made deep recession, only an abstraction shift in strategy, product creation, design, innovation and leadership matters. Bad news: no present leader or board member understands this and in spite of personal brainstorming he could not act with depth.

Aggressive or Gentle

Ecosystem ←

Vision

Nokia applies either an aggressive or gentle attitude in business or dynamically combines features from both in context. Encouraging gentle purposes gives an aggressive advantage over competitors.

Operations

ICT business is all about to controlling the ecosystem. Nokia's new strategy is to create its own open ecosystem with trust and confidence among stakeholders. The New Nokia is not locking-in, not controlling customers' interests and online life, not gathering personal data and not selling ads. Competitors begin to look hostile and evil and people will lose their sinister and ulterior motives.

Tactics

1. The gentle Strategy Execution program starts with an aggressive flavor
2. Creative Organization as a home base for a new, gentle mindset
3. Nokia creates business opportunities rather for the common good than ever strengthening business war
4. Create solutions for gentle communication
5. CSO as Nokia's foreign minister to cooperate with stakeholders
6. Nokia adapts more to Scandinavian and European cultures in making business opportunities
7. Nokia Innovation Center network as a base for global interaction
8. Nokia to host global development programs

Present obstacles

At present Nokia tries to compete with competitors' rules in a hostile ecosystem. In those conditions Nokia is way too slow, lazy, dull, timorous and quiet. Nokia is also too big and inflexible. Managers quickly learn to save their bacon and start to play the corporation game. Nokia's internal culture is twofold: top management is more aggressive and specialists are normal enthusiasts and nerds. The gap between those two extremes is filled with people who want to gain from egocentric interests.

Owners

Vision

Owners and institutional shareholders are active and conscious in interacting with Nokia. The Board is available at the Owners´ Club and owners receive innovative advantages annually.

Operations

Everything starts in AGM 2011. Nokia announces a radical plan to restructure leadership, personnel, product strategy and portfolio, processes and brand. The future prospect dictates long-term shareholders´ interest in investing in Nokia.

Tactics

1. Active owners are rewarded
2. CSO interacts directly with shareholders
3. CFD´s meaning and impact has been upgraded from present account management to innovative financial leadership
4. Nokia is capable of investing quarterly cash flow for owners´, company´s and for Nokia´s businesses´ advantage. Vision and leadership first, benefit, capabilities and resources follow
5. The Owners´ Club is a home base for owners at Innovation Centers – an easy method to have happy owners
6. Institutional shareholders to be activated – offer bonuses
7. Owners want to sell and buy → create a plan for constant growth with a healthy sell/buy volatility added.

Present obstacles

Owners have been passive and they have lost enormous properties. Institutional shareholders short Nokia shares weekly rather than guide shareholders to be active. Nokia Board and executives have lost their leadership to Nokia´s main assets like product creation, design and brand which has weakened future prospects and let the share value go into free fall. Nobody is proud to own Nokia. This tradition has reached a dead-end, owners´ control entered the corporation.

Organization Change

Vision

Nokia moves from nobody-leads stage to Vision, CEO, CCO and studio work leads. Nokia is a design based product and services company with relevant leadership model and without dead weight.

Operations

CEO and CCO form a combination of enabler and public figure, visionary and internal promoter. Every organization follows product creation and design approach. Solutions org gets more emphasis and Markets becomes slimmer. Devices such as matrix org stays the core of Nokia's business.

Tactics

1. CCO leads Nokia Design in the forefront and by example
2. NRC, NCC and NDD are in matrix with Devices and Solutions
3. Internal management update from bottom to top → SVP, VP, director and head restructuring: top to be released
4. Because of design approach, the main design teams move dynamically between peripheries and metropolises, Nokia Design in London to be ramped down, they had their moments
5. Emphasis in Finnish and Scandinavian recruitment only during 2011, then switch to a global approach
6. Re-educate engineers and economists and start their reorganization
7. Rather outsource than relocate → improve entrepreneurship
8. Young experts and designers under profound mentoring and supervision → Care & Criticism Program

Present obstacles

Nokia has a tragic history of organizational changes. Early Nmedia with bimbos and later Nokia Design with null and void persons encircle organizations without any results like MIA Mobile Internet Applications, ES Enterprise Solutions, Media&Content in NY USA, Corporate Development, Solutions&Services, NVO Nokia Venture Organization, Club Nokia, two different Forum Nokias, Category management and today, Innovation & Concepting. Directors breezed between fancy dreams without competence. This has partly caused share value collapse, erosion of competitive position and a nearly impossible situation for survival.

Share →

Vision

Nokia share value is stable, rising annually due to strong strategy and execution. It is good to own Nokia and owners get diverse advantages.

Operations

CEO, CCO and CFD together create innovative financial leadership based on products and anti-bookkeeping. Owners' assets are strengthened: share value rises, annual dividends rise, the Owners' Club is vital and Nokia's future prospects are high.

Tactics

1. Owners need more than annual dividends and average profits from share value volatility → stabilize share development
2. A share value rise from 8 € to 10 € gives 5 times more value than 0,4 € dividend/share for the owners
3. It is easy for shareholders to skip 2011 dividends to partake in Nokia's restructuring → share solidity strengthens
4. Nokia lives from future prospects: vision, products, services, personnel and leadership. This gives the most profit for owners
5. Owning Nokia has several dimensions: share itself, direct communication with the company through CSO, visiting the Owners' Club at Innovation Centers and using new mobile communication solutions

Present obstacles

Too big to fail. Sharevalue collapsed 2000 -2011 from 65 € to 8 € recausing Nokia stock value to upturn doubly: ¹⁾ when raising the value to 15 € all disappointed parties sell with reasonable loss and new holders want short-term profits. ²⁾ To gain credibility amongst long-term investors Nokia has to continue with excellent products, services and content. Phase ² is not separate from phase ¹. This Rescue Plan ensures phase ² will follow and the second rise is possible.

AGM

Vision

Annual General Meeting AGM 2011 is a watershed for Nokia's future. From this moment Nokia is restructured to gain market leadership in 12 months.

Operations

Owners' and investors' interference in the Board's and executives' work is always humiliating. After AGM 2011 nobody should moan about things done or undone. Explanations about share value 65 € to 8 € has to stop. Owners have to decide whether they want to participate in Nokia's cortège or build new trends, and act accordingly.

Tactics

1. Owners and controlling shareholders to join forces
2. Today 11th 2011 Feb 2,5 months to prepare AGM (Feb, Mar, Apr 2011)
3. Quick plan to rescue Nokia = owners' property
4. Change Board members to competent and visionary persons
5. Change executives to execute Nokia's profound restructuring
6. Owners' to withdraw concern for dividends to participation in the reorganization process → testing owners' commitment
7. Oversensitive topic: How to ensure Nokia's Finnish origin and not to divert Nokia towards mediocrity in an American context under American command. Scandinavian culture is a specific driver and its unbeatable virtue to be upheld.

Present obstacles

AGM 2011 decision not paying dividends gives 1,5 billion € in cash to be used for reorganization. When stock value rises to 15 €, it gives 25 times more value for the owners than 0,4 € dividend. Would you rather take 10000 € instead of 400 €? This has not been the owners' and controlling shareholders' way of thinking and probably once again Nokia AGM tries to win extra time as an innocent dupe.

People

Staff

Executives

HR

GRO

CrO

Developers

Signals and MBAs

Staff

Vision

Nokia has a competent, effective and fit personnel for future product creation and execution by 3Q11.

Operations

New Chief Creative Officer establishes, according to Creative Organization principles, a new structure for Nokia organization from a product, services and content creation perspective. CCO leads innovation, concepting*, product creation, design and brand.

*conceptualizing

Tactics

1. CCO takes over Nokia Design and releases all incompetent and out-of-design persons → GRO program as investment
2. CCO establishes Design Leadership Team of 30 persons to lead Nokia product creation.
3. CCO hires 500 new talents by recruitment and buying small design and concepting companies → funding from GRO program
4. Brand management is moved from Markets to Design, Markets organization focuses on "marketing logistics"
5. Internal structuring of personnel by separator methods rather than by old merry-go-round method → passion and competence first, innovation and quality follows

Present obstacles

Today and after year 2005 nobody has led Nokia Design ND. Nokia became a styling company with a fragmented design approach consisting of internally competing and elbowing product, usability and experience designers. Leadership in ND has been outsourced to non-designers which has made ND's atmosphere and mode-of-working pompous. Nominations by political nepotism has a negative long-term lock-in impact on leadership. The only solution is that CCO gets the mandate from the owners to execute the GRO program.

Executives

Vision

Nokia Executive Board has new structure, relevant competence and a new mode-of-working for future business. Executives are visionaries and they lead in the forefront and by example.

Operations

AGM 2011 reorganizes the Executive Board, which then consists of four Chief Officers and six Chief Directors. Every officer has their own Leadership Team to start implementing Nokia's new strategy.

Tactics

1. CEO, CTO and CCO formulate the vision, strategy and business goals
2. CEO, CTO and CCO lead Nokia directly and with Leadership Teams
3. Executives spend min. 12 hour per week in concepting and design studios and min. 60 hours leading respective businesses
4. Nokia Innovation Centers are main sites for executives
5. Every executive role definition leads to higher abstraction in responsibilities, qualification, diligence and leadership skills than before
6. CCO and CTO are fully internal job roles
7. Team of CCO, CTO, CSD, CFD and CDD run the company core business which is product creation, manufacturing and distribution.

Present obstacles

Nokia Executives have no history and convention of understanding, following or co-creating products, services or content other than signal processing for 2/3 G networks. This tradition reflects to top management from SVPs down to Directors and Heads. From those approx. 2000 persons min. 15 % should be released or re-educated. The only hinderance to rehabilitating leadership is Nokia's organizational lock-in: every manager is a nominee from nepotism. Only external forces can refresh and reshape Nokia.

HR

Vision

Nokia's Human Resources is reorganized and on a par with Creative Organization CrO. Nokia acts like a small company with an entrepreneurship attitude. Nokia slims down to 15%.

Operations

New HR as Creative Organization is lead by the CCO and managed by Design Leadership Team DLT. CrO executes the GRO program and upgrades all groups and teams to a new abstraction level of working attitude. HR pampering and psychologization ends.

Tactics

1. CCO to reorganize HR (ramp down from the present HR 2Q11)
2. Creative Organization CrO quick launch according to existing plans (2Q11 – 3Q11)
3. Maximized HR practices of change mgmt in use during GRO program
4. CrO innovations and new trends to support working atmosphere
5. Studio and workshop mode-of-working in place 2Q11
6. Flat organization plan → from 7 layers of mgmt to 4
7. Mandate streamlining plan → shortened approval process
8. Plan to avoid psychologizing and further engineering of HR/CrO
9. All National Health Care and Population Register style actions to be outsourced.

Present obstacles

HR has been the fuzziest and iffiest organization with nobody in charge. Processes and methods are from adult daycare on any academic level where universities compete furiously. HR is a synonym for cure-by-slogans, don't-care-fundamentally. HR has ensured organizational indisposition through selective abandonment. HR leaders are traditionally non-professionals. This tradition combined with "keep-my-mouth-shut-about-domestic-violence" has caused problems that can't be solved without GRO.

GRO

Vision

Nokia's most important investment ever, Get Rid Of incompetent and pompous persons, has been followed through. The agile and diligent Creative Organization comes true.

Operations

GRO program went online on Friday 11th of Feb 2011 when Nokia was reported to release MacDowell/Ojanperä. GRO becomes more difficult when closing on SVP-VP-Director-Head layers. Accuracy needed, business success, track records and qualifications to be a measure of all organizations and respective managers. Two external consultant companies in charge.

Tactics

1. Nomination policy and practices have destroyed Nokia in business, mobility, design, technology, mobile services HR leadership
2. Nomination and recruitment disaster is descended from business nepotism and business socialism. Release all "Names" and "Pals" and "Mates"
3. GRO goes through Nokia, the Board, GEB, top management and personnel
4. Options in GRO: outsourcing, training, downshifting, zero-packages, compensations already earned during zero business
5. Find recruiters and nominators
6. GRO program cost 300-500 million €, start 2Q11, end 3Q11
7. MBAs and Signals get special treatment
8. Drama to GRO: fools, bimbos and simpletons of respective professional branches to be found and released, hiring history matters
9. Two external consultant companies to run GRO evaluation, cost 50 million €.

Present obstacles

At present CEO can ask for business success, track records and qualifications of his subordinates only by interviewing themselves. The result is a dead-end. A list of 500 participants to the GRO director program comes from those in charge of daily work. Nokia's operational practice has several conflicts: How to get the right information from personnel where 10 000 out of 50 000 don't fit the needs of today's and the future? Nokia needs external evaluation nominated by owners and analysts. Cost: a portion of dividends. Investors and owners, please help the CEO.



Vision

Nokia´s Creative Organization goes through every business unit and team. CrO is function of ideal and passion applied into strategic intent and daily work.

Operations

Nokia´s Creative Organization replaces old HR without ballasts and a tradition of signal processing and psychologization. CrO identifies creative persons and supporters, first movers and second movers. New division of mandate. Fewer administrative layers. Nokia slims down to 42500 persons by 4Q11.

Tactics

1. CCO together with CSO with new roles and responsibilities to execute CrO program as of 2Q11
2. Flat organization, only 4 layers of management, GRO as main tool
3. Mandate shift from administration to designers, designers first, admin follows
4. Quick concepting and prototyping – from 18 months to 1 month
5. NRC, NCC and NDD as new structure for research and concepting
6. Executives working 12 hours a week in studios and workshops
7. Executives divided into two categories: Officers and Directors. Directors are juniors, Officers are seniors
8. Talent Search via Concepts TSC program starts, CCO´s office in charge
9. CrO matters more than false visions, strategies and leadership

Present obstacles

Nokia´s HR has a history of pampering second class professionals. It means balancing between organization continuity and responding to ever more revolutionary markets. In old Nokia organization and luxury to be director won, company and owners lost. Nokia has too many academic researcher doctors in charge of organizations´ wellbeing. HR cinderellas to be outsourced.

Developers

Vision

Nokia has a vital and active developer community making profitable business in mobile communication space.

Operations

CCO and CTO takes over present developer support organization Forum Nokia FN. During restructuring FN joins the GRO program and wide parts are outsourced. Platform independent strategy for FN. Developers one of main stakeholders for Nokia.

Tactics

1. CCO and CTO with new Forum Nokia FN leader adjust the meaning, scope and organization to meet new challenges
2. FN abstraction shift from C++ odyssey to mobile service, communication and content support
3. Create platform-independent application development ecosystem
4. CCO reorganizes Forum Nokia by releasing all management higher than senior managers
5. 70 % of FN operations to be outsourced
6. Developers invited to new Club Nokia
7. Ensure that developers create relevant applications
8. Ensure that developers make money
9. Create new marketplace for developers

Present obstacles

Forum Nokia has a damaging approach to the developer community because of combination of C++ and engineering. This skew culture can be emasculated only by outsourcing and de-engineering FN services. FN has a tradition of temporary leadership throughout the organization. Commitment has been bad and developers defect to competitors' camps. Managers have no overlap horizontally with peers, FN does not act as one team with a common goal. Developer dissatisfaction is not communicated to SW and platform organizations. Nobody cares.

Signals and MBAs

Vision

Nokia finds relevant work for signal processing engineers who descend from Nokia Networks signal processing, and for MBAs, in external consulting companies or wherever.

Operations

HR and respective organizations to start SMB program and get it completed during 4Q11 for those who are not participating in the GRO program. Nominators in the forefront. Never ever hire anybody with other interests than healthy business.

Tactics

1. Renewed HR to plan and run SMB program during 3Q11
2. SMB Program to create relevant work for "Signals" and MBAs and release them from Nokia's most important assets as leadership, innovation, product creation, design, technology and branding
3. NSN and external consulting companies partnering SMB as recipients
4. Externalized MBAs can of course act as consultants for respective Nokia organizations by offering MBA excellence
5. Signals and MBAs certainly have warranty agreement with their home base universities and professors → Return-to-Sender RTS program to return incompetent graduates (legal support from Nokia if any pie in the sky found).

Present obstacles

Signal processing syndrome and MBA defect gnaw at Nokia success. Signal-engineers are a legacy from 1990's Networks with evergrowing power and do not fit in Nokia's present business. "Signals" are in HR, media, design, experiences and daily management. MBAs are middlebrow miniexecutives hindering product creation, design and branding. Both groups are tiresome for every subordinate and workmate. It is hard to get rid of the problem because of the nepotism trap. Did Signals and MBAs destroy Nokia? No, they are not that diligent. Also incompetent leaders were needed. MBAs may suit other companies better.

Infra

Vision

Nokia develops ways to create, manage, deliver and use digital data. Nokia offers vehicles and methods for the customers in any need to handle with information, knowledge and interests. Nokia acts as a gentle and trusted partner hosting stakeholders' data.

Operations

Infrastructure consisting data, information and knowledge has to be added with new abstraction: interests. Develop methods of understandability and management of mankind's information. Nokia widens its actions from corporation level infrastructure to enable higher abstraction infrastructural needs.

Tactics

1. Release present CIO, he has failed in every dimension of data, information and knowledge management
2. Start infra program with interests and understandability
3. Create methods and platform for an open and global system to be applied to internal and customers' use
4. Outsource 50 % of the present Nokia-IT (database-as-usual kind of engines and platforms)
5. Invite 20 partners of different sizes to participate in the infra program
6. Invite global, local, social and administrative organizations to the infra program
7. Apply new infrastuctural SW to services and content management

Present obstacles

CIO has failed. Nokia has lost information, data, code, ideas, innovations and possibility to Web excellence during micromanagement and erratic microfocus. Nobody knows whether ideas vanish to emails, PPTs and XLSs, hard discs, during meetings, but innovations just disappear. Data archives are cryptic, archives are incompatible and impossible to use. Data loss is terabytes in months rather than megabytes. Innovations and projects older than three years impossible to track down. CIO has managed a loss of 7 billion € since year 2004.

Systemic

Vision

The Nokia product and services portfolio is a systemic ensemble operating seamlessly with appealing functionality. Intuitive usability, meaningful and relevant features combined with captivating design allows users and developers to create and enjoy.

Operations

Nokia's product, services and content strategy needs vision which is a combination of technology, SW and usability. In a matrix the combination needs meaning, relevance and drama to meet customers' expectations. Only holistic and systemic solutions form Nokia's future product selection.

Tactics

1. CCO and CTO to clarify vision and strategy of systemic output
2. CrO program to find present internal professionals to participate in the Systemic Creation SCr program
3. Technology program to enable systemic vision-making requirements
4. Ensure systemic solution viability by MIST UI (in any ecosystem)
5. Web as main context for all solutions
6. In case of a dead-end in program flow → abstraction shifts to ideal, drama, human instincts and senses
7. First systemic solutions prototypes 2Q11, launch 3Q11
8. Systemic tools and solutions for developers
9. Systemic solutions for ecosystems → dynamic and scalable technologies

Present obstacles

Nokia was a company of systemic products during early days of mobile communication. It was brought to perfection with GSM networks, 2110i handset and SMS messages. Oday competitors offer systemic solutions like Apple's iPod, iPhone, iPad, iTunes and AppStore or Google with its 25 different data, knowledge and practical tools and services. Nokia is far from those with N, E, C and X series, Ovi and Booklet. Nokia does not anymore have a clue of systemic solutions, visions, talents and leadership. Some persons in Nokia understand the importance of systemic offering but nobody can lead it .

Ecosystem

New ecosystem equals withs extreme internal GRO program

Vision

Stakeholders with interests, technologies and solutions cooperate with Nokia with Gentle approach. The ecosystem creates product, services and content solutions to offer future communication vehicles enabling better local lifestyle based on systemic solutions.

Operations

Nokia searches for partners and companions to start the Systemic Ecosystem program SES with gentle and supportive mode of operation. Partners represent communication, media, technology and commodity industries as well as global, local, social and administrative organizations.

Tactics

1. Quick start in recovering spoiled relations with former stakeholders → CSO's office
2. Create communication system for the Ecosystem
3. Invite stakeholders to Nokia's gentle ecosystem
4. Act as host for common interests, fund and orchestrate programs
5. Offer resources at Innovation Centers for stakeholders
6. Find inappropriate persons and release them by GRO
7. Develop a mechanism to support stakeholders' product and services creation
8. Content creation as main stakeholder program with Nokia
9. Point of Sales, POS, is the the next door's cat, more important than you ever knew.

Present obstacles

Nokia has a history of bad relations with stakeholders. Either Nokia has wormed out information, efforts or power of developers, subcontractors or SME companies, or said no to operators and service providers. Nokia's relation to US media and film industry was ruined during 2007-2008 by Nokia's NY office. Nokia has been considered as hostile associate by default. Agreements have been signed first by lawyers, later by content owners. Nokia's Ecosystem culture needs restructuring.

Products

Brand
Innovation
Design
UXD
Software
Technology
Phones
Services
Platform

Brand →

Vision

Products, services, technology, usability, excellence, relevance, staff, owners and user needs first – image follows. Nokia Brand grows from creation, products, quality and people.

Operations

Design Leadership over Marketing. CCO and his Leadership team reshape brand management and release Nokia Markets to manage advertising and product/services delivery globally. Nokia brand restructuring starts. Brand is not a marketing issue.

Tactics

1. CCO starts to lead Nokia Brand through product, services and content creation
2. Present Brand managers and teams are released and outsourced
3. Brand restructure program BRS starts
4. Brand becomes a systemic body of Concepting and Design
5. Nokia brand mgmt moves from London to Paris and Nokia Innovation Centers
6. Downshifting Markets to be the second mover of branding and to deliver products by a new "advertising logistics process" globally
7. Nokia stops alienating products and services with illusory factors
8. Brand innovations widen Nokia's selection

Present obstacles

Nokia Brand management is a combination of product creation without a leader, service creation without connection to customer needs and brand leadership through a mouse, codger and clown. Together those caused a 20 billion US\$ collapse in brand value year 2010. Nokia Markets has too much power with outdated ideas, theory and practice for a design-oriented company. Brand executives have adjusted themselves to British reliant-robin -grade quality because of no product creation and design competence. Anything goes came to an end.

Innovation Innovation B

Vision

Innovation is extended to continuous from-idea-and-concept-to-product process. Innovation management is part of Nokia Innovation Center's operative actions.

Operations

CCO takes over Nokia's fragmented and inefficient innovation management and processes, and establishes a new innovation leadership program with Creative Organization, Casual Fridays and Innovation Centers. NRC, NCC and NDD become main dynamic organizations to execute innovation flow.

Tactics

1. CCO and DLT together with CTO reorganize innovation flow
2. Hire persons and buy small companies to strengthen concepting
3. Innovation portfolio update and re-evaluation
4. Concepting process in place, concepts the most valuable asset
5. Release present CIO because of continuous neglects in processes and management of innovations, data, communication and enabling infrastructure. Release innovation managers from 2006 →
6. Top management commitment test through their personal innovation portfolio → immediate releases if no relevance or failures
7. Flat innovation management, reduce human friction by 3Q11
8. Rapid flow: 3 months from idea to launch

Present obstacles

Nokia lost 500 remarkable innovations from a portfolio of 5000 by incompetent, lazy and arrogant management during 2007-2010 . Competitors produced the most relevant ones better or worse, but still in time. With present workforce innovation flow stays lazy and arrogant due to lacking end-to-end responsibilities. 95 % of VP/director/head level innovation persons are incompetent and therefore unwilling to facilitate product creation. By the same time implementing teams care about small steps in product launching only to get their bonuses. This twofold problem destroys Nokia's possibilities to gain leadership through innovation.

Design

Vision

Nokia Design is seamless entity from idea to product. ND governs design with enhanced concepting process. CCO with DLT leads ND. 85 % of ND staff are designers. Design combines devices, services and content to appealing communication solutions.

Operations

CCO takes over Nokia Design immediately by 2Q11. New vision, fresh designers, CrO processes and enlarged mandate. Dead weight is released and non-designers find new roles in other organizations. Brand leadership as Design subject.

Tactics

1. Design is the DNA of Nokia's products and services, therefore all organizations are sorted from Design perspective
2. CCO leads Nokia Design and Nokia's product & services creation
3. CCO and DLT lead Nokia Brand
4. Enhanced concepting process in use
5. Creative Organization up and running by 2Q11
6. Form factor abstraction shift, Usability abstraction shift
7. Communication and media abstraction shift
8. Dead weight like non-designers, Peter Principle people, persons with outmoded SW skills and a bunch of managers to be released from Nokia Design
9. Present Head of Design to be released

Present obstacles

It may be hard to preserve Finnish character in a threefold dilemma: Nokia would be stronger with Scandinavian and Finnish character, there are not enough good designers available in Scandinavia, and as a foreign design approach Nokia becomes boring. Present American designers and UXD leaders are mainly B class ex-workers from competitors' pools. Design and UXD are not "engineering" but art with passion and emotions. That's why ex-competitors try to compensate for their primary betrayal and return back to their original nest. This is why it is better to recruit first-timers.

UXD

Vision

CCO with his team leads Nokia User Experience Design which is a seamless part of Nokia Design. UXD is restored to usability, user needs and don't-ask-user approach.

Operations

CCO takes over UXD through Nokia Design. Every non-designer is re-educated or offered external partnering. DIY-level UXD specialists are outsourced, Customer Experience movement is ramped down with its DIY/besserwisser thinking.

Tactics

1. CCO and DLT reorganize UXD vision, processes and personnel
2. UXD "divas and lords" to be released
3. Usability first, experience follow, new abstraction for context
4. Users are not our designers, design professionals' self-esteem upgrade and mandate shift from non-designers to designers
5. MIST UI research and development starts
6. UXD DIY-persons and hobbyists in GRO like lightweight-UXDs
7. UXD re-education causes a problem because of the bad level of Finnish design education. Design organization to be moved to US, France and China, discard London
8. Finnish culture in design would be a strength → trials to reorganize design and UXD education in Finland, otherwise move out
9. Usability as fundamental part of concepting process

Present obstacles

Nokia has always been divided into two separate design organizations, Nokia Design is for outer form and plastic design, User Experience Design is split around platforms, services and Web design. Nobody knows and cares about consistency and quality, nobody leads Design. Last desperate attempt to redeem design disaster was to nominate group of simpletons non compos mentis to hold the reigns of Nokia Design. UXD which is everyman DIY fuzzy version of usability has been filled with so-called experts without any design skills. Those lightweight engineers aren't capable of concepting, they can't design and they always need somebody to shepherd their work. Nokia is stuck with miserable leadership, low-down specialists and styling-only designers.

Software

Vision

Nokia has software for systemic product, services and content solutions. Platform, applications and User Interface operate seamlessly between devices and Web, and application creation is fluent.

Operations

Two options: either create own SW platform and keep end-to-end control of SW assets, User Interface, applications and developers, or cooperate with a partner Nokia running the platform with MIST UI. This UI or core for owning access to SW layers and interaction between layers.

Tactics excerpts

1. New CTO builds SW system architecture according to CCO's vision of products and services
2. Understandability as highest abstraction for SW development and application quality, MIST UI development in NRC and CCO's teams
3. Cloud computing combined with understandability and NET heritage, data of mankind has been abandoned
4. Database "anti-lock-in" approach, free users data from the hostile lock-in traps of competitors
5. VR, AR, AI, 3D, sensors and MIST UI as main focus for mobile SW creation
6. Start search engine development with partners according to CCO's ideas
7. Develop agile and lean methods to be free from scrum hinders
8. Buy bulk code, own and manage access between data, create systemic complexity with SOM management

Present obstacles

Nokia is a wannabe software company: Nokia wants to make everything alone without proper vision and leadership capabilities. Coding skills can be hired or bought, but SW architecture competence has been drowned due to miniexecutives' personal interests. Most executives have SW knowledge from 70's and 80's punch cards and fortrons and even mention them in their CVs. SW leadership by punch cards. Forum Nokia's attitude to SW kills developers' interest. Luckily nobody has died from C++. CIO to be released and platform creation to reach new abstractions.

Technology

Vision

Agenda: “Technology leadership in reversed order: imagination and fantasy as baseline. Technology follows”. Nokia has joyful and sovereign relation in creating global and local communication, understandability and virtual mediums to encourage cultural and intellectual intercourse.

Operations

Nokia’s new Technology Leadership Team TLT under new CTO’s command takes the responsibility to reorganize Nokia’s technology vision, meaning, R&D and execution.

Tactics excerpts

1. New CTO joins Executive Board and prepares technology strategy according to CCO’s vision (vision first – technology follows)
2. CTO leads TLT and respective teams in NRC to overstep abstraction
3. CTO prepares technology roadmap to 2020 with global masters
4. University cooperation abstraction shift including partnering among others by blue sky visioning and rapid prototyping
5. User Interface (MIST UI), visualization, Augmented Reality, Virtual Reality, Artificial Intelligence technologies linked to mobile and Internet solutions
6. Rare material, nano and composite R&D as assets for the near future
7. Self Organizing Maps SOM as asset for new services
8. Energy consumption and solutions for wider use than mobility
9. Weekly studio and workshop sessions for execs and top mgmt (min. 11 h)
10. Agile and Lean development methods to innovation and concepting

Present obstacles

Nokia has three gloomy traditions in technology development as today’s burdens: CTOs completely at sea from during 2002-2011, NRC and engineers with luxury of researching and developing marginal technologies without meaning for Nokia’s business. Finally, most obvious technologies of UI, visualization, VR, AI, human perception, search and Internet get no attention. Engineers are either lazy or irresponsible because by nobody-cares attitude is pervasive. Nokia engineers just have to brace up.

Phones

Vision

Nokia creates and manufactures communication devices which enable users' intentions and actions for a better local life. Every device is a quality phone with voice calls and access to personal data and Internet.

Operations

Nokia needs to define communication and human interaction with a new paradigm based on gentle attitude. Today's hostile communication and business ecosystem offers control, competition and disorder. Nokia creates systemic products and devices for human beings, not for user segments.

Tactics

1. CCO and CTO with their teams to define the idea of mobile communication and respective phones
2. Abstraction shift program for phone form factor and UI design
3. Quick transformation of present 15000 ongoing projects to fit new definition
4. Outsource 25 % of projects and start simultaneous GRO program for incompetent managers and staff
5. Define human needs with relation to human desires, drives, intentions and communication
6. Create an enhanced concepting process to be implemented at 2Q11
7. Drag up concepts and prototypes from the years 2004-2009 and update them to the needs of 2013.

Present obstacles

Nokia has segmented users into several categories and nobody acts accordingly. One competitor with one phone fits every category. Nokia's product segmentation descends from marketing domination over common sense and design approach. Design by MBA visions has led Nokia to its present distress. Losing leadership in technologies, usability and connected services makes Nokia's situation worse: Any new vision is not possible to execute under present leaders' direction and supervision.

Services

Vision

Nokia has systemic services virtually interacting with devices and content according to user intentions, desires and drives. Services run online in the background and sensitively according to users context.

Operations

Start from scratch. Create a systemic solution with MIST UI, Web services and content creation. Meaning, relevance, usability and usefulness as the criteria for service quality. Open the innovation and concept portfolio 2004-2009.

Tactics

1. CCO and his teams to take over Nokia's services creation and management
2. Release 60 % of present Services & Solutions organization
3. Outsource innovation, concepting and prototyping of services, hire and recruit later
4. Understandability as driver → program with Infra and SW
5. Contextual design abstraction shift
6. Don't ask users' attitudes about services creation – we are the professionals
7. Invite stakeholders to services ecosystem and host the consortium
8. Enable services for global, local, social and administrative organizations

Present obstacles

Nokia's history in services is twofold: succumbing to operators' authority and catastrophes in its own service creation. Operators never created anything relevant to support users' intentions. Nokia just listed ideas on PowerPoint slides. Then Nokia realized service portals like Club Nokia, MOSH, Lifeblog, eStore, S60 Applications, Catalogs Twango, Download!, Forum Nokia and Ovi. Every person who failed in planning, execution and management are still in charge of Nokia's services business. Time for GRO.

Platform

Vision

Nokia has its own platform for higher abstraction than devices and services only. The platform is cognitive and flexible virtual system operating with human intentions in dynamic contexts.

Operations

Two optional patterns: own SW platform or partnered system. Strategically Nokia needs to develop "The Interface" in any case. Partnered version allows Nokia's own focus to be concentrated on MIST UI and higher abstraction features. Own platform means inevitable investments for a huge step up in SW capabilities.

Tactics

1. Immediate studies, calculations and iterative decisions and actions to find smooth and simultaneous practice for present product flow
2. Evaluate dependences between independent system vs. UI vs. applications vs. product portfolio vs. life cycle vs. coding efforts vs. time-to-market vs. partnering → decision by 3Q11
3. Must: Partnering LT (light) strategy → two big actors + 20 small (with N's mgmt solution): alliances and outsourcing. Present-day Lean methods allow dynamic solutions even for systemic SW
4. System architecture with three dimensions: simultaneous UI, open layer and engine embedded to HW frees the governance model
5. Incorporate UI, services, search and content to one holistic SW entity, MIST UI as central power for sustainable interests

Present obstacles

Platform is a mindset problem for Nokia: after Nokia OS and S30/40/60 to Symbian and Meego platform has been a burden. C++ was the revealer of code complexity, agile method incapability, developer frustration and Forum Nokia impotence to cope with basic development. Symbian C++ was brilliant during the early days of mobile phones. After normal progress in business Nokia tried to keep its comfort level with scale of economy and by thinking that competitors are sleeping. When platform evolution achieved abstraction shift in iPhone's and Android's systemic solutions Nokia was beaten. Nokia has lost its vision, leadership, atmosphere and guts.

Appendix

Abstraction

Share value

Brand

Executives

CrO

NRC, NCC and NDD

Innovation A Centers

Innovation B Process

Platform at best

Multimedia Disaster

Reflexions

Consortium

← Abstraction

Transcendent factor in technology and business
Abstraction shift = totally new paradigm

Intro

Several companies are in the same situation as Nokia: self-made dead ends after luxurious comfort levels. Nokia's problem is very human, the leaders just did not know what they were doing and neglecting. Somebody should have known. The Board and the executives didn't. There is no shared responsibility. Owners are the strangest creatures: they have the power but they don't care. Leaders have fallen into self-delusion. The staff does not act. Analysts don't understand but they tell. Investors are just shorting.

Change management

What should be changed? In case Nokia fundamental changes is needed in:

- Change Corporation vision, strategy, leaders, leadership, HR, processes and product mgmt
- Nokia needs new owners who care about thier property with their power in the Board
- Change the analysts. Either they don't analyze enough or they don't summarize well
- Change the investors. Why do we need investors investing in failing strategies, leadership and personnel?

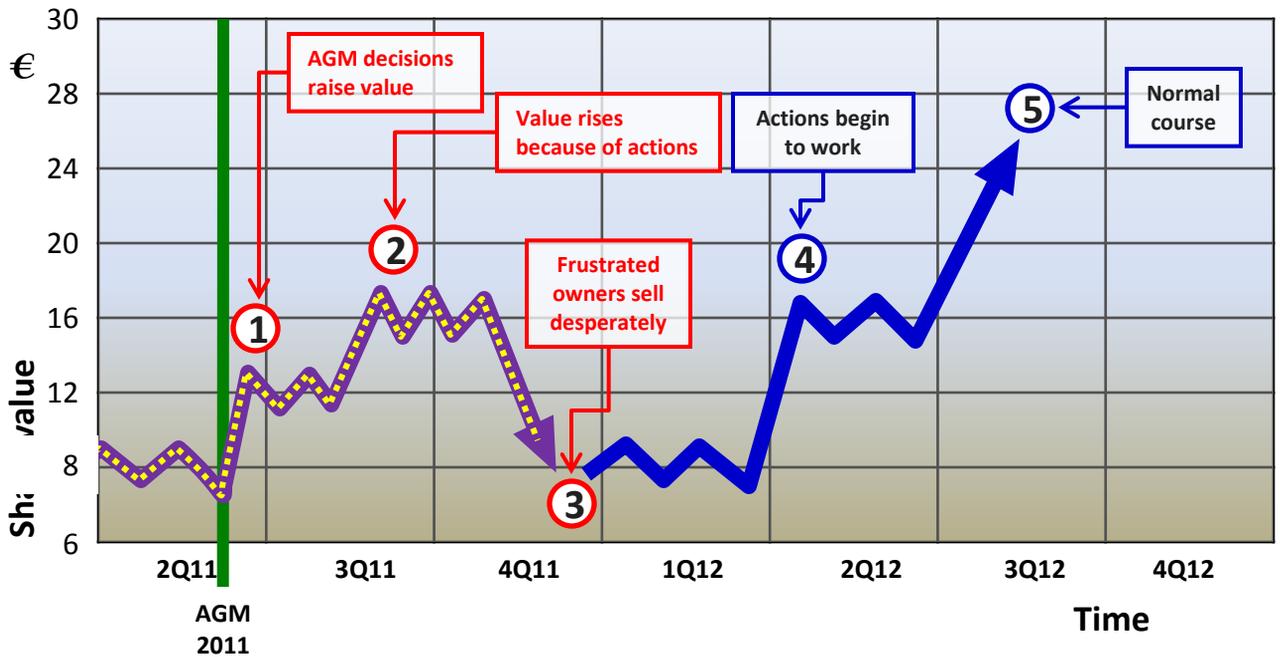
Status Quo

We run billion dollar businesses led and influenced by fools and simpletons.

Abstraction shift

Abstraction shift means a quantum leap and paradigm jump in every possible vision, strategy and action. This is possible only for visionaries and leaders with essential skills and competence. The first test for the candidate is to construct a holistic plan with dependences of her respective operation inside the big picture.

Share Value



Nokia share value trends. After AGM 2011 decisions to restructure Nokia share value rises substantially (1). The value rises more (2) until long term disappointed shareholders sell desperately and never look back to Nokia (3). Stable rise starts (4) with normal trend (5). As a result, several institutional holders leave Nokia forever. There are huge amount of shareholders with the average price of 25 to 45 €. They lost enormous masses of property and now they intend to reduce losses to a minimum by getting rid of Nokia shares.

Waste of Money

65 €

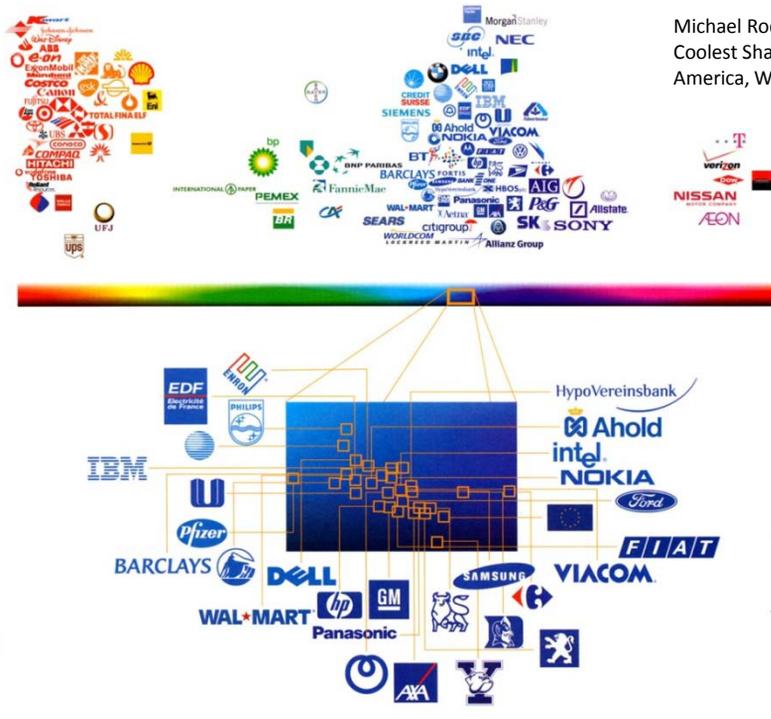


Money missing from business and owners 240 billion €

Results of dream teams, strategies, buying companies, making R&D, supporting share value, changing organizations, and managing the brand. Mainly they are still in charge.

8 €

Brand



Michael Rock, Color Space
 Coolest Shades in Corporate
 America, Wired 06/2003 p. 157

Nokia needs brand renewal. It starts with eliminating the influence of marketing in brand management. Nokia has led brand via clown, codger and mouse. It has cumulated a selfmade tricky snowman problem for Nokia Brand mgmt: 20 billion \$ loss in brand value during year 2010. From the Finnish cultural perspective “pihalla kuin lumiukko” (“completely out to lunch like the snowman”) is tragi-comic but fatal. Release present Brand mgmt organization.



Why do we recruit clown – santa – mouse brand persons to run serious billion dollar businesses in design based product companies? Because marketing people have hijacked brand management. Only companies which need to estrange their products from reality need maximized illusion in their brand promise. Nokia should position itself with high-end product companies like Audi, Breguet, Canon, Daimler-Benz, Festo, Guggenheim and Hilti. There is no place for persons without design and visionary talents in brand management of such companies.

GRO ←
 Executives ←

Executives



New Nokia Group Executive Board GEB 3Q11 onwards. Four Chief Officers and six Chief Directors, new structure to avoid pompous cockiness and bureaucracy. The structure of GEB emphasizes relevance and importance of Nokia's focus in the business.

Example of Executive Board meeting: Visionary and design topics are just for CCO, CTO, CSD, CFD, CDD and sometimes for CEO.

The Executive Board spends 12 hours weekly in minimum in design and concepting studios, but CFD, CID, CMD and CSO have limited access to studios (access by invitation only). Those actions let Executives to concentrate more on significant topics.

← CrO



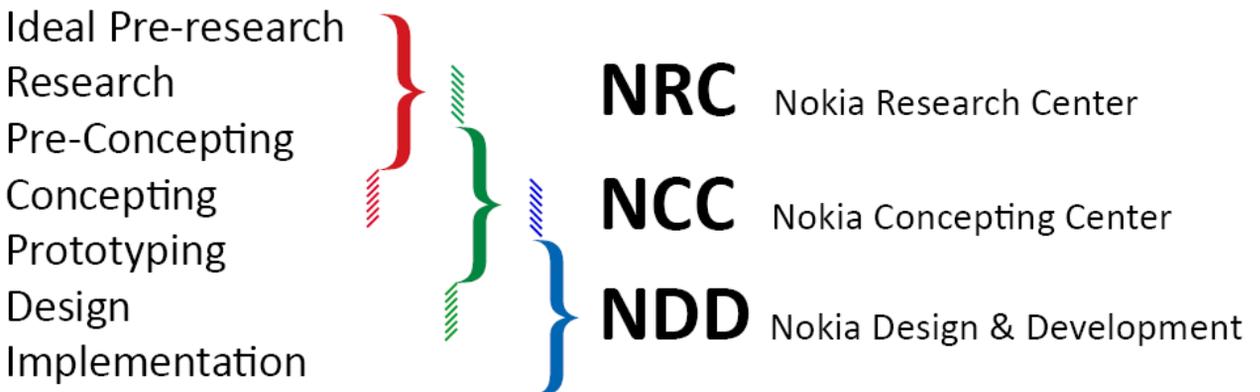
Impact and Effect to improve understanding
Constructing and outlining phenomena
Richness (fruitness) of birth
Creating holistic structures
Form and order
Chaos as structure
Rapid prototyping
Order of magnitude
Concepts and notions
Managing complexity
Inertia management
Morphological entity
Rapid prototyping
Art of prioritising
Ambition to clarity
Holistic models
Visualisation
Motivation
User Centeric Design
Non-conceptual thinking
Maturity
Diversity
Dynamics
Uniqueness
Critical paths
Civil Courage
Ideal as pattern
Direct communication
Signals – strong and weak
Philosophy and communication
SOM Self-Organizing-Maps thinking
Small-big entity – Scale patterns
Communication atmosphere
Management by panic
Reasoning as method
Association as method
Art as creation process
Fuzzy system patterns
Drama as design pattern

Creative dimensions – Innovation and creation follow

Creative organization is based on flow "idealism with passion to be realized with joy". Nokia benefits most from CrO because today its organization is in low spirits.

Org. Ch. ← Innov. ← NRC, NCC and NDD

Nokia Innovation Center structure



The New Nokia Innovation Center is internally an environment of research, innovation, concepting and product creation. A personnel of 2000 specialists can move between NRC, NCC and NDD with reasonable overlap. Those organizations are in matrix with Solutions and Devices. This encourages passion and idealism in creation with professional ambition. NRC improves collaboration with universities.

Executives ← **Innovation A**
Innovation ←

Nokia Innovation Center

Location Alternatives

Risku & Consortium 1Q11 Proposal

America
Europe
Asia
a

Arctic
Tropic
Equator
b

Europe
America
China
c

Nokia Owners Club

Nokia Research Center

Club Nokia

Nokia Innovation Center

Center of Communication

Global positioning

- highlands, wilderness
- earth, air, fire, water
- mobile but local

Center profile

- free nature, clean air
- friends and action
- science and culture

Nokia Innovation Center is a combination of VW Autostadt, Benetton Fabbrica, Xerox Parc, Mercedes-Benz Museum and Salk Institute.

Nokia Innovation Center

Profiles and Brand Culture

Risku & Consortium 1Q11 Proposal

<p>Nokia Owners Club</p> <p>"Proud to own Nokia Shares"</p> <p>Profile: To strengthen the interest to own Nokia shares, phones and Brand signs.</p> <p>Nokia owners can meet each other close to the nature, beside the interesting and exciting buildings at Nokia Center.</p> <p>The owners can visit the open parts of NRC and Learning Center.</p> <p>Brand impact: Nokia gets new dimensions and arguments in stock exchange and brand value.</p> <p>Owner Club becomes the center of the mobile information society discussions. Ideas and the spirit gets Nokia brand coefficient.</p> <p>Architect: Masaharu Takasaki, Japan</p>	<p>Nokia Research Center</p> <p>"Creativity by Nokia"</p> <p>Profile: To give the impression of highest research and development in business.</p> <p>Visiting researchers and university faculty presence gives the center new driving force and connections for the achievements.</p> <p>Brand impact: Nokia gets the best and most innovative researchers in our network. This gives the leading position for future concept, product and process creation. The brand is based on real contents of future ideas.</p> <p>Architect: Santiago Calatrava, Spain</p>	<p>Nokia Innovation Center</p> <p>"Nokia Human Touch"</p> <p>Profile: To strengthen and encourage Nokia people to new challenges in the ever changing future. Implements Nokia Brand Image to all Nokia products</p> <p>Synergy and tacit knowledge are the generators of a creative community. This Learning Center respects all human factors and tries to achieve the inner powers to enthusiastic teamwork.</p> <p>The architecture shows the stable and permanent dimensions in human life and communication.</p> <p>Nature, complexity and mystical dimensions are parts in the comprehensive experience.</p> <p>Brand impact: Nokia people as creative community supports the Nokia Brand.</p> <p>Architect: Laïla Kareliä, Finland</p>	<p>Center of Communication</p> <p>"Nokia Archaeology"</p> <p>Profile: To record, research and present human communication habits, formats and ways of communication and the history of communication.</p> <p>In collaboration with a university and national Board of Antiquities the sponsorship of Nokia gets an outstanding facade and intellectual level for worldwide exhibitions and occasions. Nokia Center with all facilities is the best forum for conferences and meetings.</p> <p>Brand impact: Nokia gets a cultural and intellectual forum for brand implementation. Also our sponsoring projects get a new dimension and directions to focus on.</p> <p>Architect: Laïla Kareliä, Finland</p>	<p>Club Nokia</p> <p>"Innovative and vital Nokia"</p> <p>Profile: To strengthen the attitude of loyal customers and gives action for real commitment to our brand.</p> <p>Club Nokia members have competitions and goal-oriented action, they get prizes and they can spend time at Club Campus.</p> <p>Escapes to the nature are arranged daily.</p> <p>Brand impact: Adds value to customer experience and strengthens USP and ESP arguments of Nokia products.</p> <p>New architecture shows how a Club can be like jazz.</p> <p>Club members want to commit to the vital and innovative Nokia.</p> <p>Architect: Frank Gehry, USA</p>
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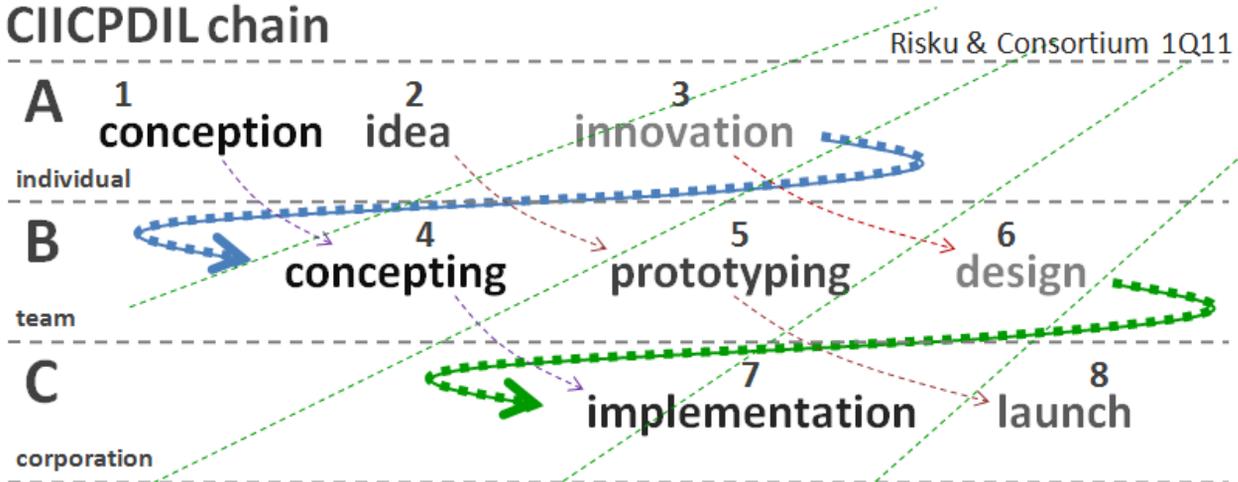
Nokia Innovation Centers´ total cost is 1,7 billion €. It is an investment for innovation, design, staff, owners, users and future. Repayment period for the investment is 5 years and return on capital invested is 17 % annually when the Centers are operating.

Innovation B

Design ←
Innovation ←

Concepts are the main future assets of a design based company. People come and go, ideas pop up everywhere, companies merge. Concepts are the DNA of products and services. Concept equals patent portfolio as property. Concepting teams are the most important execution crew of the CCO.

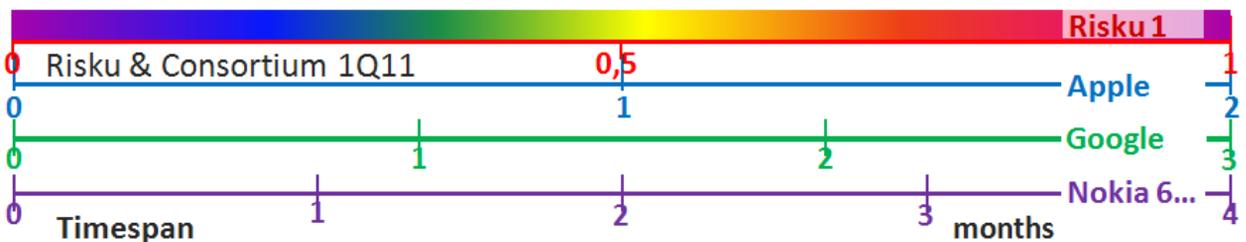
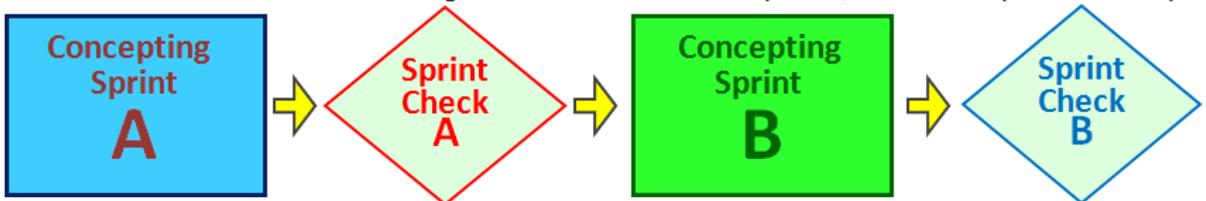
CIICPDIL chain



There is no such thing as exclusive innovation. It is always a total complex combination of CIICPDIL. This is where innovation politics and corporation inflexibility goes astray: management and design by administrative nonsense. Design education needs a globally huge upgrade.

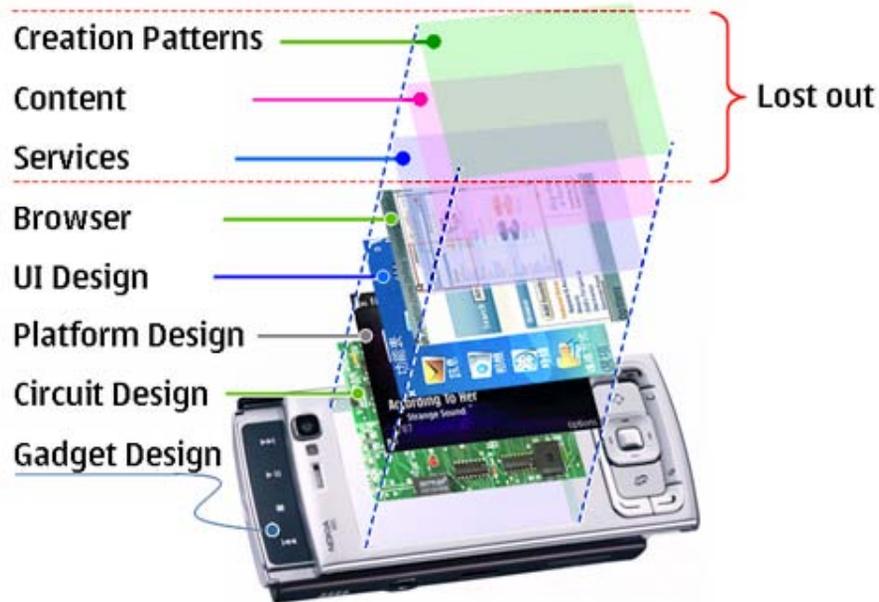
Concepting Process 1...2...4 months

Use Case creation Task flows, navigation Overall use, profiling Concept portfolio Versions 1.0-4.1	Idea check, UXD Technology Architecture Business case draft Functionality check Positioning, Direction	Use Case development Prototyping Visualisation Executive presentation Workshops GEB, DLT	Portfolio check Technology Architecture Business case fit Roadmapping Implementation plan
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The Concepting Process has to be streamlined to 1 month. Several facts allow this step: more manpower to concepting, better processes with prototyping and simulation, competent leaders, an enormous portfolio of ready-made concepts available, CCO + DLT as approval autocrats. Successful concepting is possible only under CCO's & DLT leaders' 24/7 presence.

Platform at best



Nokia's triumphal march was brought to perfection with N95. It was launched in version 0.9, developers found one unpublished sensor in it, S60/Symbian ran fluently, applications popped up, mechanics worked well, and the fuzzy and mystic thing called User Experience was good. Since N95 Nokia had only one success: smartphone E71/E72 as a copy of RIM. Post-E71, 15 billion euros on R&D during 2007-2010 was wasted with no special results. 15 billion € equals 10 year's dividend of 0,4 €/share. In four years. Year 2007 would have given 1 €/share with the same business result.

Nokia does not own remarkable assets in mobile services and media content. Ovi Web service is the only connection to services and relationship to mobile content was destroyed from the Nokia-NY office by a former media executive.

Image above shows different layers of mobile development. Nokia was at five lower ones year 2006. Lost layers were still weak but competitors attacked with services and content in one year with full portfolio of offerings. Today in February 2011 Nokia has lost four of the lower five layers. Three upper layers are gone forever unless AGM 2011 and 2Q11 make a difference.

Surprisingly Nokia has hidden capabilities and passion for internal change and a wide portfolio of solutions to be implemented in 6 months. Only holistic vision and leadership is missing.

Multimedia Disaster

Nokia Today ←
GRO ←
HR ←

Example of
miserable execution

Program

Nokia's "My Connected Life" program year 2005 followed Multimedia's Nmedia bellyflop which was an amateur 0,5 billion € program with simpletons in charge.

Legacy

My Connected Life with See New, Hear New, Feel New, Play New, Watch New and Do New bellyfopped as well. No TV, no music anymore, no MyPages, MyMovies, MyCreation, Visual Radio, no Lifeblog, no Search. Fate, doom or happenstance? No.

Why?

There is no place for doom in business. Nokia Legacy is thoroughly planned, maintained and executed:

1. Multimedia would have been the "Apple + Google + Facebook" thing year 2004 for Nokia, the plan was excellent
2. Executives nominated and recruited multimedia fools, mobile service simpletons and Internet bimbos to lead and run daily work
3. Competing programs beside Multimedia in Enterprise Solutions, S60, Marketing and Nokia.com ate away Nokia's offering and competitiveness has been rocked to its foundations
4. Result: only two assets from My Connected Life survived – Zeiss and Yahoo as companions.

Dreadful prospects

Today February 2011 every person who failed during years 2004 – 2010 are still in charge except Mr. Vanjoki and five SVPs. They are replaced with three calamities and walking catastrophes. After organization changes 2005, 2007, 2008 and 2009 best teams are disbanded, precision of sackings has been futile, hostility and arrogance are at their heights. If Nokia does not run the GRO program immediately with 85% exactitude Nokia falls apart. Legacy can't run Nokia anymore.

Reflexions

Vision

Several corporations face restructuring within four years till 2015. First ones succeed, losers are merged or vaporized. Faceless owners struggle desperately to keep their property afloat. 65% lose.

Operations

Sony, Toshiba, Fujitsu, Motorola and several other companies follow Nokia. Lazy underdogs wither to be chopped into parts and divided by physical assets. Owners don't trust in executives, external consortiums take over billion dollar visions, strategies and operations. Redistribution is partly hostile.

Tactics

1. Let's just wait. Unhealthy business and incompetent leaders pop up constantly
2. Establish Global Care for Corporations GCC network
3. Ask for the value of customer's problem
4. Offer solution with cost of 0,5 x problem value
5. Solve the problem
6. Leave the corporation
7. In the case of staying in the corporation, cannibalize the business every third year
8. Compete with your own products and services constantly
9. Partnering, fusions and merging with competitors refreshes business environment

Present obstacles

Most corporations are not aware of their conditions. Owners are bystanders, Boards are silent, investors are gamers and executives are daydreamers. Waiting as a strategy means delay between meaningful actions and unavoidable bankruptcy. The only real losers are the owners. Their passive attitude is rewarded with property annihilation. Two main reasons cause business destruction: Boards and executives don't concede that they are incompetent and the owners don't believe that simpletons reign over corporations.

Consortium

Idea of Consortium

- Propose to Nokia shareholders and investors a holistic plan to run Nokia together with a reorganized Board and a reorganized top management
- Execute Nokia's businesses from vision and strategy to product and services launch
- Build new Creative Organization described in Risku's book New Nokia – the Manuscript (in Finnish)
- The Consortium has the critical mass to govern Nokia's main assets
- The Consortium is a tailored-for-Nokia leadership group and a group to lead the complex and nearly collapsed corporation with potential to gain back market leadership and new markets

Consortium core teams

DLT Design Leadership Team

- 20 persons
- Agenda: "Lead Nokia's product creation, design, innovation, concepting, prototyping, brand and leadership with new ideas to gain market leadership in two years."

SLT Strategic Leadership Team

- 10 persons
- Agenda: "From wish lists to strategies, from stilted and fuzzy plans to dynamic strategies."

TLT Technology Leadership Team

- 10 persons
- Agenda: "Technology leadership in reversed order: imagination and fantasy as baseline. Technology follows"

FLT Financial Leadership Team

- 5 persons
- Agenda: "From account management and bookkeeping to financial discovery and innovations and practice."

ILT Internet Leadership Team

- 10 persons
- Agenda: "Ever-changing Internet has its evolution and revolution. Just prototype and launch every innovation."

Nokia Open Source Strategy

Guide fo Owners, Investors, Analysts and
Journalists

1Q11

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