

Nokia: Phone Division

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The company Nokia was once a household name, providing phones and services to people all around the world. These days, they still operate, but no longer in the phone production business, having been shoved out by more competitive, more innovative brands. In this paper, I will be discussing the failure of Nokia, and their cellular division.

Nokia is a Finnish based company, that started as a paper mill in 1865, by a man named Fredrik Idestam. The success of the mill saw them branch out into the manufacturing of rubber products, and later, a partnership in with another company known as Finnish Rubber Works in 1922. The story of Nokia is a rather long one, from this perspective, as the company still exists to this day, but it no longer has to deal with phone products. In a rather steady stream of business from this point, in the year 1967, this is where their great stroke of fortune came, as they saw great potential in the development of mobile communications, and from this point, they began to collaborate with other companies, including Salora Oy, another Finnish company which produced home electronics. At this point, Nokia existed within four different sectors of production; woodworking, cabling, electronics, and rubber, meaning that they had a pretty diverse grasp of the market. Truthfully, I was surprised to learn that the business stretched back nearly two hundred years, but it is also true that many multi-national corporations take time to build up to that point. They don't just start as multi-national, all business having mega-corporations; they begin humbly. Even corporations like the East India Company began with simple plundering expeditions. Much like the East India Company, they came to be a VERY big part of the country of Finland, at one point, being worth 3.5% of the entire countries GDP (Etusivu 2008), which is to say, that is no small figure. The first of the phones to be developed by Nokia began with the Nokia 1011, which was a very simple cellular phone, produced in 1992 (German, 2018). From beyond a tech standpoint, just looking at the design of the phone itself, it's very sleek, very stylish indeed. A simple black plastic phone, without any weird gimmicks or gadgets, a completely simple and functional design

that phones could really stand to return to.

The failure of the phone division of Nokia has to do with their overly confident feelings regarding consumers and traditional phone layouts, and their unwillingness to adapt to the changing of the times. At this point in time, Nokia was very much on top of the world, being one of the top competitors in the telecommunication industry. In 2002, they launched their phone, the 7650, which is described as having “went on to become quite popular among the masses and sold in large numbers.” (Khedekar, *Timeline: The fall of Nokia* 2012). During the debut of smartphones in the late 2000's, Nokia stood by its guns, and continued to develop phones that contained the traditional dial pad system, and in some cases, the keyboard style layout some of their phones had. After some time, it had become clear that the smart phone was the way that the telecommunications market was heading, and that what the market desired was touch screen based phones. Nokia, throwing their hat into the ring far too late, decided to go with an operating system that is completely defunct today, but even back then, was relatively unknown, the Symbian OS. Contrary to some belief, Nokia didn't develop the Symbian OS initially, rather, it was licensed to them by a company named Psion. More to this, Symbian OS had actually been developed earlier than both the Android and the Apple operating systems. The Symbian OS had several key points that, in theory, should have allowed it to function well in the market, such as the early capability of being able to run multiple applications simultaneously, or the capacity for signing in to certain applications, an early jaunt into phone based cyber-security. However, the Symbian OS suffered from issues like lack of third party applications, and Symbian was notorious for being difficult to program in. One website is quoted as saying that “By 2010, the limitations of Symbian had become painfully obvious and it was clear Nokia had missed the shift toward apps pioneered by Apple. Not only did Nokia’s strategic options seem limited, but none were particularly attractive” (Doz, 2023). While appealing to some niche enthusiasts, it just simply did not have the wide reaching appeal required to reach the average person. After several more years of failing to create

interesting new phones for the market, Nokia sold its cellular division to Microsoft in 2014.

My own personal thoughts on Nokia are mixed indeed. They still exist to this day as a company, but they aren't anywhere near as well thought of as they must have been in the past. When I think of Nokia, what I think of is their most iconic phone, the Nokia 3310. It was relaunched in 2017, surely as a way to try and remind people, and perhaps, themselves that they once were a communications titan. The phone is durable as can be, and people affectionately refer to it as a 'brick', because it was just that strong. Consider getting something like a new Galaxy S10 or some other current model of smartphone on the market. Without a case, if you drop it a few inches, it will shatter utterly and completely. A 3310 was constructed out of durable, hard plastic, and parts that snapped together, allowing for even drops off of ten-story buildings to merely disassemble one of these phones, rather than destroy it. I'd bet you could throw one through a glass window and the window would probably break before the phone. Personally, Nokia sticking by their guns on developing phones that had keyboard style layouts, but one must consider the question; would they have done better if they had simply used the premise that their phones were unbreakable? If Nokia had launched a series of smartphones that were more oriented on the idea that no matter how many times you dropped it, they would never shatter, would that have been enough to curry the markets favor back towards themselves? Even in the modern day, phones are still at risk of shattering from a drop of a single foot. I would like to see an alternate reality where Nokia gets involved in the smartphone craze early on, but their only point of innovation in the game is that their phones are indestructible. Maybe if they constructed their touch screens out of some kind of hard plastic, like old phones already were, but still maintained that similar touch screen navigation. Nokia could carve out a niche market for themselves as just being the 'survivable phone' people. Beyond the phone division though, Nokia still exists, as they manufacture cabling and infrastructure for phones, but not phones themselves. I feel that nowadays, it is actually pretty hard for any business to go completely under, especially if they are tied to the nation in some meaningful way, like General Motors, for

example. These companies are big, but they don't only provide for themselves, as they provide employment opportunities for regular people. Though their electronics division is dead and buried, I have to ask myself if this makes them a 'failed' company, as it were. I wonder if a company is really dead or failed until it's finally gone full belly up. I consider some of the more famous 'failed' companies like Blockbuster, but then I think again, and say, it has fallen, certainly, but is it truly dead? There is still a Blockbuster in Oregon, and it operates all days of the week. People visit it for nostalgic purposes, but is this not just another facet of the market? So long as you are still operating, still making money, and still making ends meet, then perhaps you haven't really failed yet, the business has just taken on another form. There were plenty of other divisions within Nokia that failed as well; the rubber division moved away from its partnership with Nokia, and they moved away from their power plants. The television business that they owned was sold to a Canadian/Hong Kong tech corporation, and their dive into the world of video games ended in failure as well. In spite of all of this, they are still widely regarded as a failed company, but I think it is wrong to picture them as so. I think people consider companies to be something akin to a mountain, where they hit their peak, and then it's all downhill from there. Perhaps companies (and lives, maybe?) are more like a mountain range, with peaks, and valleys, where certain peaks are VERY high up, and wildly influential, and some valleys are particularly low. Even so, so long as the mountain range continues along, we don't consider them to be 'failed' mountains, just mountains that aren't as tall as others. This is a very philosophical view on capitalism and economical situations, and I'll ask that you'll forgive me if the metaphor is hamfisted or inaccurate.

Those are my thoughts on Nokia, their cellular division, and some other elements, too. For the most part, Nokia is still a large multi-national conglomerate, but their cellular division ending in utter disaster. Still retaining business holdings in many other avenues of the market, they might have failed, but this does not make them a failure. They simply just don't have their hands in electronics anymore.

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