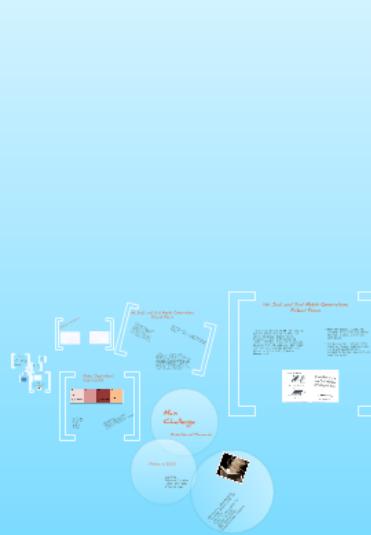


Finland and Nokia

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Nokia

- Nokia and Salora created a 50:50 owned joint venture in 1979 named Mobira to market and develop radio technology (new NMT phones).
- Nokia expanded its international operations by acquiring companies.
- Consolidated the Finnish telecommunication equipment industry.
- After rapid growth through these acquisitions and alliances, ran into a financial crisis.



Conclusion

The merge of Nokia (originally a wood pulp mill) and Suomen Kaapelitehdas (Finnish Cable Works) 1965-1967 provided the core knowledge base for the new entity. (Core Competence)

New kinds of investments arose alongside public sector (Venture Capitalists) In 1993, restrictions on foreign ownership of Finnish firms were removed

Early adaptation of NMT created an opportunity for Finland to have a breakthrough in GSM

The recession in 1990s provided a catalytic change in the structure. The center of innovation program focused on strengthening regional competitiveness by increasing innovation (creative destruction)

In 1994, policy making powers of the regions within Finland strengthened to develop their own economic development activities (liberalization of the financial markets making lending easier)

R&D expenditure increased throughout 1980s making Finland one of the leading OECD countries in public R&D and education

Emergence of the Finnish Telecom Cluster

Characteristics

- The Finnish telephone network was never monopolized by the state.
- Deliberately fragmented market structure.



Seeds of the Finnish Radiophone and Mobile Phone Industries

Salora: Established in 1982, regional manufacturer of TV and radio sets. Valitsee Salokasja rannan Taito.

Established in 1925, radio Laboratory of the Ministry of Defense.

Suomen Kaapelitehdas: Established in 1917, producer of telecommunications cables

Established in 1969. A body for formal and informal technical cooperation between the Nordic PTTs in Denmark, Finland, Norway and Sweden. Initiated a project to develop an automatic Nordic Mobile telephone (NMT) network. Pioneered the roaming technology. Made the Nordic region the World's largest single mobile market at the time.

Nordic Telecom Conference

Developments 'Expansion at a Rapid Rate'

- The market began to attract private operators and manufacturers.
- The Association of Telephone Companies formed a joint venture in 1988, Radiolinja, to operate a private network.
- In 1981, demand from the Finnish PTT led the domestic equipment industry to develop a base station.
- By 1985, the NMT standard held a leading position in a number of foreign markets, with an average annual growth rate of 50%

Several Nordic manufacturers of mobile phones and network infrastructure entered the market. By late 1980s there were some 15 competitors active in the Nordic mobile phone markets.

Finland and Nokia:
Creating the World's
Most Competitive
Economy

Outline

Country Background

Basic Info

Country Background

- Basic Info
- Country's History
- Economy
- Telecom Industry