

# It's More than a Mobile Phone Changing Hands



**Shiv Shivakumar**

The Nokia sale is an emotional issue for me, the current and former employees of the company. Nokia entered India in 1995 and I was its long-serving leader.

Nokia is a Finnish company, 148 years old, started by Fredrik Idestam as a wood pulp mill company. In 1871, brand Nokia arrived because of his second pulp mill, on the banks of the river Nokiavirta.

Nokia had many interests till 1991: rubber boots, tyres, cables, computers, televisions and paper napkins. Nokia's biggest customer was Russia, the result of a trade treaty with Finland. In 1963, Nokia started a radiotelephones business for army and medical use. This enabled entry into cell phones in 1991.

Around 1990, three events pushed Nokia into cell phones. The GSM standard was accepted in 1986, Russia collapsed in 1991 and Philips, whose phones were made by Nokia, had a disagreement with Nokia, forcing Nokia into own branded phones. Nokia asked a leading consulting firm to estimate the mobile market that predicted 50 million phones by 2000. Nokia overruled the consultants; the actual market was 10 times more!

Nokia sold all businesses in 1991 and focused on cell phones. The company was cash-strapped and struggled to raise capital. It soon realised cell phones could be big when one investor wanted to buy all available shares in a London investor meeting.

Nokia was a \$3-billion company in

1991; by 2001, it crossed \$40 billion. Circa 2007, Nokia was the world's most loved and admired brand. What made Nokia special?

Nokia was special for many reasons. First, the technology. Mobility took 17 years to reach 80% of the world's countries, the internet 21 years, railways 122 years and aeroplanes 62 years. Governments loved telecom — they auctioned spectrum for fair money. The timing: a push to post-Cold War freedom, 24x7 TV news and young, middle-class consumers in China and India, all helped mobility.

Nokia is a very honest company, honest to a fault. Consumer and product safety would never be compromised. In 2013, Nokia scored 100% on equality in hiring people, free of bias. In the last two years, it was voted one of the world's most sustainable companies, winning praise from Greenpeace.

Nokia was the first mass personal technology brand that changed users' life and enhanced user personality. It was an income-earning brand for carpenters, electricians, plumbers and maids, enabling their participation in the formal economy; it was a safety and security brand for women and

children; it was a productivity brand for managers and a personality brand for the youth.

Nokia is a Finnish company and it reflects that. Finland in ranked No. 1 for honesty and Nokia breathes that. In Finland, you can access anyone's salary details from the government. There, traffic fine is a percentage of your salary and is publicly posted. As people, Finns are shy, practical and private, but good listeners. They are punctual yet considerate of flexible hours for employee work-life balance.

In a Finnish meeting, it is very difficult to make out who the boss is since he will only speak if he feels the meeting is going off the rails. Finish culture normally carries all constituents of a decision. The terrain and extreme cold made teamwork a Finnish necessity. If you were an outlier a hundred years ago, you would die alone out there in the cold.

Nokia brought out the best in its employees. The company wanted people to work not for high salaries but for the joy and purpose of Nokia. The company was a champion of employee development. In a conflict, the order was clear: Nokia in the society came first, the team second and the individual third. Employees believed in Nokia's purpose and put in their best. They experienced rare openness, rare candour and a culture that encouraged speaking up. Leaders had to earn respect, not demand it by rank! Employees cared about Nokia; I have never seen such employee commitment.

A lot has been written about the sale to Microsoft, a lot will be written. Maybe its strategy could have been different; maybe it could have reacted faster. For many, and me, it is a place we will never forget. It had a heart, a soul, innate goodness and trusted freedom.

*The writer is former chief of emerging markets, Nokia*

