

Russell Reynolds Associates' *Conversations on Convergence* features the thoughts and ideas of top decision makers in the world of convergence. We are helping to cut through the hype around this topic by speaking directly with those who are defining the future of this industry. Read them all on our Web site at www.russellreynolds.com.



Conversations on Convergence: No. 3, 2009



Niklas Savander, Executive Vice President, Services, Nokia

Niklas Savander is Executive Vice President of the Services unit and a member of the Nokia Group Executive Board.

He joined Nokia in 1997 and has held a variety of senior business management, strategy, sales and marketing positions covering the device and network businesses. Prior to joining Nokia, he spent nine years with Hewlett-Packard in Finland, Germany and Switzerland.

He holds a Masters in Science from the Helsinki University of Technology and a Masters of Business Administration from the Swedish School of Economics and Business Administration in Helsinki.

Niklas is married and has two children. He enjoys playing and refereeing ice-hockey, telemark skiing and golf. He is fluent in Swedish, English, German and Finnish.

Q. What is your assessment of the current state of the convergence space?

A. From my perspective as a consumer, convergence is relevant content delivered to me in the place and format and way that I want and need it —and by that definition, convergence is happening now! This is a particularly exciting phase, because many of the things the industry has been saying were going to happen “some-day” are now reality. Convergence is no longer just something on a PowerPoint slide at a conference.

Q. What are some of the things going on in this space now?

A. We see two very interesting things going on right now. One is the impact of social networks on the way products and services are marketed and sold. Scientists and programmers have worked long and hard on recommendation algorithms: you know, those features on websites that say,

“If you liked that, you also might like this.” But honestly, those programs are not always very accurate, are they?

However, if a friend tells me that I might like a song or movie or TV show... well, that’s another story. The accuracy of the social network as a

“The accuracy of the social network as a recommendation engine is quite mind-boggling.”

recommendation engine is quite mind-boggling.

We’re seeing that with our “Comes with Music” feature which enables people to buy a Nokia device with a year of unlimited access to millions of tracks from a range of artists. After downloading a thousand songs that you already know you like, you start to run out of ideas! As more and more people join social networks and start to use them for more than just posting status messages, we’re seeing their impact as a recommendation engine.

The other interesting thing is the potential offered by location. At Nokia, in fact, we’re betting a lot on this. We see a world where all things—both digital things and physical things, both stationery objects and moving objects



“We’re betting on location. We see a world where all things will have a ‘Where is it?’ dimension.”

and even people—will also have a “Where is it?” dimension, too.

Q. What challenges does convergence bring?

A. Data privacy is probably one of the most important issues right now: privacy about my data, such as my pictures and my videos that I upload to share; privacy concerning the treatment of data about me and what I do

online; and privacy relating to how data about my movements online and even out in the world can be analyzed without me even knowing. The truth is that laws are not up to speed on these issues, probably because of the

“Laws are not up to speed on privacy issues. It’s up to the industry to act responsibly.”

pace at which technology is evolving. It’s up to the industry to act responsibly.

Q. How is Nokia evolving from being a handset-manufacturing company to focusing more on content and services?

A. Well, Nokia owns NAVTEQ, the world’s largest digital mapmaker, so we are a content company! But I understand what you’re asking, so to best answer your question: we are evolving into a solutions company that offers our consumer customers a great experience on Nokia devices.

“Nokia want devices and services to be combined in a smooth and easy-to-use way.”

Many people still just want to be able to make a telephone call to someone else, so we’re not going to exit the handset business any time soon. But consumer buying behavior is definitely changing.

Devices and services are “married” today and furthermore, more and more frequently, consumers are finding both

the time and the money to add services to their devices well after they buy the device. Nokia intends to stay relevant to its customers, so we’re in the services business now and for the foreseeable future. We want devices and services to be combined in a smooth and easy-to-use way.

Q. What are the human capital implications?

A. Moving from high-volume device manufacturing, to digital content creation and enablement is a momentous transformation for a company. To make a phone, there are distinct steps that follow each other in an orderly fashion: specify, build, ship, sell. For digital content, there are no steps; everything is happening at the same time, including input and feedback from the consumers themselves. It takes a different kind of company to do that. The impact on human capital is important and cannot be underestimated.

“Acquisitions help accelerate our time to market and they accelerate the transformation of our talent pool too.”

Our recipe has been to do a significant amount of small acquisitions. Acquisitions help accelerate our time to market, and they accelerate the transformation of our talent pool too. We’re focused on changing for the better without destroying what we have now—adding a new layer on a solid foundation. How can we continue to make Nokia better? That’s our main preoccupation right now.

About Russell Reynolds Associates

Leadership. In today's ever-changing global business environment, success is driven by the talent, vision and leadership capabilities of senior executives. Russell Reynolds Associates is a leading global executive search and assessment firm with more than 300 consultants based in 39 offices worldwide. Our consultants work closely with public and private organizations to identify, assess and recruit senior executives and board members to drive long-term growth and success. We value teamwork, serving our clients with a collaborative approach that spans our international network of sector and functional experts. Our in-depth knowledge of major industries and our clients' specific business challenges, combined with our understanding of who and what makes an effective leader ensure that our clients secure the best leadership teams for the ongoing success of their businesses. For more information, please visit us at www.russellreynolds.com.

Our Communications and Convergence Practice

The Russell Reynolds Associates' Communications and Convergence Practice sits at the intersection of dynamic digital content, which is reshaping the way we work and play, and wireless and broadband networks, which keep us connected seamlessly around the globe. We also have significant experience in helping our clients recruit in the managed services and outsourcing areas. The combination of our experience with service providers as well as infrastructure solution providers (who design, build, and deploy their platforms and networks) allows us to work at the forefront of technologies including IPTV, WiMAX, FTTx, IMS, Ethernet, 3G/4G and VoIP. Finally, our success with assisting media and content providers and aggregators to leverage these powerful new technologies positions us at the heart of the convergence movement as the key human capital solutions provider on a global basis.

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