Introduction
The aim of this case study is to get a view how Nokia put them self again on the market of mobile telephones. The adaptive cycle will be used to connect the different stages of the adaptive cycle to the reorganization stages of Nokia.

About Nokia
Nokia is a Finnish communication and IT corporation, which is founded in 1865. Initially they started as a ground wood pulp mill. By the end of the century Nokia expanded their business by adding electricity generation. They generate power with their mills for the towns nearby. In the beginning of the 20th century they Nokia moved to the town Nokia near by the Nokianvirta River for their second mill, and that’s how the company got their name. In this period Nokia started to produce telegraph and electrical cables. After World War 1, the Nokia Company was nearing bankruptcy. To ensure the continuation of Nokia, the company Rubber Works acquires the business. In 1967 the Nokia Corporation was founded by merging the companies. The new company was involved in many industries, producing at one time or another paper products, car and bicycle tires, communications cables, televisions and other consumer products. Around 1978 Nokia started to develop a digital phone network. The first mobile network was made in Scandinavia in 1981; this was initially for the car phones. In 1994 Nokia introduce the 2100 series, it goes on to sell 20 million phone worldwide. In 1998 Nokia became the world leader in the mobile phones market. In the period 1996 – 2001 Nokia’s turnover increases from €6.5bn to €31bn. Nokia launches the first mobile phone with a built-in camera in 2001, called the Nokia 7650. The year after Nokia launches the first 3G phones, Nokia 6650. With 3G technology phones can now be used to browse the web, download music, watch TV and more. Nokia began to lose its market share in 2004 to its rivals.

When the ‘smartphones’ arrives, Nokia came with the Nokia 9210. This was the first mobile phone with an organizer, Word
and Excel. After a while Nokia came developed the mobile phones with Symbian OS, with this the capabilities were expended. But then came Apple with the iPhone in 2007, Apple brings a new definition to the ‘smartphone’. Apple developed the iPhone in such a way that is a mini computer that could make phone calls. Nokia couldn’t keep up with the iPhone as Nokia was still using Symbian OS. Nokia’s market shares were falling more downwards after Samsung came with their smartphones. During this period Nokia was unwilling to challenge itself\(^1\). Nokia was sticking to the model that mobile phones were mainly about calling people. Nokia failed to notice that they were just as much about checking your e-mail, surfing and social media. In 2011 Nokia unveiled their new strategic alliance with Microsoft. The new Windows Phone is to replace the Symbian OS for smartphones. It was suggested the alliance would make Microsoft’s Windows Phone a stronger contender against Android and iOS. This new line is called Lumia line. In 2012 the Lumia line sold above 1 million phones before 26 January 2012. In the second quarter sales went up to 5.4 million Windows Phones. The sales of the Lumia line went up, in the second quarter of 2013 Nokia announced that Lumia sales were 7.4 million, this is a new record for Nokia. In 2013 Nokia returns to profit after a spell of losses, Microsoft buys nokia’s handset business for €5.44bn\(^2\).

**Adaptive cycle**

Every organization goes through a cyclic development that can be defined within the want/can context model (see figure 3). Nokia is also going through this development cycle of the adaptive cycle. To begin with the equilibrium situation, this is the goals are pursued and how these goals have to be realized. Nokia was in 1865 in this stage, a ground pulp mill and they were generating electricity with their mills.

In World War 1 Nokia went through a crisis and was nearing bankruptcy. After the Finnish company Rubber Works acquired


the Nokia Company, they merged in 1922 into Nokia Corporation. According to the adaptive cycle Nokia went from ‘crisis’ to ‘new combinations’ as they merged into the Nokia Corporation and they were involved in many industries. With the merging of the companies, Nokia came into the ‘entrepreneurship’ as they started to develop the first mobile phone network in 1981, which was developed for the car phones. In the ‘90 Nokia start to develop mobile phones for the consumers Nokia is continuing to achieve their goals, according to the adaptive cycle Nokia is in this period in the equilibrium situation. During the equilibrium situation Nokia launches several mobile phone series and gained a world market leader status for mobile phones. As Nokia loses a small market share in 2004 begins the crisis situation, but it’s not visual yet. In 2007 the crisis situation starts showing his marks when Apple introduces the iPhone (see figure 4). Nokia allied with Microsoft in 2011 for their new Lumia line. Nokia is developing new smartphones with Windows Phone OS. Nokia is moving from the crisis situation to the new combination situation. The move from the new combination situation to the entrepreneurship situation can be seen as Nokia is using the Lumia series to increase their market value and share. As Nokia is still losing their market share in 2011 and 2012, the Lumia series sales are rising every quarter as visualized in figure 1.

**Reflection on current situation Nokia**

On the moment Nokia is in the entrepreneurship situation as they are trying to increase their market share with the Lumia series. The Lumia series is Nokia’s appliance to react to the smartphone market. The Lumia series is delayed, if Nokia responded on time, in 2007 or 2008, they would have a greater market share then they have now. But Nokia’s market share will grow because Nokia is introducing smartphones of substantial quality for almost every budget. For example the Nokia Lumia 520 is a cheap smartphone, which can do everything as a more expensive Lumia. But the features are of less quality. Samsung increased their market share by bringing a wide range of smartphones on the market. Samsung is trying to saturate the market with their different models. Nokia can use this strategy for increasing their market share; produce more Lumia versions for every budget of the consumer. But Nokia still needs to be innovative and must go with the recent and future trends. As history has learned; when adjusting to late to the market, you will make loses.

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3 Source: http://4gwirelessjobs.com/nokia-not-a-king-in-america/