

Mobile Industry Success Factors in Finland

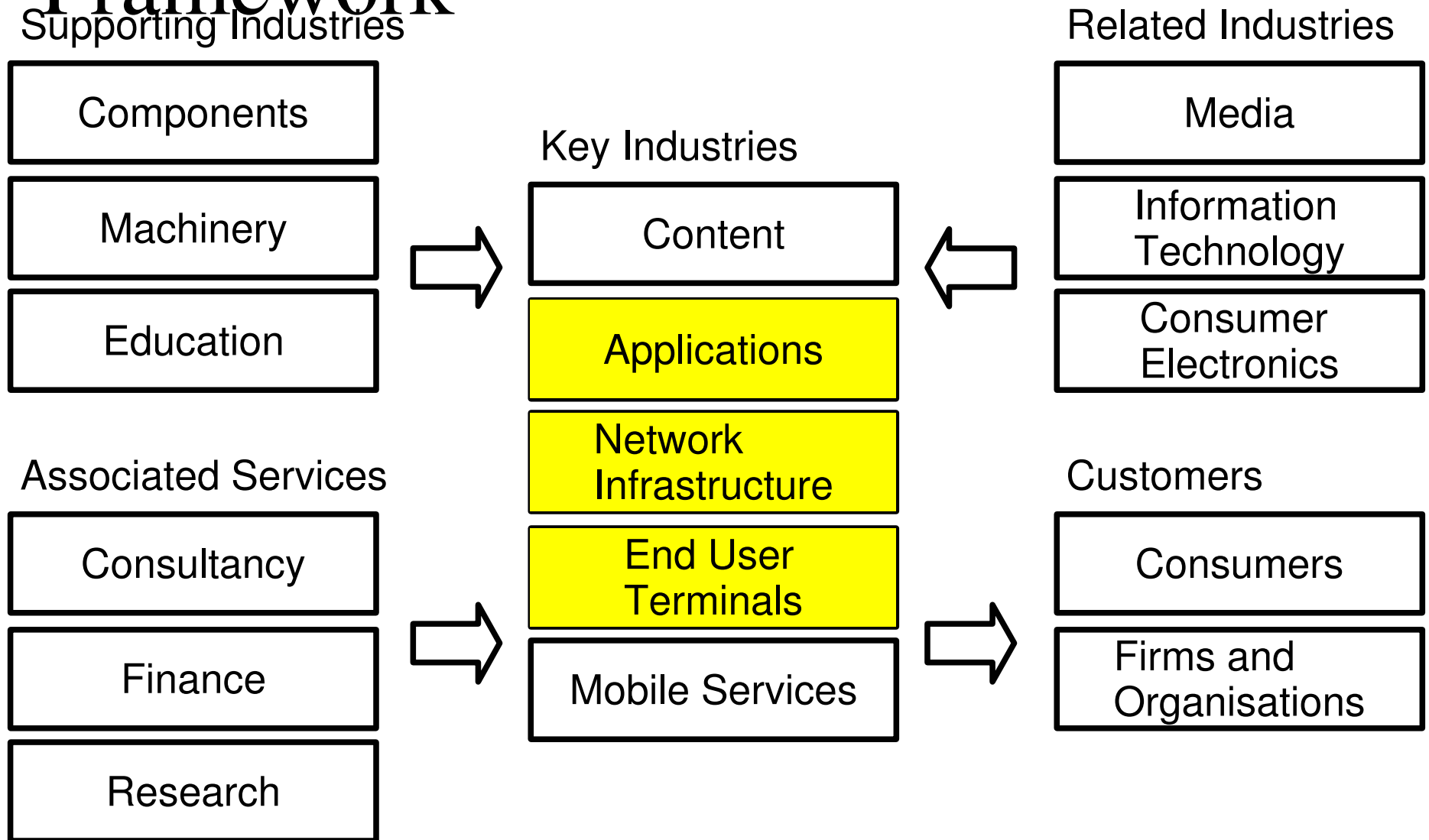
Lead Project Seminar
Finland – Leading National Mobile Market ?

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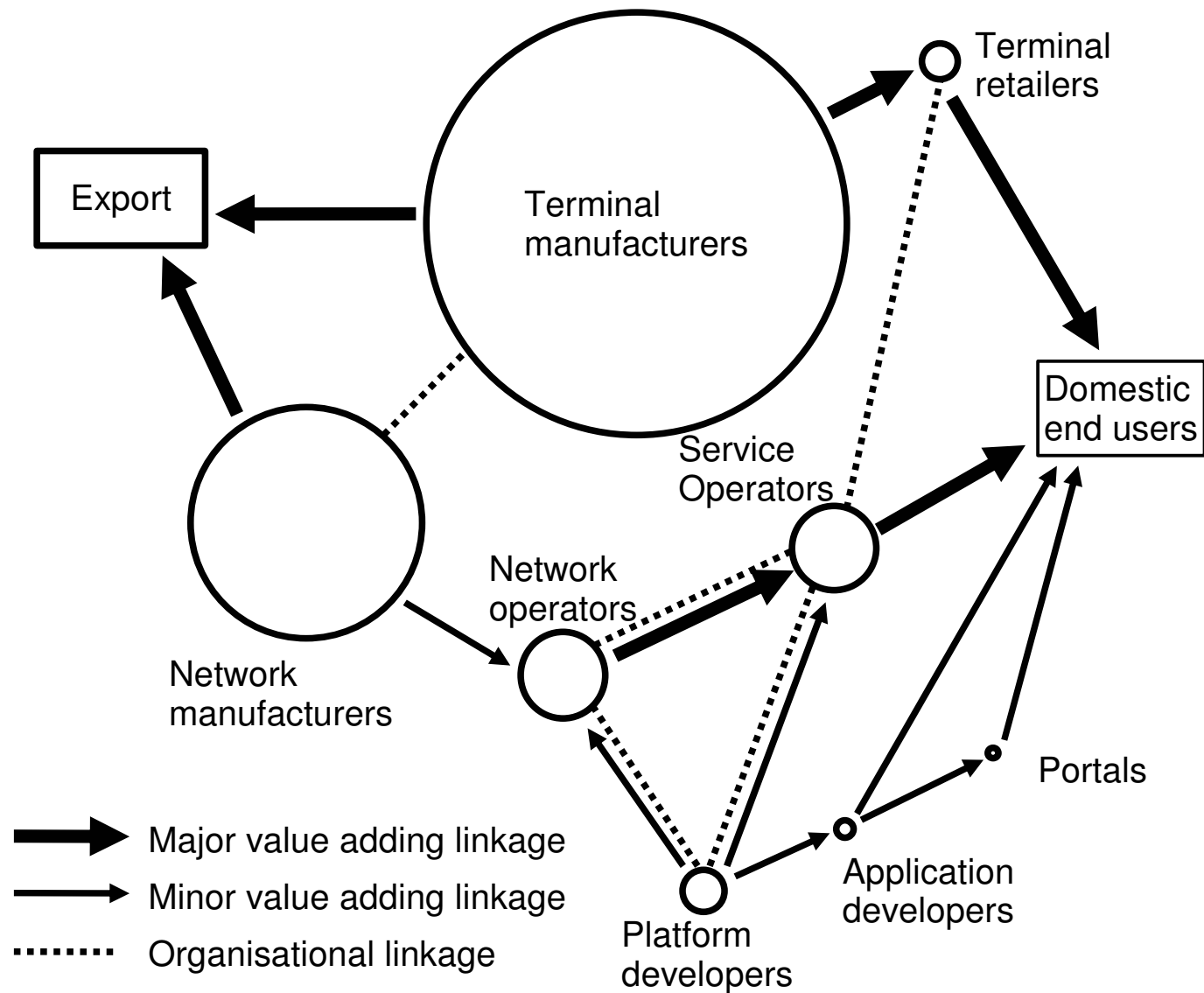
Mobile Industry in the Mobile Cluster

Framework



Based on Paija, L 2001, 'The ICT cluster in Finland – can we explain it', p. 15, in *Finnish ICT Cluster in the Digital Economy*, ed Paija, L, Helsinki, ETLA, Taloustieto Oy, ISBN 951-628-340-3. and Mäenpää, K & Luukkainen, S 1994, *From telecommunications technology to multimedia – the competitiveness of the telecommunications cluster*, Helsinki, ETLA, ISBN 951-628-184-2

Mobile Cluster Value Network

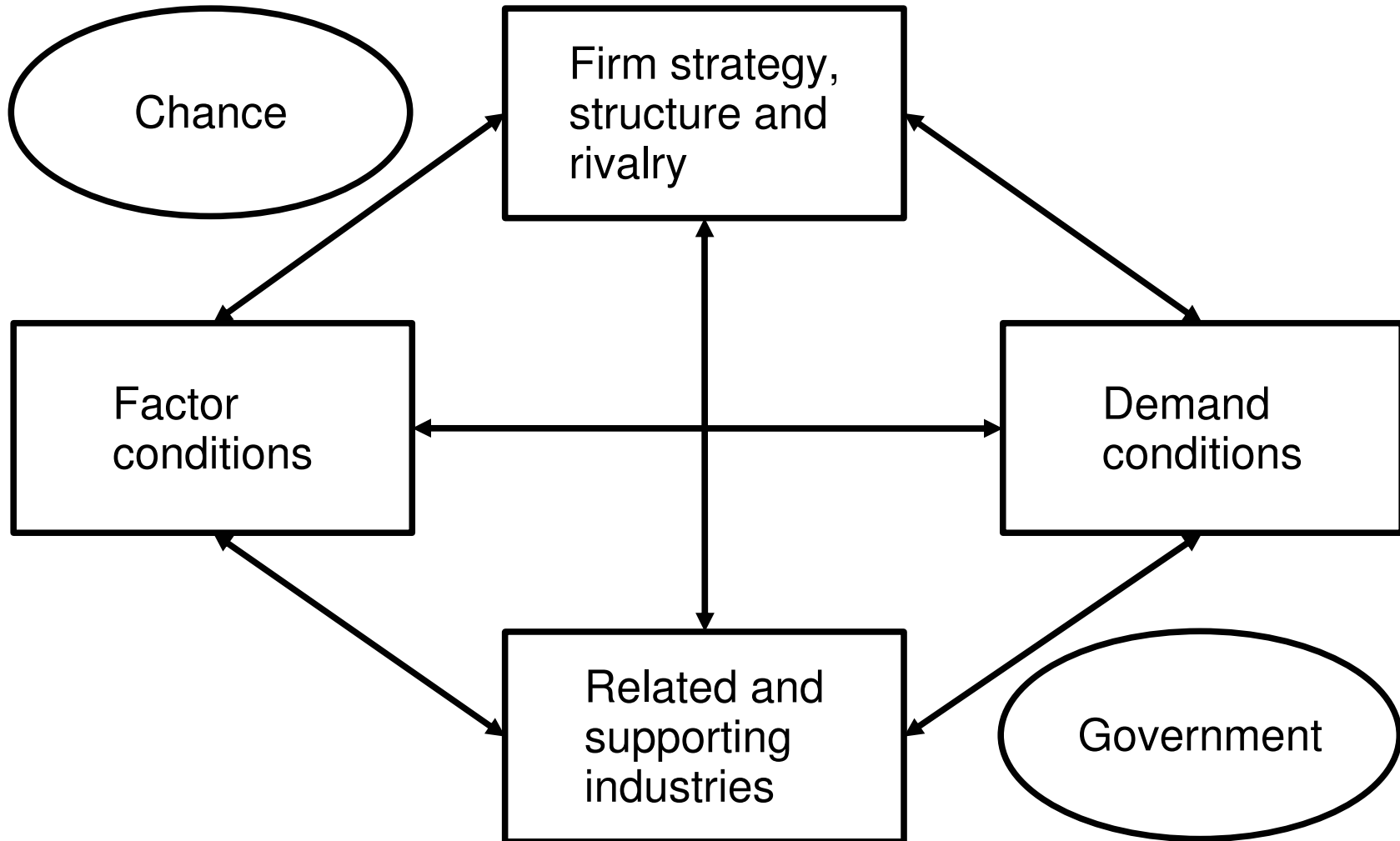


Value network of the Finnish mobile cluster

(Leppävuori, I 2002, *Analysis of the Finnish mobile cluster - any potential in mobile services*, Publications of the Ministry of Transport and Communications 28/2002, ISBN 951-723-791-X, <http://www.mintc.fi/www/sivut/dokumentit/julkaisu/julkaisusarja/2002/a282002.pdf>.)

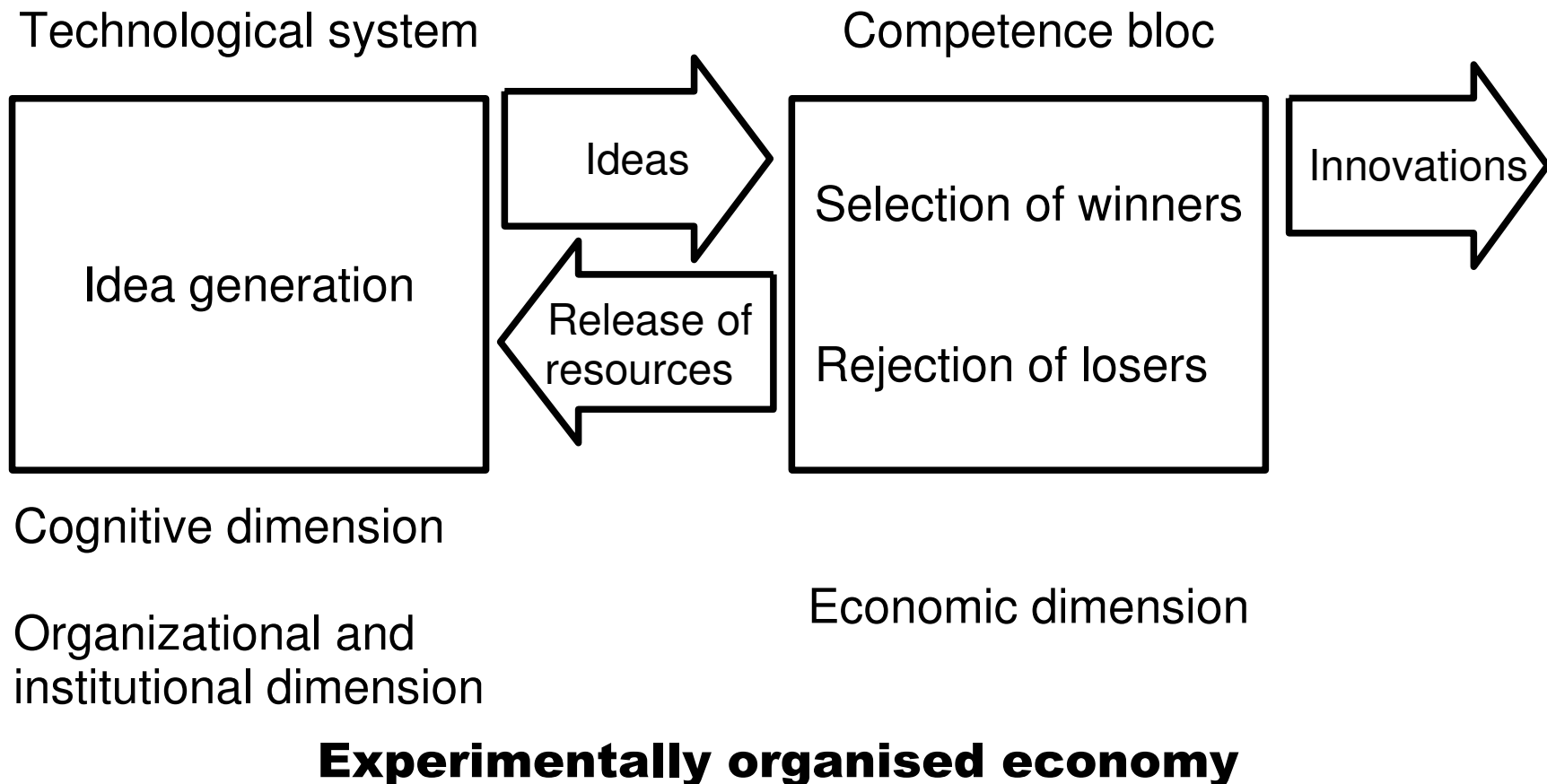
Success Factor Frameworks 1 (3)

Porter's Diamond



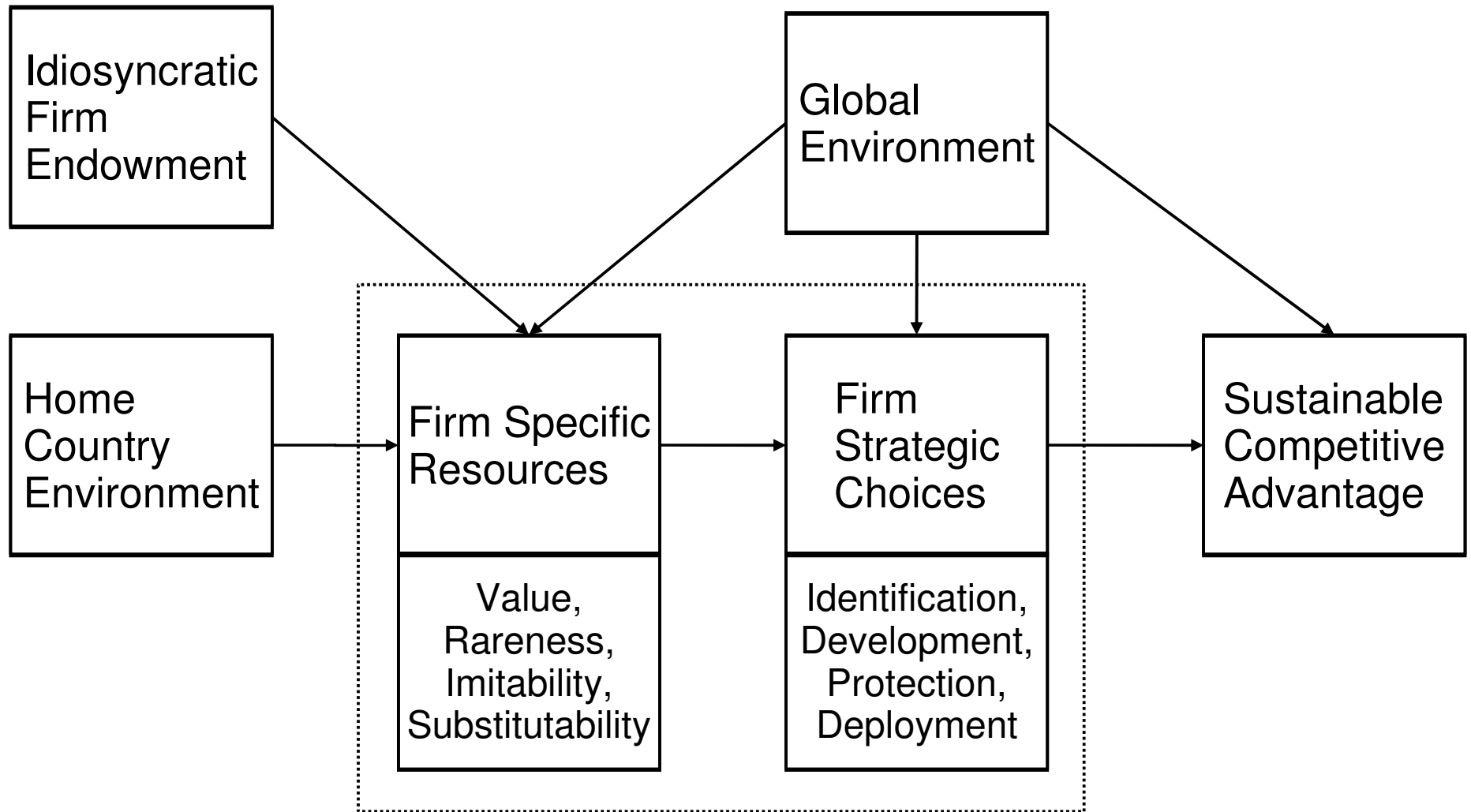
Success Factor Frameworks 2 (3)

Industry Innovation Dynamics



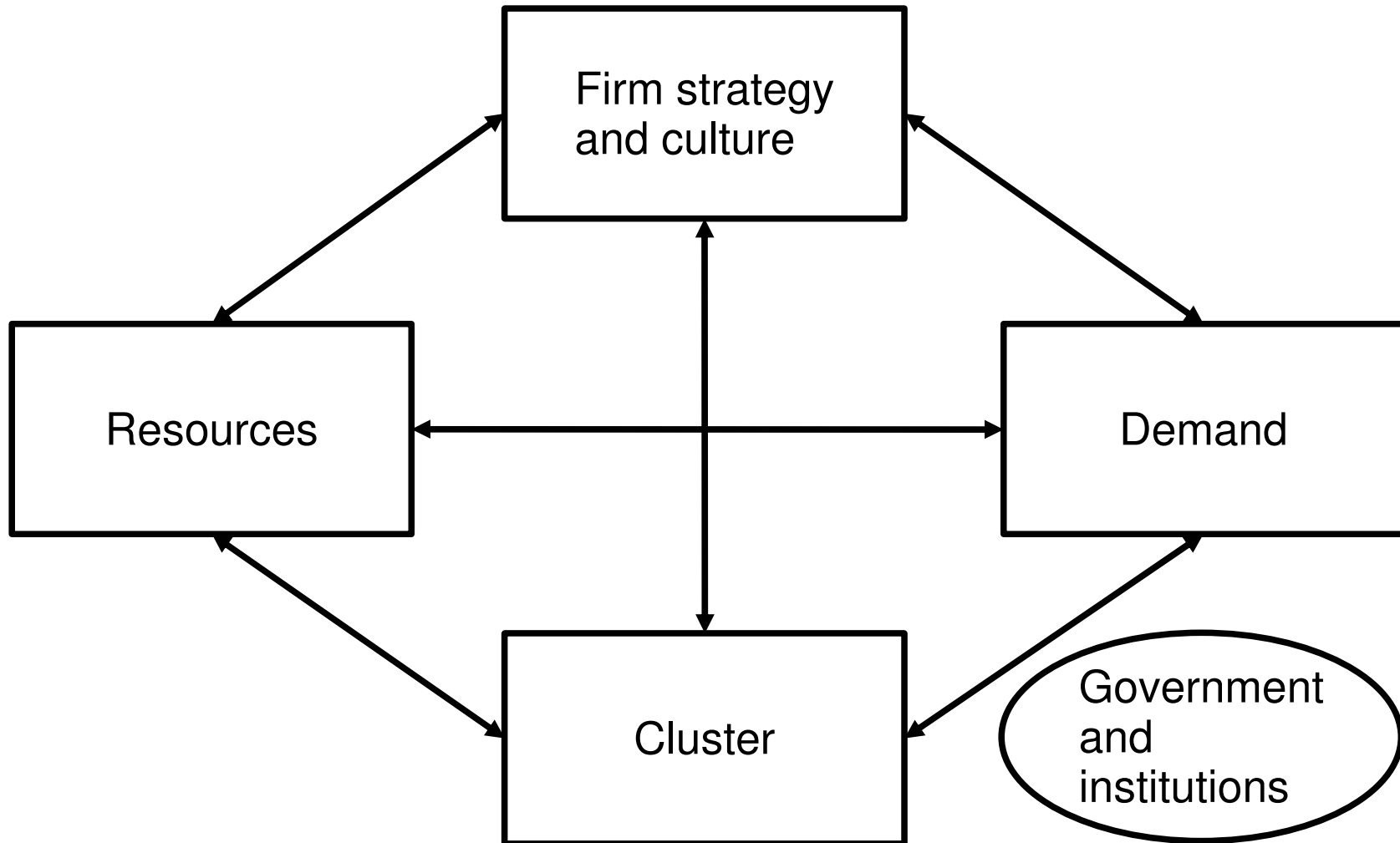
Success Factor Frameworks 3 (3)

Resource Based View of International Strategy



Based on Fladmoe-Lindquist, K & Tallman, S 1997?, 'Resource-based strategy and competitive advantage among multinationals', p. 155, in *Strategy Management in Global Economy*, ed Vernon-Worzel, H & Vernon-Worzell, L, John Wiley and Sons, Inc. ISBN 0-471-15873-9 and Barney 1991: "Firm resources and sustained competitive advantage". *Journal of Management (JofM)*, 17(1), 99 - 120

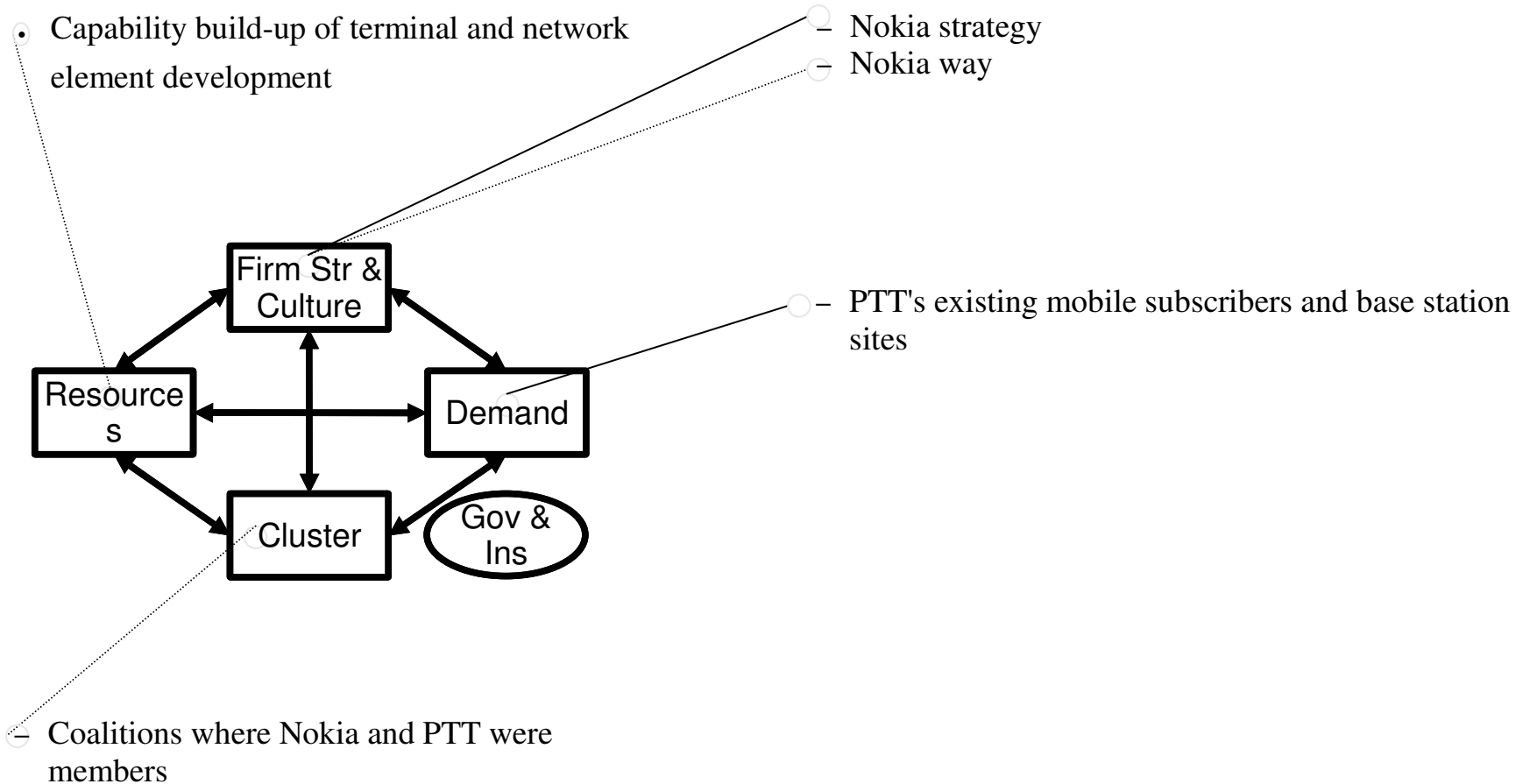
Synthesized Frameworks



NMT National Success Factors



GSM National Success Factors



Success Factor Frameworks 6 (6)

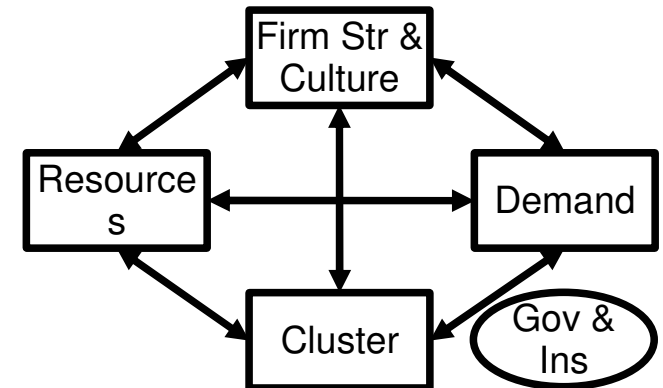
Synthesized Framework

1. Resources. Porter's Factor conditions + Resource Based View criteria
 2. Demand. Porter's Demand conditions + Economic dimension from the Market Dynamics Framework
The added dimension reflects the expectation that competent entrepreneurs will play a key role in selecting the winning innovations in the complex and uncertain environment
 3. Cluster. Porter's Related and supporting industries + Organisational and institutional dimension from the Market Dynamics Framework
 4. Firm strategy and culture. Porter's Firm strategy, structure and rivalry + special emphasis on the dominant firm strategy and culture
 5. Government and institutions. Porter's Government category + Organizational and institutional dimension in the Market Dynamics Framework
- The purpose of the new framework is to help in planning the future. The Chance determinant from the original Porter's model has been excluded because by definition it can not be planned. This does not mean that the role of chance in the past success is denied.

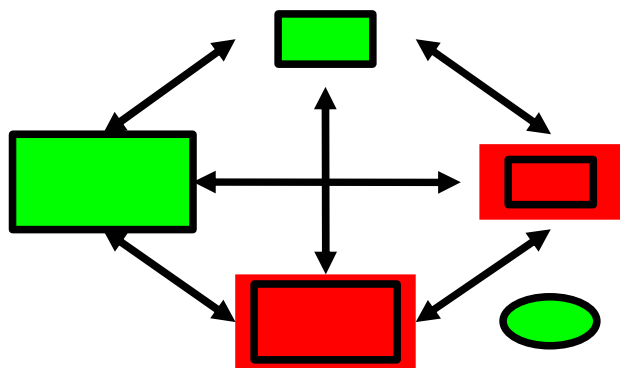
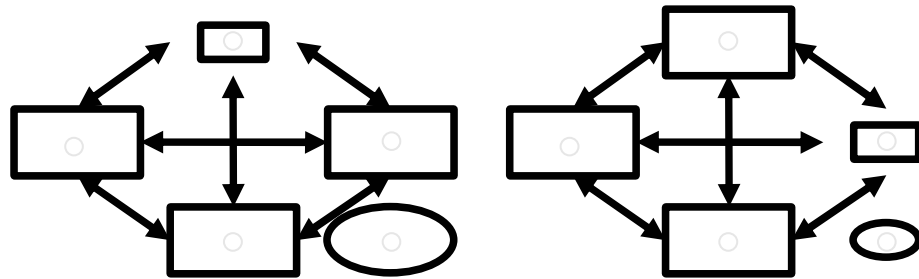
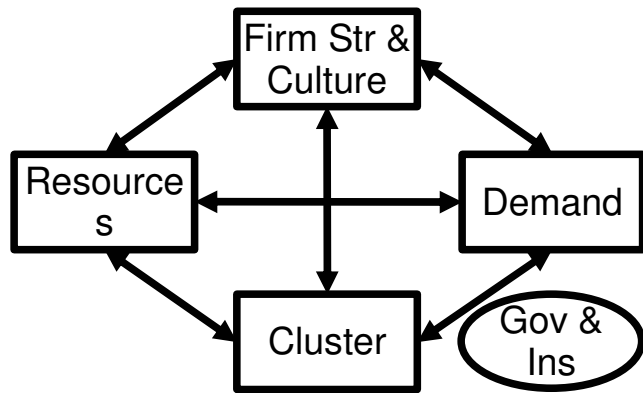
Mobile Industry

Opportunities and Challenges

<i>Driver category</i>	<i>Driver</i>	<i>Issues</i>	<i>National remedy</i>	<i>Category</i>
Technology	Demanding technology	Plethora of CE, Wireless and security technologies. Ever increasing performance demand	World class intra firm capabilities and knowledge of the technology limits	Resources, Cluster
Technology	Strong horizontal players	IPR or de facto HW and SW component monopolies	Strong IPR management, deep understanding on component development	Resources, Cluster
Markets	Cost pressure	Slow growth. New competitors	Productivity gains by investing in cost efficient production, lower the cost of resources	Resources, Cluster
Markets	High uncertainty in business opportunities	The market potential for new personal and home entertainment, enterprise and operator innovations difficult to estimate	Early adopting customers, competent entrepreneurs	Demand



Conclusions



1. Porter's diamond model for national competitiveness is a good starting point for the mobile industry national success factor framework. Adding certain emphasis areas improves the explanatory power of the framework.
2. An evolution can be identified in the Finnish mobile industry success factors. The framework categories most crucial for the success have changed and the overall national role in the industry success has diminished.
3. Strong national success factors would help the mobile industry also in the future. Especially the Cluster and Resources categories of the new success factor framework seem to have a lot of potential.