

The image features a large, stylized Nokia logo in the background, rendered in a light blue color. In the foreground, the faces of a woman on the left and a man on the right are shown in profile, looking towards each other. The Nokia logo and tagline are overlaid on this scene. The word "NOKIA" is written in a bold, blue, sans-serif font, and the tagline "CONNECTING PEOPLE" is written in a smaller, blue, serif font below it.

# NOKIA

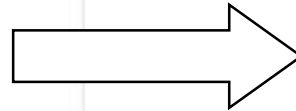
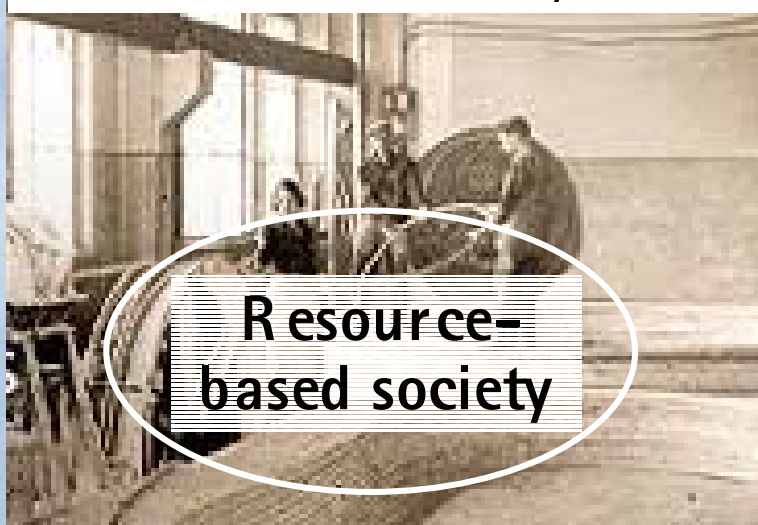
CONNECTING PEOPLE

Delivered at the 'Where in the World?' Conference, Budapest 24/25 October 2000

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# Knowledge Drives Society

Goods Society



Information Society



In the information society, the key driver for economic growth is knowledge

Reversal of roles, capital follows knowledge

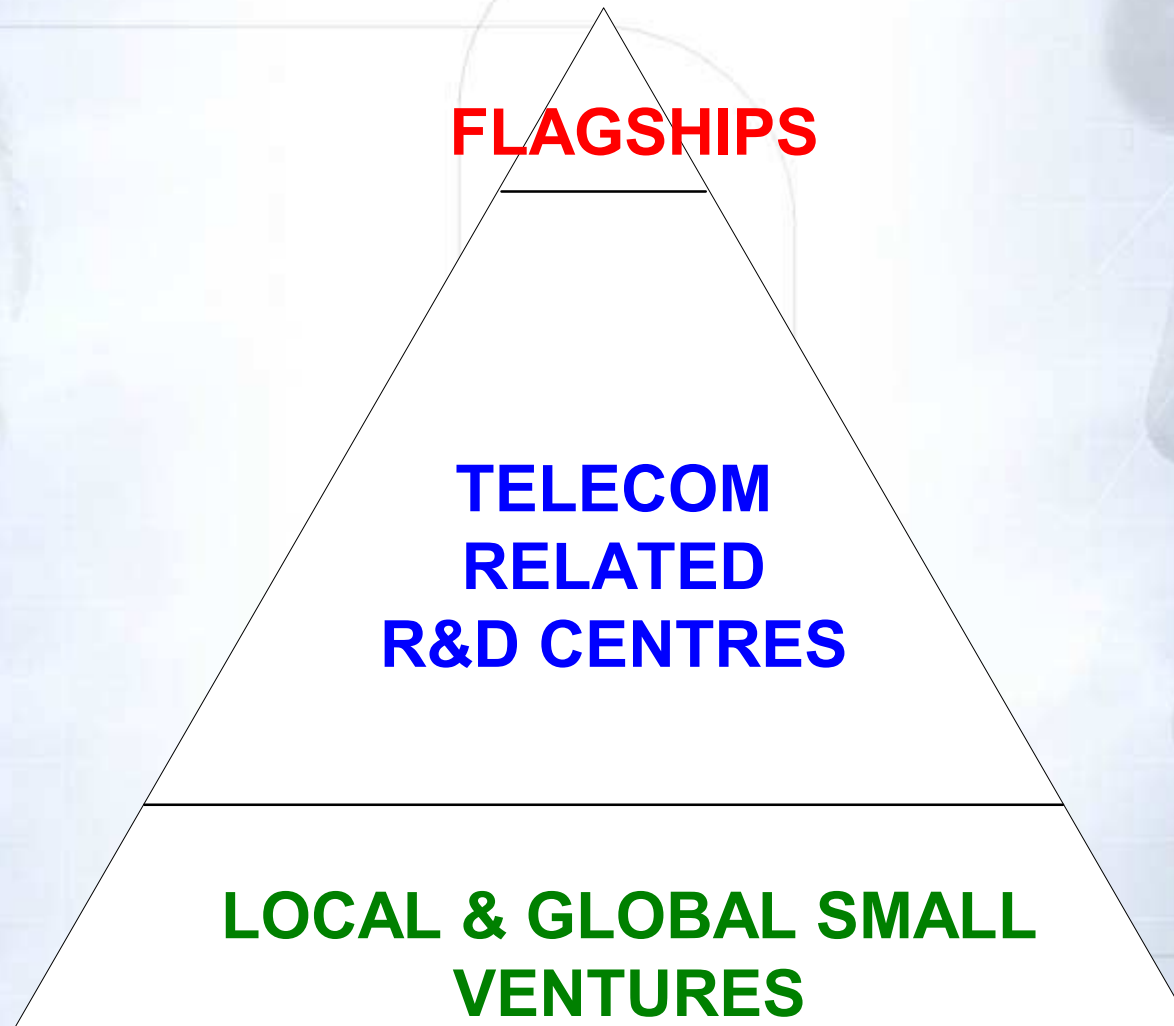
# Telecom R&D in Hungary vs. CE Europe

- Big telecom vendors established "huge" R&D centres in Budapest, Hungary.
- There is NO ANY bigger telecom R&D activity in CE Europe outside of Hungary.
- This concentrated "power" is based on **ONE** potential:
  - highly skilled
  - available
  - human resources
  - which can be motivated.
- Two "secondary" aspects:
  - business environment
  - reasonable cost level

# Models of establishing telecom R & D in Hungary

- Privatization of local PTT (MATÁV) gives an opportunity to get high profit margin for wired telecom infrastructure suppliers. Winners used this extra income to support high education and later on to utilize the potential.
- Nokia chose another way: based on competitive advantages Nokia established software technology R&D centres in Budapest (but of course Nokia also went on a traditional business way of expanding: sales, production, R&D, strategic role).

# Software industry model in Hungary



# Maintaining education level


- State
  - has to keep universities at least this level regarding to operational issuesand
  - give more headcount for this industrial segment.
- Companies invest a lot of money to achieve the state-of-the-art infocom knowledge level, BUT the strategies are different.

# University relation - the Nokia way

- Nokia started co-operation with **NOT ONLY ONE** or **TWO SELECTED** universities, but **ALL** universities where infocom related education could be found and **ALSO** in countryside.
- Nokia does **NOT** give significant amount of money for donation, but encourages to start projects, it means universities have to provide "something useful" (usable results).

# Summary

- Research and development activities in infocom industry are **NOT** cost sensitive.
- Competence is the **ONLY** thing that calls investors to this field and gives clear way in the **new economy** of (mobile) **information society**.

The background features a large, faint Nokia logo in the center. On the left, there is a profile of a person with dark hair wearing a green jacket. On the right, there is a close-up of a man with a beard and glasses. The overall theme is human connection.

**NOKIA**

CONNECTING PEOPLE