

Nokia shakes up management to tackle rivals

MATTI HUUHTANEN - Associated Press Writer - Associated Press

Nokia Corp. will reshuffle its management in mobile devices to tackle growing competition from rivals in smart phones and high-end mobile computers, the company said Tuesday.

The mobile sector will be divided into three units — mobile solutions, mobile phones and markets — down from the current five. The changes take place July 1.

Mobile solutions, which will focus on the top-end market, will be headed by Anssi Vanjoki, currently the chief of the markets unit. Nokia said the devices will be based on MeeGo and Symbian software platforms that "will be tightly integrated with Nokia's Internet services."

The announcement came less than a week after the world's top handset maker said it will launch new smart phones to catch up with competitors.

CEO Olli-Pekka Kallasvuo said the changes were partly aimed at increasing Nokia's lead over its rivals in overall handset sales.

"We are decisively moving to respond faster to growth opportunities we expect in smart phones and mobile computers," Kallasvuo said. "Nokia's new organizational structure is designed to speed up execution and accelerate innovation."

Although Nokia is still the global leader in handsets — selling more than its three main rivals combined — it is facing fierce competition in smart phones from iPhone-maker Apple Inc. and Research in Motion Ltd., which makes BlackBerry handsets.

Nokia stock has continued its slide since April 21, when it plunged 14 percent on the release of the first-quarter earnings report. Although profits and sales surged, with strong growth in smart phone sales, markets saw increased competition as hurting the Finnish company and had expected a better forecast.

On Tuesday, Nokia shares were down more than 2 percent at euro8.59 (\$10.91) in afternoon trading, in line with a general downward trend on the Helsinki Stock Exchange.

Nokia said that in July the mobile phones unit, headed by Rick Simonson, will be taken over by Mary McDowell, currently chief development officer. Simonson will retire from "full-time" duties at Nokia but will continue as a senior adviser in the company's networks sector.

Niklas Savander, head of the services of the services sector, will take over the markets unit.

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Nokia, based in Espoo near Helsinki, sold 432 million handsets last year.

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