

# Management and Leadership Challenges

# Structure

- 8,9,10 Letter words
- GDP, Depression data
- India data, Sentiment trend
- Managing IN, Managing OUT
- Key Issues

# 8,9,10 Letter Words for 2009

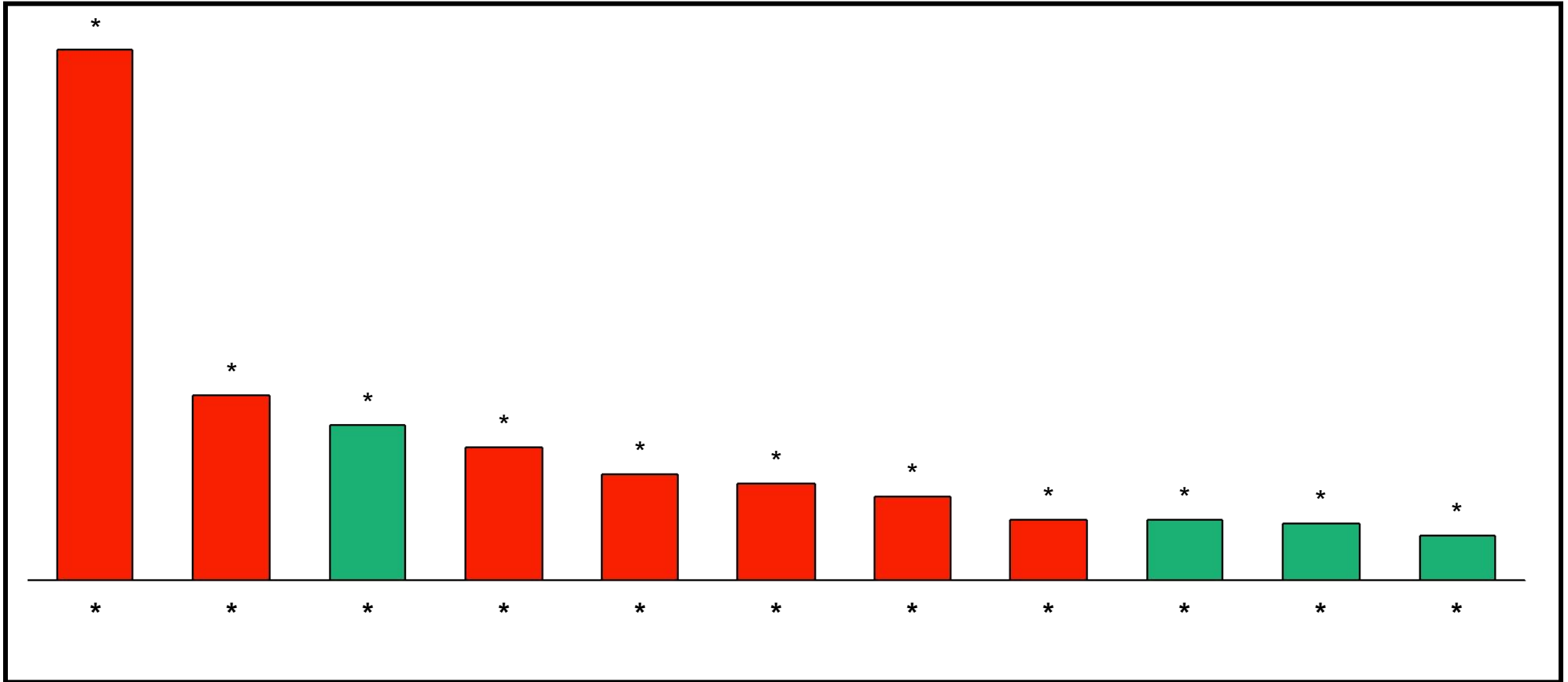
**Slowdown**

**Downturn**

**Recession**

**Depression**

# Top 11 Share of Global GDP



Source : The Economist,  
2007

Company Confidential

**NOKIA**

# Wall Street 1928-2008

## Top 5 y-o-y Drops

1. Depression	1931	(47%)
2. “ ”	2008	(41%)
3. “ ”	1937	(39%)
4. “Oil Shock”	1974	(30%)
5. Depression	1930	(28%)

Source : Bloomberg

Company Confidential

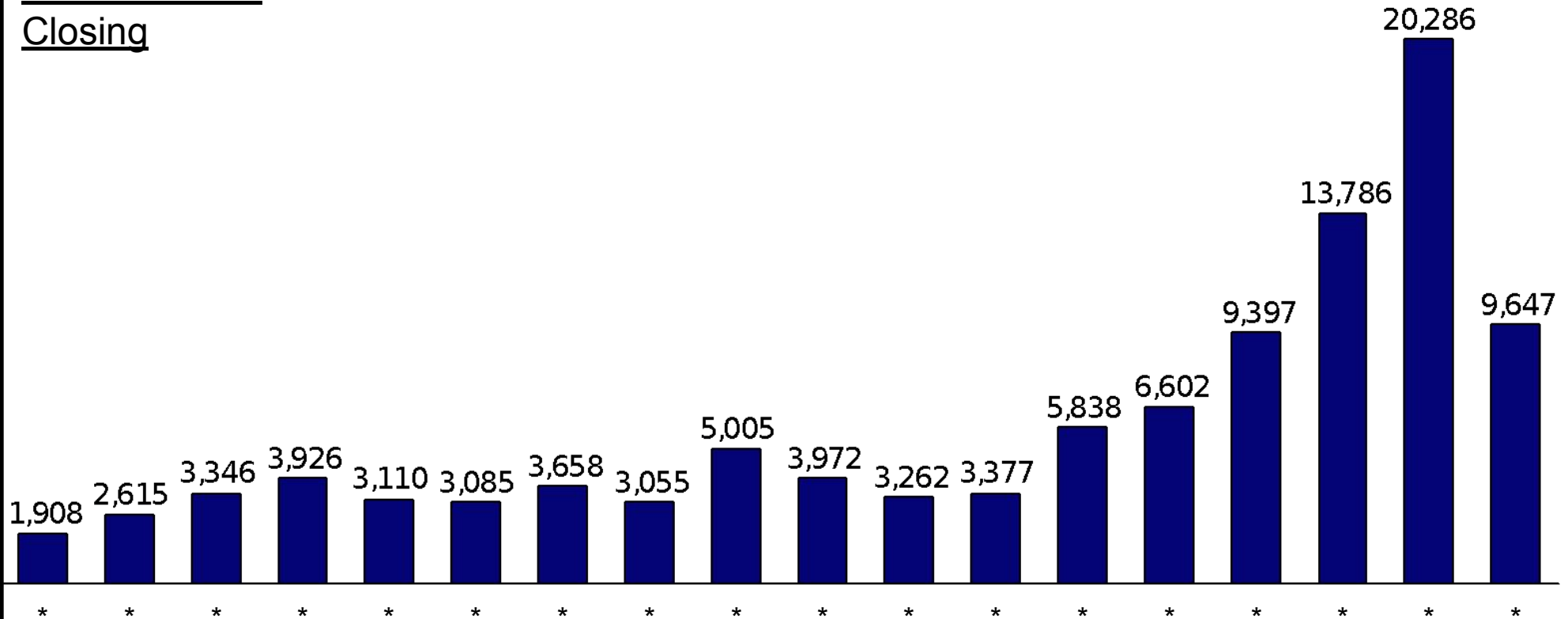
# The Great Depression : 1933 vs. 1929

1. Refrigerators	: +30%
2. Butter	: +10%
3. Chocolate	: +5%
4. Bicycles	: +4%
5. Knitwear	: +2%
6. Soaps	: -2%
7. Condensed Milk	: -2%

# India - Dalal Street

BSE SENSEX

Closing

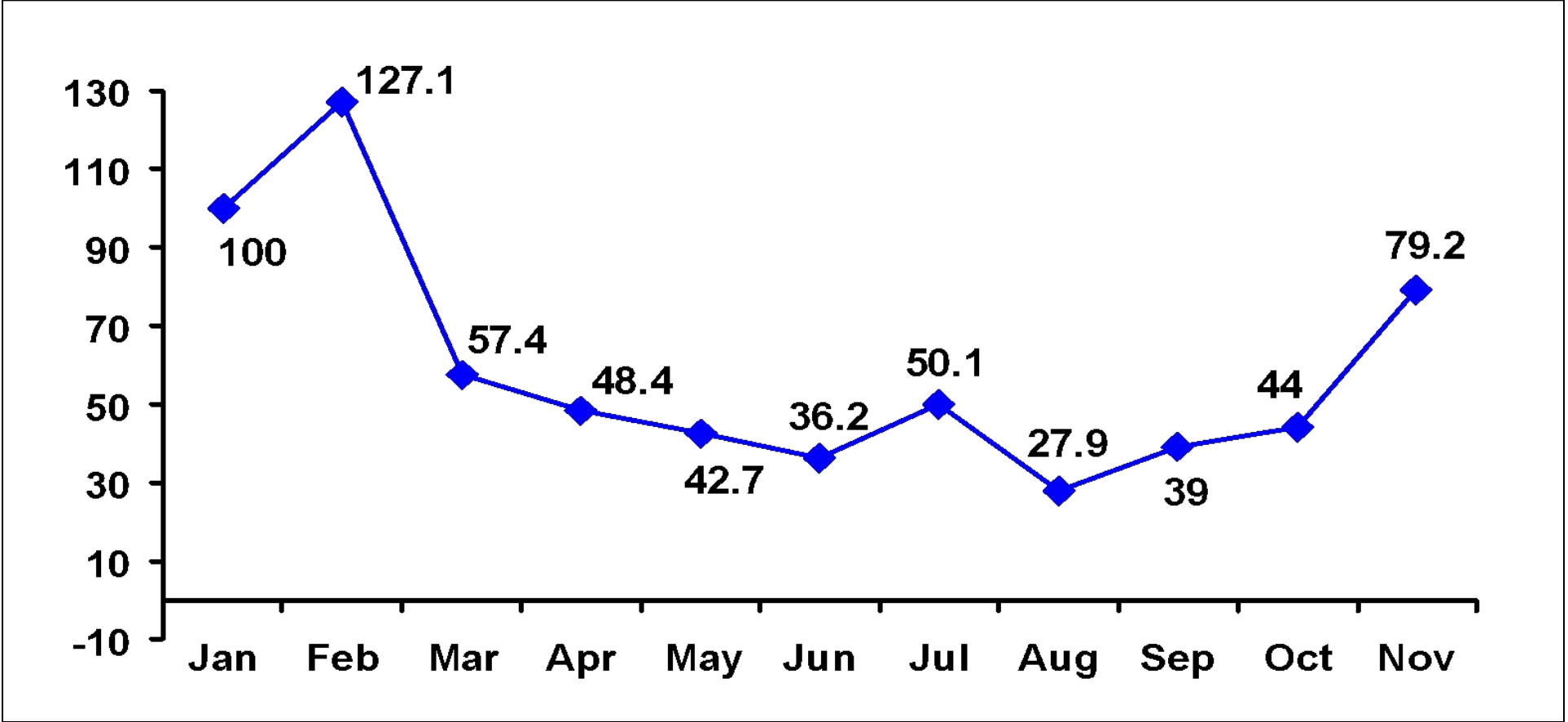


Source :

BSE  
Company Confidential

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# India Effect : Inflation Sentiment

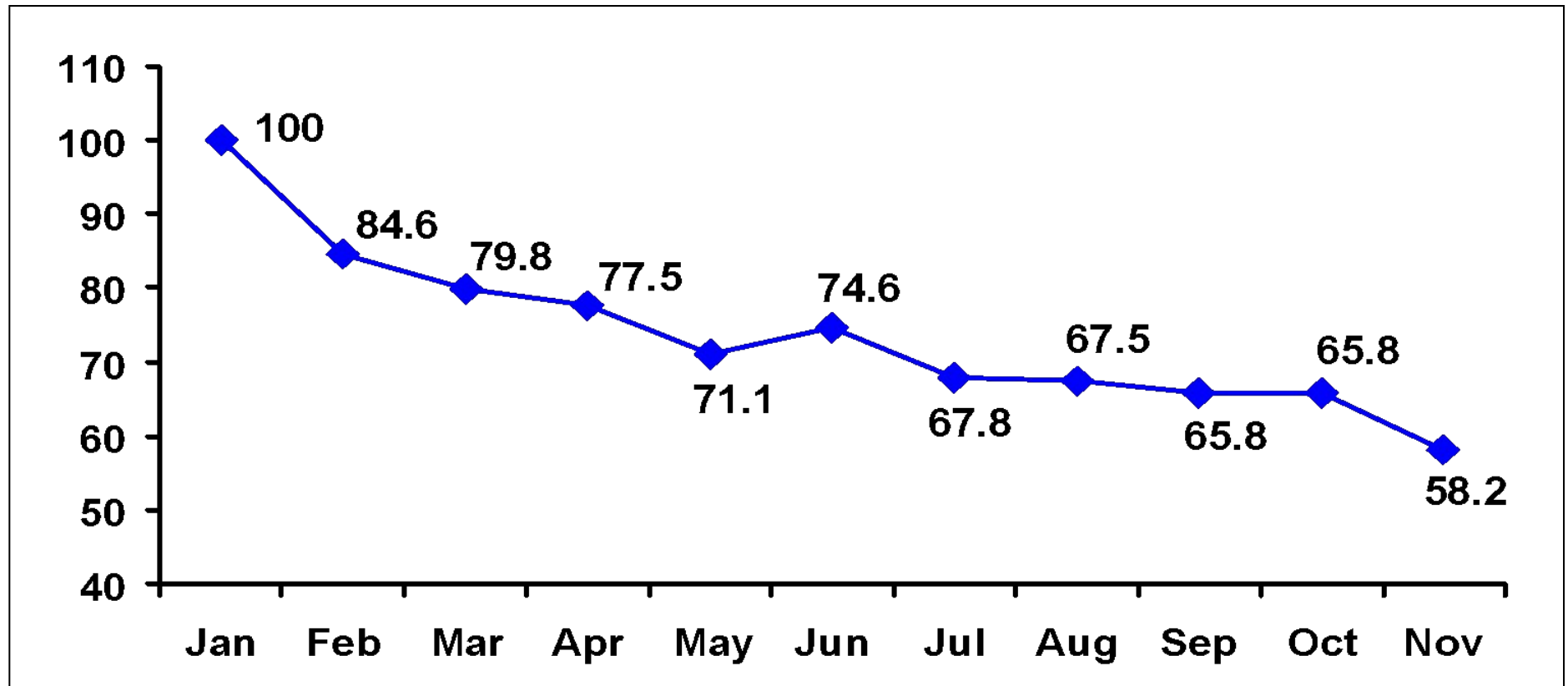


Source : Boston Analytics Index

Company Confidential



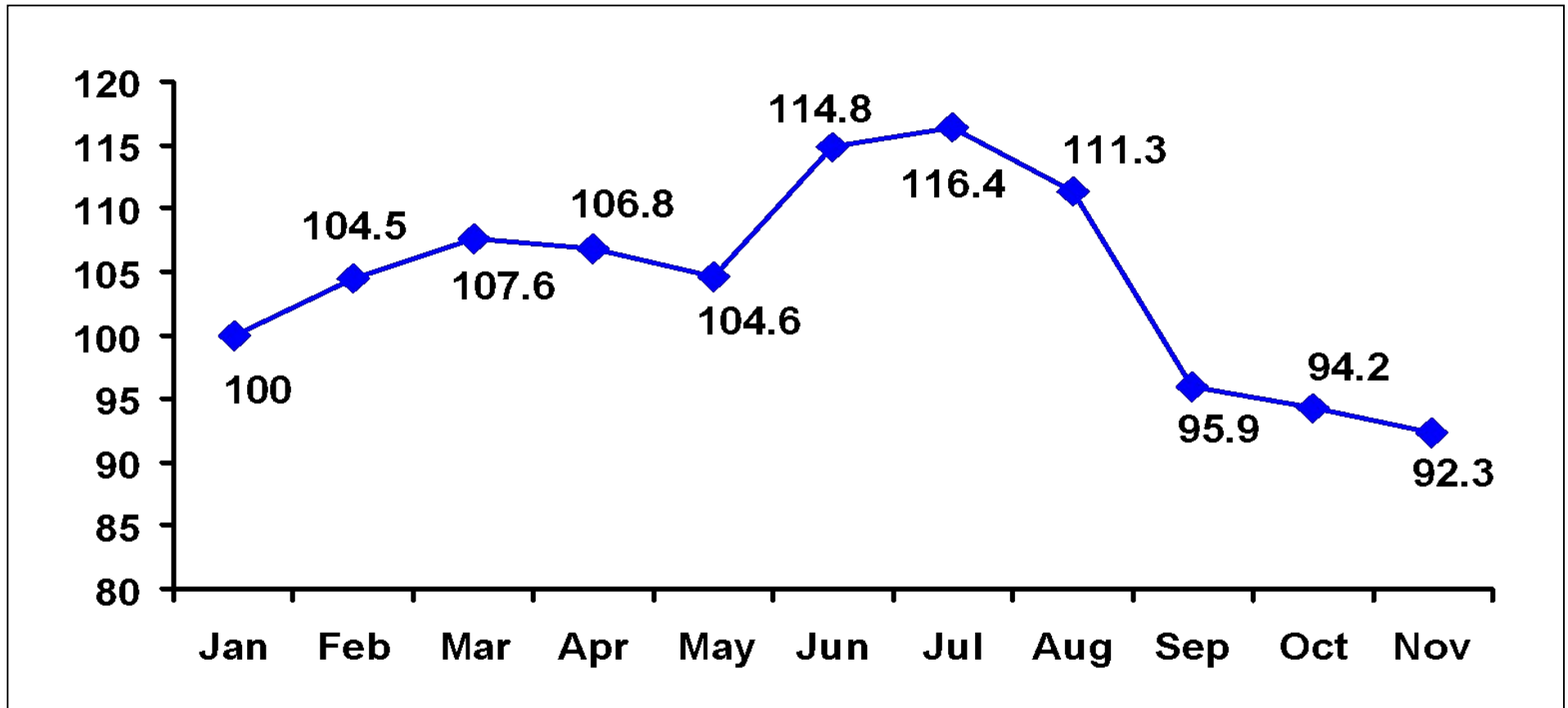
# India Effect : Employment Sentiment



Source : Boston Analytics Index

Company Confidential

# India Effect : Consumer Spending Sentiment



Source : Boston Analytics Index

Company Confidential

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**NOKIA**

**A Downturn is a  
chance to  
change the  
game. Evidence?**

**3 of the Top Ten  
firms in every  
Industry drop out  
of that list in a  
Downturn.** How to be one of 7 ?

**Successful Management  
addresses this in two phases...**

**1. Managing IN**

**2. Managing OUT**

# Managing **IN**



- **Mindset**
- **Manage Costs**
- **Scenario Planning**

# Managing **IN**



- Value Thinking
- Marketing Tactics
  - Quality
  - Reframing
  - Mix Category

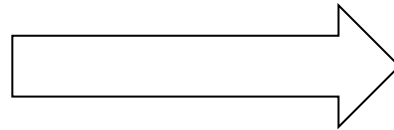
# Focus on Quality

Kit Kat vs  
Mars

# Vittel: Packaging Optimization



Old Bottle



New Bottle

**29% Reduction**

# Signaling price sensibly.



# Danone: € 1 Pack in France



# Reframing Categories



# Mixed Category



# Managing OUT



- Long Term Winners over invest in
  - Innovation
  - Advertising
  - Add Star Talent
- Support Current Employees

**Premium  
offerings must  
deliver “Value”  
too.**

# Key Issues

- **Value Growth**
- **Costs**
- **Profit**
- **Productivity**

**1. Focus on a few  
things, don't do  
everything.**

**2. Look at Costs in two ways – Good Costs and bad costs, Fixed Costs and variable Costs.**

**3. Profit should be the result of being more competitive and not an accounting cut.**

**4. Individual  
productivity is key.  
Happens through  
engaged leadership.**

# Thank You