

Hi-Tech Supply Chain Summit

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Welcome – Nokia sharing operations digitalization journey

About me

Padraig Healy
Vice President Global SCM



- More than 25 years experience in general management, Operations and Supply Chain
- Run large operations in global companies
- Led strategic transformation programs in fast-changing and complex environments
- Currently designing future end-to-end value chain of digital operations
- Defining future ecosystem as Nokia strategy enabler and contributing to overall growth

About my team & Responsibilities

- Distribution and logistics
- Global SC design and Process Governance
- Customer Application Engineering (Technical Configuration)
- Transformational projects implementation
- Product Master Data governance and strategy
- Software SC and SW monetization strategy
- Robotic Process Automation
- Continuous Improvement – Global Operations enabler and contributing to overall growth

Gartner 2017 Supply Chain Top25 rankings

Nokia keeps on climbing

Breakthrough in position 15

Rising Star Awards

The Supply Chain Top 25 rankings comprise two main components: business performance and opinion.



Scary Facts

Fortune 500 companies

1955-to 2015

88% gone

2000 to 2015

52% gone

150 years of successful reinvention

Pulp, Paper,
Rubber boots,
Early Bell System,
Mobile phones...

Launched Networks
transformation plan

Launched
Alcatel-Lucent
'Shift Plan'

Created
Nokia
Technologies

Launched
Nokia OZO

Completed
Alcatel-Lucent
'Shift Plan'

2011

2012

2013

2014

2015

2016

2017

Acquired
Motorola Solutions
wireless networks

Sold
Devices &
Services

Acquired Alcatel-
Lucent

Acquired
Withings

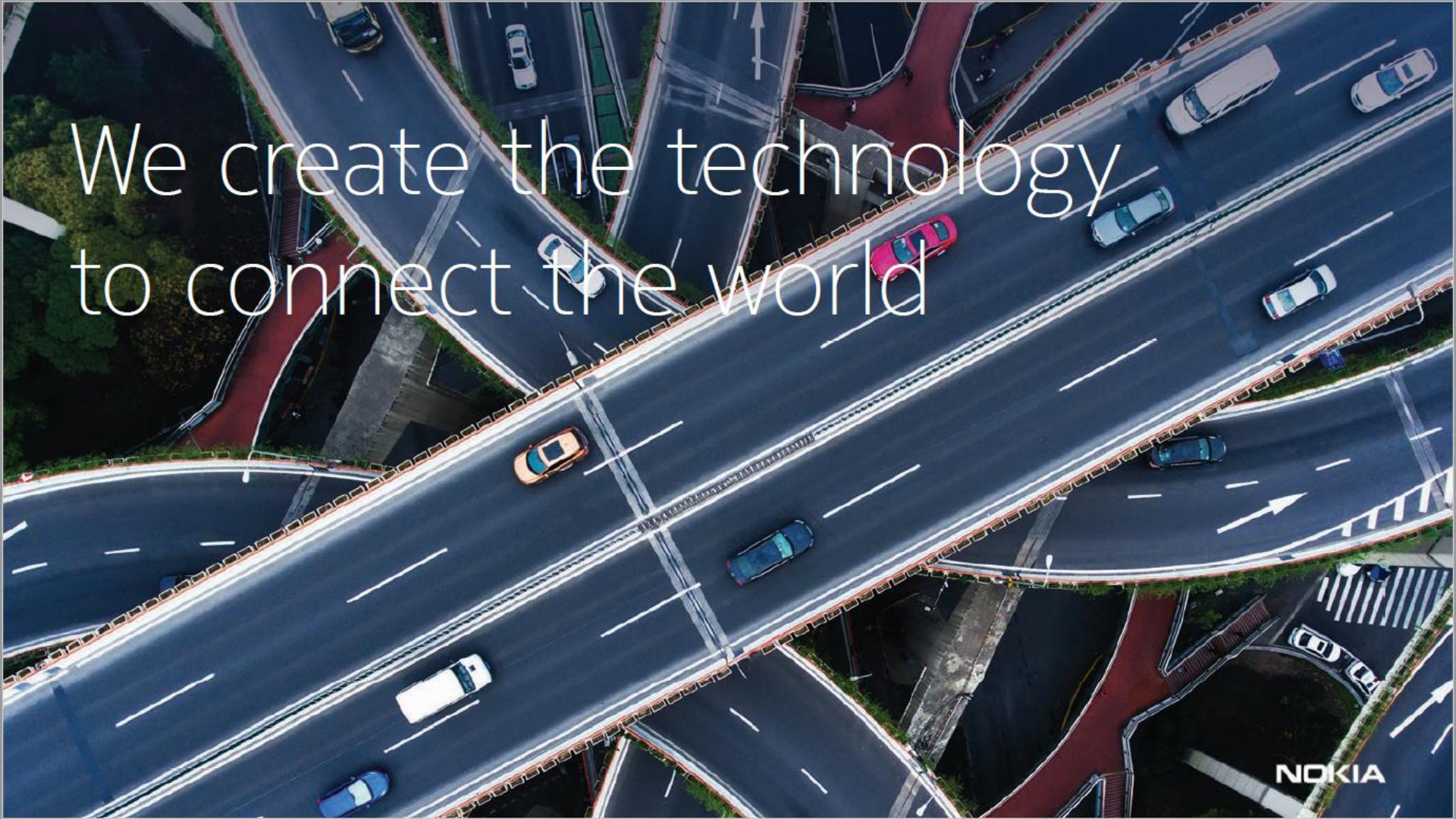
Manufacturing &
Distribution
network



Supply Network
for products and
services

Demand driven
Value Network





We create the technology
to connect the world

NOKIA

A position of strength and strong profitability in the face of market headwinds

#2

in 4G*

#1

in copper
access*

40.0%

Non-IFRS
gross
margin

€23.9bn

#2

in edge
routing*

#3

in
services**

9.1%

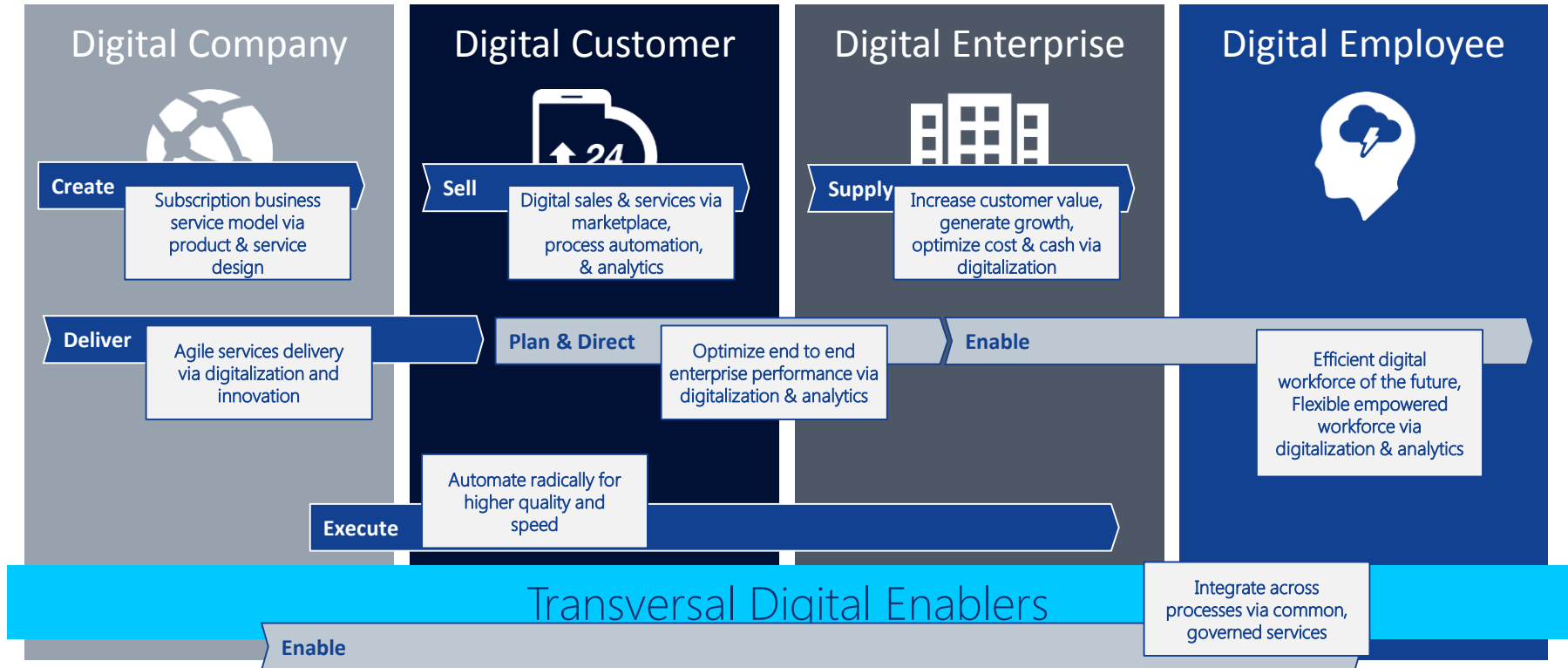
Non-IFRS
operating
margin

Non-IFRS net sales

* Figures and positions reflect market share as of Q3 rolling 4 quarters and YTD 2016. Source: Dell'Oro.

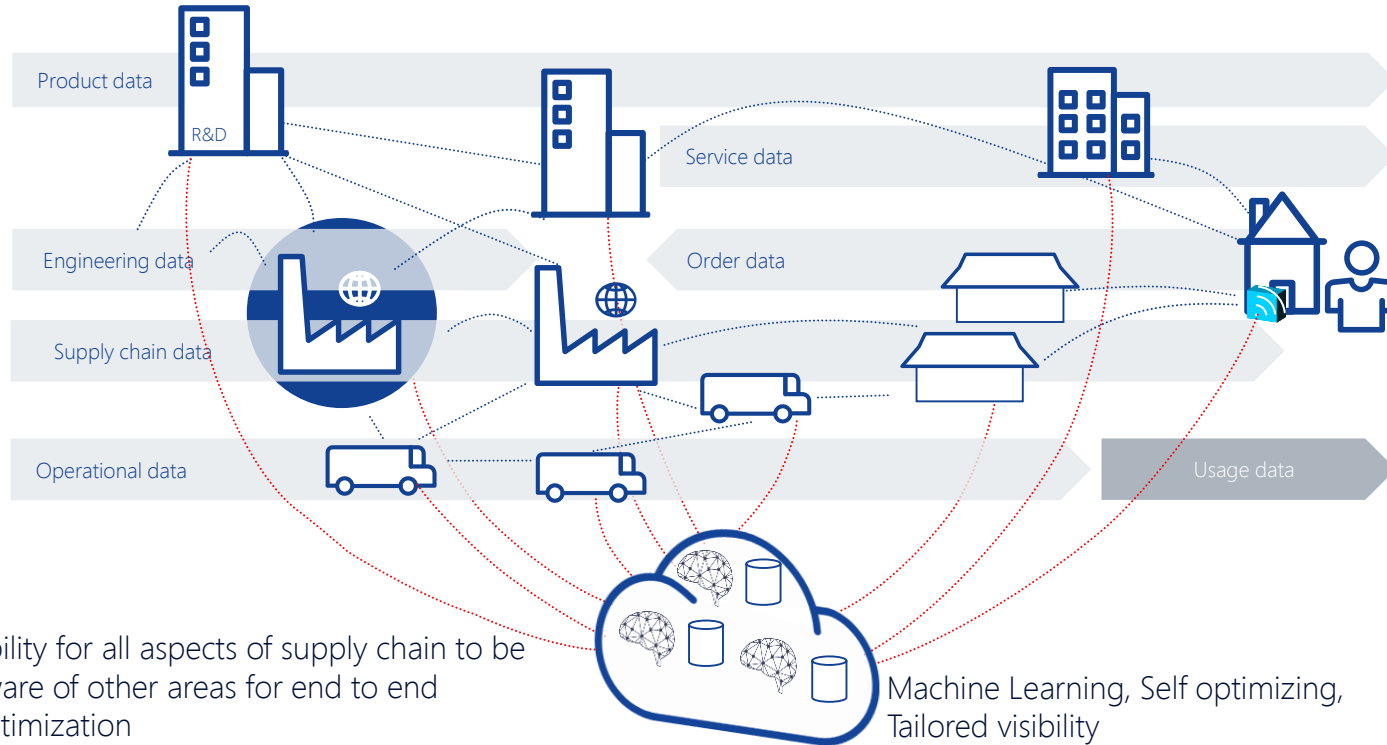
** Figure and position is based on revenue estimates of Nokia vs. competitors

Nokia digitalization will require transformation of all process areas



Nokia Conscious Supply Network and Engineering

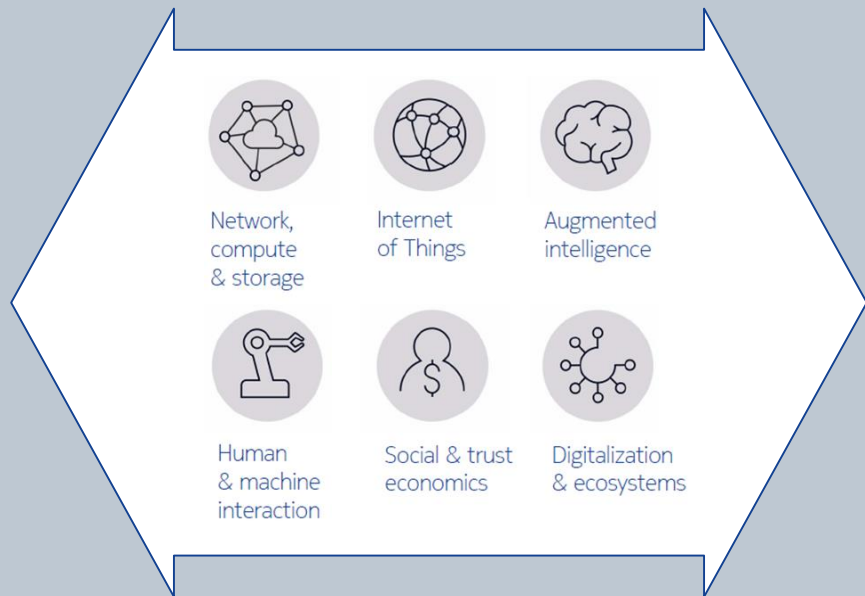
Bringing all supply chain data together



What does Digitalization mean for Nokia's Operations?

Disrupt and
changes the
markets
Nokia is serving!

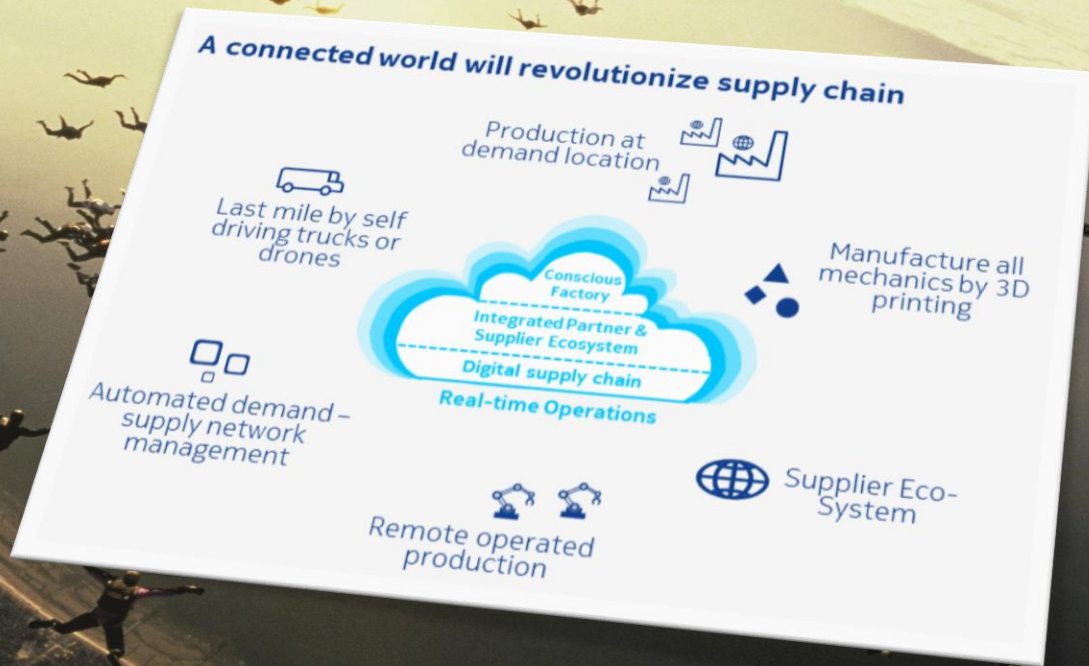
Six telco industry megatrends:



Disrupt and
changes
operations
in any industry!

Starting point – Initial Strategy to Digitalize Operations

**Position Nokia
Operations as #1
in the industry
by implementing
real time operations**



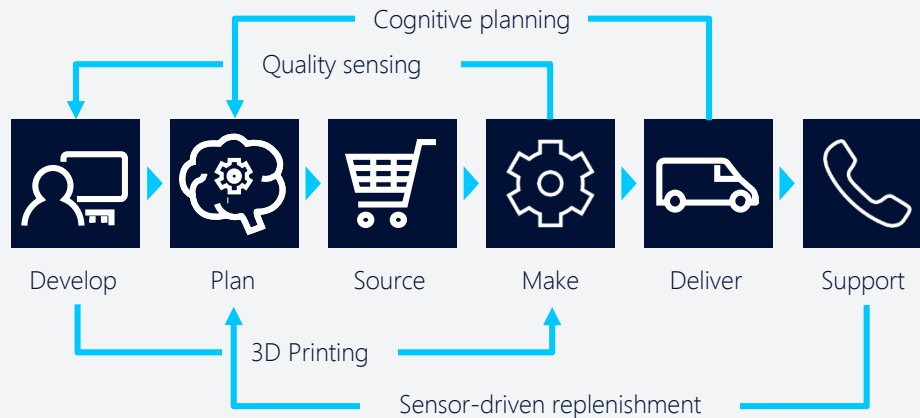
Our digitalization learning journey

- Operations (E2E SC) need to be ready to influence and shape the digital transformation
- SC needs to expand its horizons to the full business life cycle – from R&D to Service and EOL
- Bimodal thinking & execution to challenge the status quo and invent new ways of working
- A frame work describing your future state to inspire people
- Change starts with the leaders
- A common platform across the company to drive digital core
- Rethink your vision & intent and make clear that operations is a competitive advantage

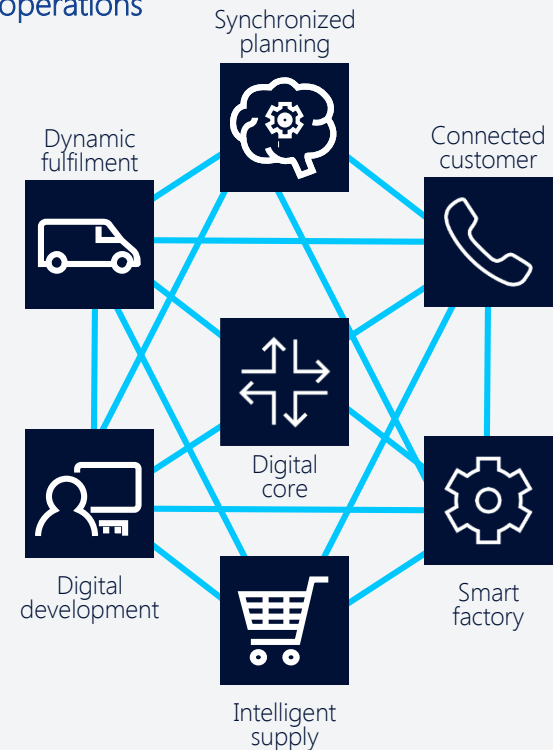


Applying bimodal to transform into a Digital Supply Network

Continuous / disruptive improvement of current state through new technologies

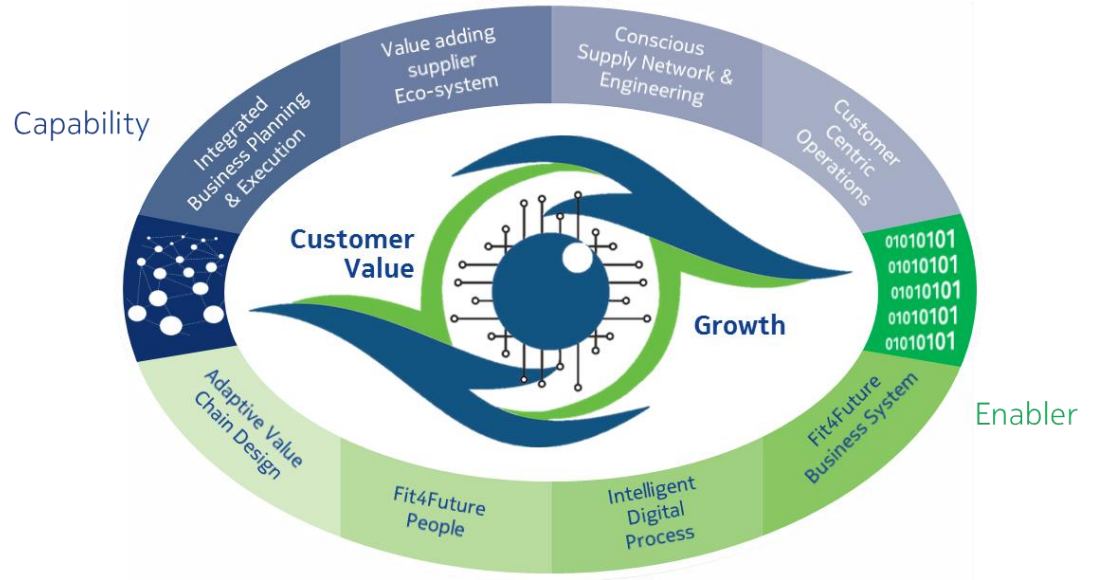


Invent a new way of B2B operations



New technologies transform the execution engine into a competitive advantage creating new value for customers and winning new markets!

GOPS future eye is our frame work to drive the necessary transformation into ultra-lean operations built on a digital value chain



Change starts with the leadership!

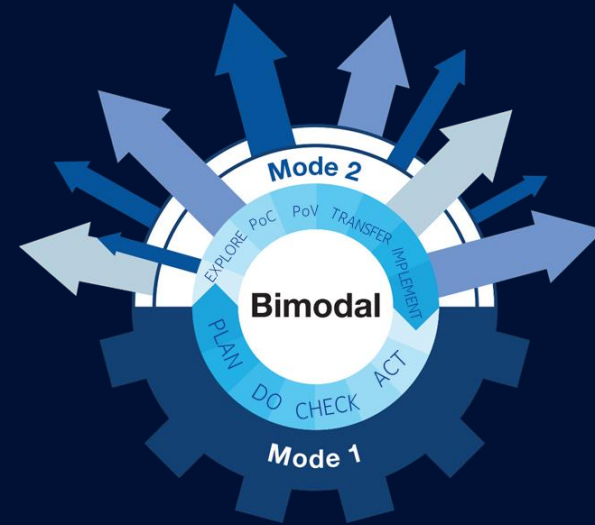
Leaders need to be adept at shifting between bimodal approaches, constantly curious, and own their strategy

Mode 1 approach: predictable, improving and renovating in more well-understood areas

Mode 2 approach: exploratory, experimenting to solve new problems

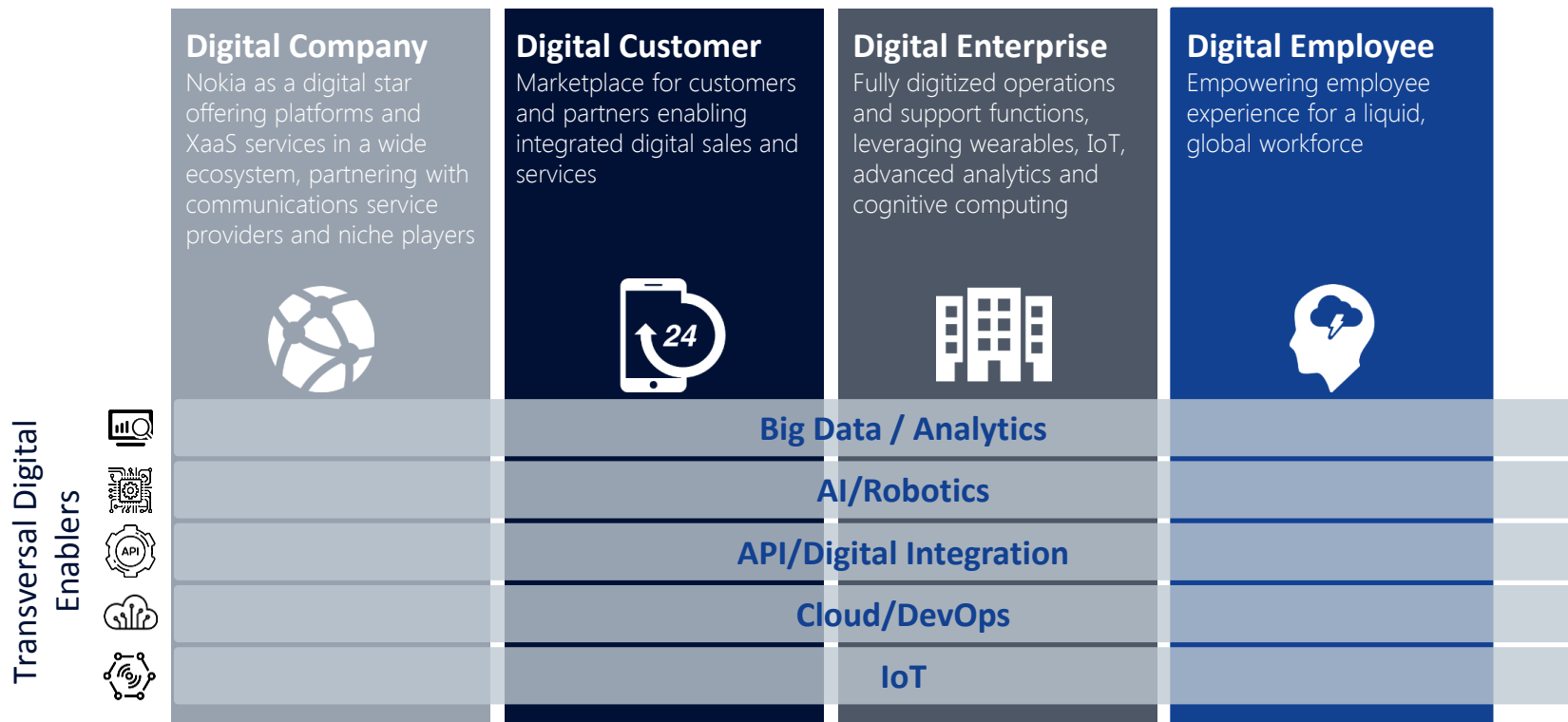
Constant learning to work differently, spot opportunities, share knowledge

Own the strategy based on learnings to steer the business and activities



A close link between business and IT is a must

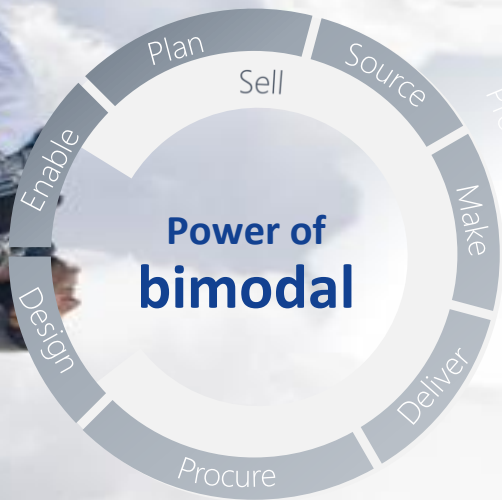
Nokia digital framework to tie business process and digital core together



Global Operations will support Nokia's strategy by taking leadership in designing the future value chain of innovative operations

Increase
**customer
value**

Optimize
for growth and
cash



Generate
growth

So the challenge is big, let's join forces to define the new way of working!



Thank you!

“It is not the strongest of the species that survives, nor the most intelligent, but the one most responsive to change.”
— Charles Darwin (1809-1882)

