

Blockbuster Deal

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Westchester County offered "a perfect selection for Nokia's newest corporate office," said new CFO Simonson, who's relocating from Finland as part of the project.

Nokia Picks New York for 300-Employee HQ, CFO's Office

By **JACK LYNE**, *Site Selection* Executive Editor of Interactive Publishing

WESTCHESTER COUNTY, N.Y. – The deal began like one of those tentative feelers sent out over an Internet dating site.

"A European company is interested in Westchester," said the anonymous e-mail that arrived last summer at the Westchester County (N.Y.) Office of Economic Development (OED at <http://economic.westchestergov.com/home>).

A pithy opener, for sure. It created enough of a spark, though, that frequent e-mail exchanges were soon flying back and forth across the Atlantic. Then came the phone calls. Slowly but surely, the online courtship advanced to a more serious stage: a personal meeting. And now the two have really taken the plunge; they've tied the knot.

World mobile communications leader **Nokia** (www.nokia.com) has announced that it's bringing a 300-worker office to **Harrison, N.Y.** And that facility will include not only one of its unit headquarters, but also the office of its company-wide CFO.

Some 60 percent of the operation's 300 jobs will be new hires, Nokia officials said. The rest of the jobs are existing positions that will be relocated.

The relocations include the global headquarters of Nokia's Enterprise Solutions Group, which will move from the company's worldwide headquarters in Espoo, Finland, a suburb outside Helsinki. Also relocating from Espoo is Nokia's new CFO Richard A. Simonson, who only assumed his post on Jan. 1.

In addition, the Westchester County office will house the U.S. marketing sales group of Nokia's Multimedia Group; those positions will relocate from the Dallas suburb of Irving, the company's U.S. headquarters city.

Enterprise Solutions and Multimedia are two of Nokia's four business groups.



The New York project will relocate the global headquarters of Nokia's Enterprise Solutions Group and the CFO's office from the company's worldwide headquarters (pictured) in Espoo, Finland, a Helsinki suburb.

The Lure of NYC

"Westchester County's proximity to the world's financial capital and headquarters of many of the world's largest corporations, combined with the quality of life that the area offers made it a perfect selection for Nokia's newest corporate office," Simonson said in announcing the project.

The area's proximity to New York City, some 13 miles (21 kilometers) to the south, was clearly the dominant driver in setting the search parameters.

Though best known for its phones, Nokia is the second-largest producer of firewalls (trailing only Cisco Systems). Positioning more of its Enterprise Solutions and Multimedia units near New York's huge corporate-headquarters cluster is designed to strengthen Nokia's share of the firewall market.

The project coincides with a surge in firewall demand. What's triggering that market bounce is the evolving needs of the ever-enlarging numbers of remote workers. Those employees' in-the-field requirements have exceeded the capabilities of simple PDAs. Increasingly, they now need wireless Internet access, complete with strong security features, that enable them to access company databases. Moreover, that trend comes with a built-in trickle-down market. Once major companies install such wireless networks, their major suppliers will also be forced to adapt to retain major accounts.



Nokia's new location in New York will relocate the U.S. marketing sales group of Nokia's Multimedia Group from the company's U.S. headquarters (pictured) in Irving, Texas. Photo: System Electric

Nokia's wireless-network focus got a shot of extra juice from the Feb. 23 mobile-communications deal that it inked with **IBM** - which, not coincidentally, is based in Armonk, N.Y., only about 13 miles (21 kilometers) north of Harrison. The agreement will combine Nokia's Communicator platform with IBM's mobile software. The agreement is initially aimed at remote sales workers in the pharmaceutical, insurance and government industries. **DaimlerChrysler, Pfizer** and **Ricoh** have already signed on to use the IBM-Nokia interface.

"Nokia and IBM are a very complementary match when it comes to extending mobility into the enterprise," Nokia Enterprise Solutions Senior Vice President Niklas Savander said in announcing the deal. The allied companies, he added, would offer "a compelling value

proposition for mobilizing business critical processes and freeing work forces to reach new levels of productivity."

New York City's critical corporate mass is also Nokia's rationale for positioning its CFO for greater productivity. The move is designed to place Simonson with ready access to New York's capital markets, company officials in Espoo said.

Stamford the Runner-Up Site

For Nokia, then, the site-selection question was just *where* it would locate to take advantage of its multiple New York tie-ins. The other finalist for the project, Nokia officials said, was Stamford, Conn., some 39 miles (62 kilometers) northeast of New York.

Judging from the project incentives, though, the company seemed considerably more interested in Westchester County. The county's Industrial Development Authority unanimously approved \$1.1 million in subsidies through seven-year sales and use tax exemptions.

On the other hand, Nokia never got as far as discussing incentives for a Connecticut site, Stamford officials said.

The Finish company's space needs also doubled for unexplained reasons. Initially, Nokia was looking for a 50,000-sq.-ft. (4,500-sq.-m.) facility, according to officials with the Westchester County OED. Ultimately, though, it took twice that much.

Nokia is buying a 102,000-sq.-ft. (9,180-sq.-m.) existing facility for \$7.6 million from EastRidge

Properties, said Simonson. The company will gut the structure in Harrison's Westchester Corporate Park and then rebuild it, spending some \$30 million on the renovation. The building has been empty since 1996, when the environmental engineering firm **Malcolm Pirnie** moved to a larger facility next door in the business park.

The rebuilding process will take from 12 to 18 months. The facility will open in late 2005, company officials said. In the interim, Nokia will set up operations in rented space across the street in White Plains, N.Y. The rented facility will house 100 to 150 employees, with the work force swelling to 300 with move-in to the refurbished headquarters.

The new jobs created in New York will add to Nokia's some 6,600 employees in the U.S. Worldwide, the company has about 55,000 workers, half of them in Finland.

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