

Strategic management accounting



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British Telecom Company Business Portfolio

One of the main advances made by the British Telecom and shift towards open market operations began to take shape in 1991. On 5th March 1991, the White Paper of the Government, Competition, and Choice that was propagated by the Telecommunication Policy of 1990 was established. This scenario resulted in the termination of the duopoly that had been initially shared between the Mercury Communications and the British Telecommunication in the UK from around 1983 and developed up to privatization. The new advancement was characterized by fairer and more open policy that enabled clients to acquire most of their telecommunication services from qualified service providers via a diverse set of technologies. The resultant scenario precipitated by increased demand for accountability primarily fueled by increased competition in the telecom industry of UK (van Kranenburg & Hagedoorn 2008). The revolution that characterized the UK market was also characteristic of other telecommunication industry worldwide which was also experiencing similar developments.

Similarly, another wave of retail companies was also allowed to engage in bulk-buying of telecommunication capacities and trade through different packages to both domestic and business users. The shift was also facilitated by the endorsement of the White Paper by the British Telecom where the new policy enabled companies to engage in free competition and effectively offer flexible pricing packages to meet their diverse needs via different customer categories. The new revolution could be attributable to the fueled growth of the Telecommunication industry of UK from this time henceforth. In particular, the challenge arose from different scenarios due to the need for

high quality and competent service providers in the UK telecommunication industry as well as the swelling demand for the services across various areas of engagements.

Telecommunication Industry

The telephone service of UK was initially provided by the private sector with such companies as the National Telephone Company (NTC) only engaging in minimal competition later on with the General Post Office. This was the period between 1878 and 1896. After 1896, the GPO overwhelmingly took over the business segment of telephone service provision. The change resulted in the development into a monopoly in the phone service delivery as at 1912 taking over the entire private sector telephone service industry of UK.

The establishment of the telecommunication markets in the UK coupled with the corporate strategy of the primary service provider; British Telecommunication presented an impressive set of analytical aspect in the Britain telecommunication market alongside its US counterpart (Ghanea-Hercock et al. 2008). In fact, the two represents some of the main telecom markets subjected to deregulation in the 1980s. Besides, some regulatory innovations including price caps were also introduced in the market and executed within the UK telecom industry. Besides, the British Telecom was first incumbent companies to be privatized during this revolution of early 1980s. Competition in the telecommunication market of UK began slowly in the start of the 1990s, which was a significant advance achieved about other UK market segments with increased number of competing companies compared to their European countries' counterparts (Gaughan 2010).;

Nevertheless, the competition between different players in the industry evolved gradually while some states adopted certain features that have leveraged the development of telecommunication market to date and the British Telecom in particular.;;

The need for increased capacity for service delivery was pivotal for any company seeking to venture or flourish in the British Telecommunication market. In particular, the businesses that engaged in this competition were reasonably and exclusively seeking for competitive capacities to participate not only in the local market but also in the global market segment that had been experiencing similar revolution. The main undertaking of the British Telecom Plc was anchored on the strategic network leadership that culminated into the competitiveness of the company in the long-run. The scenario also implied that the firm's competitiveness was rooted in their ability to network where UK consumers were the main target bloc (Hess & Coe 2006). The tapping of the competent consumer coalition was based on the company's fast and immense network that would meet the growing demand in the local market besides spilling over to the international market which was one of the main focuses of the company.;

Business; Growth Model

The development and growth of the British Telecom Company can be understood through the focus on Ansoff's Growth Model. The Ansoff's Model represents a growth matrix that can identify alternative growth strategies through an emphasis on the present and possible capacity of a company's product in both current and future market position. In this regard, the development of the British Telecom business segment was mainly

precipitated by increased demand for enhanced telecommunication services in the UK that also fueled other growth in different sectors of the economy (Dennis & Robinson 2000). In particular, the recent acquisitions made by the BT are primarily based on the Ansoff's four growth strategy which is mainly focused on market penetration, product development, market development and diversification.;;

For instance, the acquisition of newly established business premises such as the EE acquisition is a significant advancement towards realizing a competent and diverse business portfolio that would fuel growth in the long-run (Dennis ; Robinson 2000).; While the existing telecom product is crucial, BT has been engaging in the progressive development of new products that would meet the market demand more efficiently about its competitors within the market segment of its placement.;;

About the Ansoff's growth model, BT's market development strategy is the foundation of its business engagement. This is perpetrated through determination of new geographic markets and customer segments that would help minimize the impact of swelling competition. Similarly, the diversification into new but related business segments was also a strategic advancement of the company while engaging in momentous acquisitions. Through a focus on market share growth, its market penetration strategy through acquisition is also broadly expressed (Dennis ; Robinson 2000). New purchases increased the physical capacity of the companies to exercise new-found competent market performance.;;

BT; s Multiple Brand Strategy

BT has been considered one of the telecom businesses that have been preying on the quad market where they offer internet, TV and mobile services to their clients. TV element, in particular, had been considered the primary focus for the company while the Sky held about 75 percent of the paid television market share. This proportion of the market space was meant for promoting social service delivery besides increasing the diversity of the provision of services in the long-run. Nevertheless, BT had the potential to cover half of the entire market segment through Multi-Brand Strategy. The new Strategic Acquisitions by the company are the primary source of increased capacity for the company to expedite new potential to satisfy the market segment in this realm (Leveridge, ; British Telecommunications plc et al. 2007).

Besides, a focus on investing in the cloud was also considered elemental to the connection of the company to its services alongside measures to provide seamless clientele experiences while at the same time realizing high cost-efficient models. The latter, in particular, was the main achievement during the EE merger case (Trillas 2012).; The cloud of cloud strategy assumed by the company was also crucial to their business excellence which enabled it to tap into the growing opportunity in the telecommunication market segment in Britain and the global market segment at large.;