

# Essay on financial crisis

[Sociology](#), [Communication](#)



Alternative Network Plc is one of the listed companies in the London Stock Exchange in the Fixed Line Telecommunication categories. It's a company under Alternative Network Group. Though Alternative Network Group has three companies named ad Alternative Network Plc, Alternative Networks TS Ltd, and Echo Communications Ltd, the most profitable company under this group is Alternative Network Plc (Alternative Network Group, 2009). Alternative Network Plc mainly supplies four services. Those are managed network services, non-geographic number services, mobile phone and data services, and Internet and broadband service provision (Reuters, 2009).

Apart from those, the company provides some advanced solutions, like Internet Protocol (IP) private branch exchange (PBX) and associated professional services, hardware and applications, data access services such as multiprotocol label switching (MPLS) IP virtual private network (VPN) (FT, 2009). The company is consists of two segments. Those are (1) The network service division and (2) The advanced solutions divisions (Financial Times, 2009). Recent statistics show that around 4, 500 small, medium, and enterprise businesses in the United Kingdom are being served by Alternative Network Plc (ALN, 2009).

Alternative Network Plc is formed by James Murray and Chris Wilson in the year 1994 with an initial investment of 9000. 00, the amount was provided through a loan (ALN, 2009). Within 2001, the companies started to grow significantly; it opened offices in Manchester and Leeds. 2002 is one of the most remarkable years in the history of Alternative Network Plc as the company became a mobile service provider for O2 and Vodafone in that year (ALN, 2009). From 2003, the company emphasized more on increasing the

number of customers and the acquisition of other companies and the company seems to be successful.

Regarding customers, the company acquired 1000 business mobile subscribers in London, 1300 small business customers in the Birmingham area (ALN, 2009), and recent statistics showed that Alternative Network Plc around 4,500 business customers (FT, 2009). In the last annual report of 2008, the company reported a 14% increase in mobile subscribers and a 28% increase in network service lines. Regarding the acquisition, the company acquires ICB in October 2005 and Echo Communications in August 2007 (ALN, 2009). The acquisition of Echo Communications proved its worth with sales of nearly 18m and profits of 2m (McGeorge, 2008).

Pursuing a twin-track strategy of acquisitive and organic growth under CEO and co-founder James Murray, the company offers a 'fully converged' communications portfolio of fixed-line, mobile, voice, data, and systems solutions (Crux, 2008). The company starts trading on the London Stock Exchange on 18th February 2005. Four major shareholders of the company are BlackRock Investment Management (13.41%), JP Morgan Asset Management (5.29%), Old Mutual Asset Managers (3.89%), and Herald Investment Management (4.59%) (ALN, 2009).

Recently the share price of Alternative Network is fluctuating within 105.00 to 115.00 (Digital Look, 2009). In the last 52 weeks, the highest share price recorded as 162.75p and the lowest price recorded as 103.00 (Digital Look, 2009). Despite its lengthy, profitable track record and resilient, cash-generative business model, shares in the company have been unfairly sold down with the rest of the sector (Crux, 2008).

Apart from that, The Net Profit Margin (6.94%), operating margin (9.34%), EBITD margin (11.19%), ROA (15.47%), and ROE (33.48%) of Alternative Networks Plc is better to compare to the net profit margin, operating margin, EBITDA margin, ROA; ROE of other similar companies like Xploite plc, FREEDOM4 Communications plc, Cable and Wireless plc, BNS Telecom Group Plc, Redstone plc, BT Group plc, Jazztel PLC, Keycom Plc, Global Crossing (UK) Telecommunications (Financial Times, 2009). All those statistical information reflects the financial strength of Alternative Network Plc. The author feels that in-depth financial analysis on this company would help to find out some techniques to be followed by weekend companies to survive strongly even in severe financial crisis.