

Application and internet services

[Technology](#), [Internet](#)



This Executive Summary is based on the qualitative research carried out on Cable and Wireless. The research outlines the external and internal environmental factors that exist for C&W and how it can be used to regain, maintain, and create competitive advantage for them in the Telecommunications Market. This report will start with an insight into history of C&W followed by the key issues that C&W is believed to face. We then provide details of the research methodology and the tools that we used to analyse the environment which C&W operates in.

After that, the external environment will be analysed, which consists of the industry life cycle, porter's five forces, PESTEL, industrial life cycle and a competitor analysis. The internal analysis conducted included the resources analysis and a ratio analysis. This was done to state C&W's core competencies and capabilities. A SWOT analysis was conducted to determine C&W's strengths and weaknesses. Finally a strategic option analysis was done to provide the best solutions to our key issue. In the end, we stated our recommendations and closed our report with the conclusion.

Cable & Wireless. A FTSE-100 company, Cable & Wireless is a leading international telecommunications company, with customers in 80 countries. For years it has constantly reinvented itself to embrace the latest technological advances to serve its customers' needs. Cable & Wireless provides IP (Internet Protocol), voice and data services to business customers, and to residential customers through Bulldog their residential broadband provider, as well as services to other telecoms carriers, mobile operators and providers of content, applications and internet services.

Cable & Wireless operates in 34 countries across the globe, including the Caribbean, Panama, Asia, the Middle East and the Pacific. Cable & Wireless now faces competition in 90% of its markets and continues to compete with new rivals by investing in world class innovation, technology and people. Cable & Wireless has developed a global community investment programme which is designed to support local communities and respond to their needs. In 2002-3, Cable & Wireless' total world-wide community contribution was 5.5m.

Cable & Wireless customer service standards are included within product specific service level agreements. In all of its major markets, Cable & Wireless monitors its relationships with customers by conducting external customer satisfaction surveys, ensuring a statistically valid sample size. The appropriate customer facing Business Unit Head is responsible for maintaining and enhancing good relationships with customers. Cable & Wireless undertakes a Voice of the Customer (VoC) survey twice a year.

The VoC survey has been developed as part of a programme to encourage and monitor feedback from customers. Their comments enable Cable & Wireless to make the improvements that customers want to see, and mean that, when making strategic decisions, customer considerations are taken into account. In November 2003, Cable & Wireless reported that the number of persons employed by the Group at 30 September 2003 was 17, 791. Cable & Wireless operates throughout the world and has employment policies that meet local conditions and requirements.

The company is committed to promoting non-discrimination and equal opportunities. Diversity is an important priority for Cable & Wireless. The business operates across a broad range of geographies and cultures, and to succeed Cable & Wireless must recognise, understand, respect and respond to the diverse nature of its customers and its workforce. To do so, Cable & Wireless must access the broadest possible pool of talent. The Board of Cable and Wireless plc currently has ten members and is chaired by a Non-executive Chairman, Richard Laphorne.

There are five independent non-executive directors. The senior independent non-executive Director is Graham Howe. Methodology On the conclusion of the background research and analysis of our given company, Cable & wireless, collectively it has been agreed that we shall be looking at the long term growth and expansion for Cable & Wireless. Our main foci will be the growth of C&W; we will be investigating this key issue by using various strategic analysis tools, such as the following: <http://news.bbc.co.uk/1/hi/business/2961668.stm>

The reason for the selection of these two issues as are key issues was due to sharp down trend of the market price of C&W shares. The methods of this analysis will be to examine the key factors of C&W's values, capabilities and core competence within the internal environment and the external factors that have impacted C&W's core business operations. Our report will outline a strategic assessment that will be a combination of analysis with judgment. Research indicates that analysis without judgement is sterile while good judgement depends on sound analysis.

The objective of this report is to offer C&W strategic options for them to engage in competitive action or a strategic response in order for them to sustain a competitive advantage and improve their market position. Our analysis will be conducted using a variety of matrixes such as: The information that will be sort for this report is from secondary data sources, our main studies of the concepts and theories has been taken from the recommended course book, 'Strategic management' (Hitt et al), and management journals.

This will broaden our knowledge and understanding on the industry and the use of articles relating of the development of technology. Newspaper articles highlight current affairs and public opinion. Studies of C&W's Annual report and relevant company literature, will lead to observations into C&W's past performances and future growth forecast. Observation indicates opportunities for C&W to exploit in order to enhance its service. This will also allow us to identify ventures, which are currently taking place within the company, and highlight the outcomes.

The internet will be used as a wider source of information such as secondary data reports from Data Monitor, Hoovers, News website etc. C&W's and competitors website will also be consulted. In order to abstract information from these sources, an array of tools, concepts and techniques will be applied. Porters 5 Competitor analysis Competitor Analysis is used by organisations to gather and interpret information about their competitors.

Analysis of the general environment is focused on the future; analysis of the industry environment is focused on the factors and conditions influencing a

firms profitability within its industry; and analysis of competitors' actions, responses, and intentions. The result of the three analyses is then used by the firm to understand its external environment, influence its strategic intent, strategic mission, and strategic actions. (Hitt, Ireland and Hoskisson, 2005; pg 41)

There are two aspects that are thoroughly concentrated on while undertaking a competitor analysis strategy, and these are market commonality and resource similarity. The communications industry has market for basic telephone service, satellite systems, personal area network and mobile communication systems. The telephone service market could then be broken down into market segments (such as commercial and consumer), product segments (such as codeless and broadband) and geographic markets (such as Western Europe, Middle East and Africa).

There are three main competitors who compete with cable & wireless in the same market nationally and globally. These competitors are B. T Group plc, Vodafone Group plc and Carphone Warehouse Group plc. Other competitors occupying this industry are also mentioned in the appendix. Product Segmentation: Cable and Wireless provide more or less the same products and services as their competitors. However Cable and Wireless has the competitive advantage from a product perspective as they are the only company that provide Third Generation roaming service.

There are similar products provided by other companies that Cable and Wireless don't provide. One of these products includes mobile telephony. Carphone Warehouse and Vodafone use a strategic tool whereby their

products and services are not only provide in wholesale but also through retailing. Retail outlets provide companies such as Carphone warehouse and Vodafone with a competitive edge as the products can be tangible and visually seen by the consumers. This can increase the number of customers hence the revenue and provide a source of interaction between the customers and the service providers.