

Operations management in mtn essay example

[Business](#), [Company](#)



Brief about MTN

MTN short for Mobile Telephone Network is a multinational telecommunications group headquartered in Johannesburg South Africa. The company is listed under the Johannesburg Stock Exchange. As at December 2010 the company recorded more than 137. 7 million subscribers (MTN Group Limited, 2011). In 2010 MTN employed more than 17, 000 people and was valued at US\$17. 3 billion worth of revenue (MTN Group Limited, 2011). The company has core operations in 21 countries in Africa and the Middle East. The operations are grouped into South and East Africa (SEA) which covers six countries, West and Central Africa (WECA) -covers nine countries and Middle East and North Africa (MENA) region which cover six countries. MTN Dubai was started in 2005 as a private company. The company is a subsidiary of the MTN Group and operates mobile cellular services in the United Arab Emirates.

Operations in MTN

MTN operates in the telecommunications sector where it offers cellular network access and business solutions. The company has structured its operating model to focus on three business units: consumers, corporate and reseller markets. The company offers mobile cellular network services, internet services using 3G technologies and value added services, sale of mobile devices among others. The company also operates mobile banking services in liaison with local banks. MTN also operates two major call centers (one for prepaid customers and the other for postpaid customers) (MTN

Group Limited, 2011). In addition, the company also operates a direct enquiries service.

The Role of Operations function in MTN

The role of the operations teams at MTN is that of a supporter. The operations teams in each of the company's regions support growth strategies, business transformation, convergence and adoption of upcoming technologies. In the face of increasing competition and meteoric advancements in the multi-billion dollar telecommunications industry, efficiency in operations plays a critical role in driving MTN's profitability. Though the operations teams in the company play implementation roles to the other business functions, their role is primarily to support business processes as well as the adoption of new technologies by customers. Through its supporting roles, the operations teams propel the company towards growth and profitability.

In 2006, MTN's group Chief operating Officer acknowledged the role of the operations management teams in supporting the company's strategies. The operations teams helped increase market shares and improve customer efficiency (MTN Group Limited, 2011). By aligning the available resources with the strategic objectives the operations teams spearheaded expansion of MTN into Cote d'voire, Botswana, Zambia and the Republic of Congo (Brazaville). Moreover the operations teams supported the improvement in network infrastructures, the upgrades and capacity expansion of existing networks. The operations teams have also supported the successful

implementation of 3G coverage in South Africa, GPRS (Global Positioning Remote Systems) well as MMS (MultiMedia Services) in other markets.

Review of the Four-Stage Model for MTN

The operations in MTN are in the fourth stage where they redefine industry expectations. Since its inception, in 1994, MTN has grown to become the 14th largest telecommunications company in the world by subscriber numbers. The operations teams in the MTN link the operations with the strategies being developed especially the expansion of network coverage and the adoption of 3G technologies. The operations teams in MTN support the internal functions of the company excellently making the company the best in the WECA region. According to MTN Group Limited, (2011) the company has the largest number of subscribers in Rwanda, Cote d'voire, Ghana, Cameroon, Benin, Guinea, Liberia and Nigeria.

Operations Functions

The following are the issues for MTN operations management to consider in light of the five factors (quality, dependability, cost, speed and flexibility) in operations management (Chapter 2).

Quality

Quality to MTN requires the company to provide the clients with excellent communication services. Primarily, quality to MTN means that the subscribers within its network should be able to communicate with each other effectively whenever they use their MTN SIM (Subscriber Identifications Module) cards. Moreover, the customers should effectively use the data and mobile money transfer services.

Speed

In terms of speed, MTN should ensure that its network supports fast exchange of information. For instance, once a subscriber has made a call to an MTN line there should be minimal delay in connection. Messages should also reach the recipients fast while those using the MTN for data services should be able to download and upload data fast. The adoption of 3G technologies has greatly improved the data speeds for MTN subscribers.

Dependability

Dependability means that subscribers will manage to get in touch with each other and use the other services whenever they wish. Subscribers using the MTN line should be able to make calls, send messages and use the data services at any time of the day.

Flexibility

The MTN network should be expandable to support small and huge numbers of subscribers congregating at a point without congestion problems. MTN should also be flexible enough to accommodate newer technologies and products while making them efficient for the use of a wide and varied client base. The company should also allow flexibility to increase security in its services.

Cost

Subscribers should be able to make calls, send messages and use data at low rates. The subscribers should be able to enjoy Flexible payment modes i. e postpaid and prepaid using flexible tariffs and scratch cards of different values.

Though all the factors are important in increasing the operational efficiency of MTN, dependability of MTN's services provides the best competitive advantage over the others. Dependability will help the company gain a loyal customer base which is crucial to weather the increasing competition (Ernst & Young, 2011). Dependability of MTN's services will ensure that the subscribers shall be in touch with each other whenever they wish. In case many subscribers congregate at a point it is the dependability of MTN's services that will make them keep to the network and not switch to other networks. In case the other networks competing with MTN are congested, a strong and dependable will give the network a competitive advantage as people seek to communicate. Moreover, subscribers using a dependable network

In the face of stiff competition, MTN has performed relatively well since its inception to rank as the 14th largest in the world. In the period of nine months before 31st December 2005, MTN's subscriber grew by 48%! (MTN Group Limited, 2011). However, the company still needs to adopt more advanced technologies such as the 4G network to replace the 3G. This will increase the efficiency of data services and increase its market share as data users are now seeking increased bandwidths (Ernst & Young, 2011).

Moreover, the company should increase its security in the money transfer and mobile banking services in order to keep money laundering and hacking scandals at bay.

MTN Group Limited (2008) Integrated Business Report for the year ended 31 December 2010

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