

Free term paper on corporate governance

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The corporate governance of any firm or company is extremely beneficial because it will influence the rate and level with which people will be willing to invest in the company. A company with an uncommonly admirable form of corporate governance is likely to attract more investors than a company whose form of corporate governance is not exceptionally convincing.

Corporate governance is a broad term that is used to refer to the rules, processes and laws that a specific company or business is regulated or controlled. However, this term refers to the internal factors in the company that are defined by the managing officers, stakeholders, and the constitution of the company.

It may also be determined by external forces like consumer groups, the clients, and the government regulations observed by the company. Any form of corporate governance will be termed as well defined if it works for the benefit of all groups of people who are concerned with the business.

Therefore, the firm has to adhere fully to the accepted ethical standards and to follow the acceptable formal law in their operations. The aspect of corporate governance is being emphasized in many institutions because of the high cases of the misuse of the name of enterprises where people are committing crimes using the names of enterprises. Therefore, it is particularly necessary that all firms and enterprises ensure that they have remarkably well defined structures of corporate governance put in place. This ensures that the criminals taking advantage of the companies' names are eliminated.

The board of directors of Telephone and Data Systems, Inc. (TDS) is composed of people who have served in various positions in many successful

companies in the United States. The board being led by the chairperson, LeRoy T. Carlson, Jr. is an extraordinarily able committee that has led the company into achieving the success that it has already achieved. The success of any company is highly dependent on the kind of board members that the company has. Once people with integrity and experience are part of the board, they will attract investors and even champion the company to high levels of prosperity. In fact, many of the board members are also linked to the US cellular, a remarkably successful company in the United States. This clearly indicates that experienced and supremely competent people are heading the telephone and data systems of the company. This fact gives me the confidence to invest in this company because of the trust I have in the board of directors that they will champion the company to appealing economic levels.

The leadership committee of the Telephone and Data Systems Company is also exceptionally convenient. Being led by the chief executive officer, Mary N. Dillon, and other highly capable people in the various departments in the company is a monumental surety to investors that the company will remain profitable. Most of the leaders in the various departments have worked in the company for an unusually long time hence has enough experience concerning the operations of the company activities. Through this, they will ensure that they give outstanding leadership to maintain or even improve the profitability of the company. What any investor is concerned with is the profits. Therefore, I will decide to invest in Telephone and data Systems Company because am assured of superb returns from the high profits that the company will make (organization for economic cooperation and

development, 2011).

The principal business that TDS engages in is the telecommunication sector where it engages in the wireless and wire line services. Through this business, TDS has been able to serve up to 6. 2 million customers and a penetration to around 83. 7 million people in the United States. This has made the company realize exceptionally satisfactory returns. With this high penetration level, the company still has considerable potential for growth both in terms of the customer base and on the overall a growth in the profit levels. Any company with such a brilliant potential usually tends to attract the investors as they usually feel that there is enough security of the equity. Telephone Na Data Systems company has an exceptionally compelling business development structure. The company aims to continue acquiring new markets that are adjacent to the already existing markets. Through this unusually reasonable strategy, the company aims to increase the percentage coverage in the United States. The company is achieving this by acquiring some infrastructure of other competitor companies or by building new infrastructure in regions where they had not ventured. This is making the growth of the customer base exceptionally fast, and the penetration level is becoming extraordinarily high. This strategic placement by the company is a powerful encouragement to investors as the company is showing an unusually high potential of growth. If the company will continue to increase their customer base, certainly, the profit margins will raise, and the company will reward the shareholders even with substantial dividends.

The products and services being offered by Telephone and Data Systems Company are exceptionally competitive. The company has majorly

concentrated in the provision of the wireless devices and the wireless services. The wireless devices majorly include the handsets and the laptop cards that are being sold to customers. In addition to those, the company is also offering other devices to customers, for instance the batteries and chargers. The wireless services include voice and the data provision services to the customers (Cellular, 2011). Through the provision of these services and devices to customers, the customer base has increased due to the outstanding services they are getting from the company. This has steadily increased the income levels to the company.

The company has an exceptionally courteous and encouraging market strategy. Their market strategy is to acquire and retain customers. The company is achieving this through the provision of superior quality products and services to customers. Through this, TDS Company has been able to build customer loyalty hence maintain the high growth in the customer numbers. This retention of the customers has been through frequently sending them message alerts and creating phones and systems that benefit the customers, for instance the contact backup that allows customers to retrieve their contacts when they lose their phones. Additionally, the company has been able to win and retain its customers. The major goal for the TDS has always been to have customer satisfaction when the customers use the devices and the services provided by TDS. They have also developed more customer friendly processes and opened up many customer care centres in many regions to ensure that customers can quickly access help when a need concerning the TDS product arises. This has been able to retain the customers because of the outstanding services they get from the

company.

The company has also invested heavily in the infrastructures that are technologically advanced. The technology of wireless communication that is used to transmit mainly voice, data, graphics, and video need a particularly robust system of interconnection to ensure the provision of quality services to customers. This interconnection requires that high technology and substantial financial investments be provided (Advameg, 2011). The company is majorly funding this development from the profits it is making from the goods and services it is selling to its customers. With an improvement in the services and technology, the company is showing bigger revenue collections in the future when it will have fully expanded and acquired a large customer base.

The regulatory environment in which any company works in is extremely valuable for the overall success of the company. TDS is subject to the FCC and the state regulations where it has to abide fully by these rules and regulations. The wireless licences that specify the frequencies that the company has to transmit its voice and FCC determines data. The regulations are used to ensure that there is fair competition among the various companies. TDS has always been working in accordance with the relevant rules and regulations provided by both the FCC and the state. It does this in order to ensure that the renewal process occurring after every ten years becomes easy. Through adherence to this rules and regulations, the company has been able to work comfortably without any interference from the FCC and the state. This amble environment has made the company increase its profit margins and customer numbers over a considerably short

period.

With the above discussed governance structure at Telephone and Data Systems Company, I am more likely to invest in the company because of the smartest speculations I have for the company. The company is majorly focusing on the expansion of its services and is investing a lot in the improvement of technology. In addition, the company has taken exceptionally strong measures to ensure that it markets its goods and services to customers. Therefore, it creates a significant likelihood of the profit margins of the company to rise in the coming few years. Investing in the company will be the wise decision as I will be a beneficiary of this success that the company is likely to get in the near future.

It is obvious that corporate governance is an important aspect in the performance of a company. Every company that seeks to perform fairly well in a competitive environment should do its best to ensure that all the stakeholders are satisfied in whatever relationship they might have. This extends to include ensuring that customers are mostly satisfied because they guarantee the success of the company. As discussed above, TDS Company has done its best in order to achieve this. Other companies should emulate this plausible move.

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