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Business



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Building and Sustaining Strategy 2011-12 Portfolio Assignment University of Gloucestershire Week 2 - Mission, Vision, Goals and Objectives - Orange Group (France Telecom) Orange is the key brand of France Telecom (FT), a leading telecoms operators and the leading mobile provider in France, with more than 130 million subscribers in Europe. The Orange brand encompasses FT's Internet business, digital television and computer telephony services.

In the UK, Orange is the leading carrier through a joint venture with T-Mobile (Deutsche Telekom) called „ Everything Everywhere?.

Spain and Poland are key wireless markets, and subsidiary Orange Communications serves Switzerland. Outside Europe, Orange is active in Africa, the Middle East, and the Caribbean (Yahoo, 2011 and Orange, 2011). Orange's strategy is the broad direction in which they aim to determine their long- term goals and objectives, through courses of action or a pattern in a stream of decisions, to allocate resources in order to deliver a unique mix of value (Chandler, 1962; Porter, 1996; Johnson et al, 2011) - thus fulfilling Orange's mission to reach its visionary state.

In order to deliver this strategy, Montgomery (2008) cited in Johnson et al. (2011) suggests managers can ensure that all stakeholders understand the purpose of the organisation, by expressing it through means they easily relate to - this is attempted by Orange through their mission, vision, goals and objectives statements. The Mission The mission Orange portrays should be displayed through a brief statement, defining the fundamental purpose of the organisation, which can be understood with clarity by all stakeholders

(Johnson et al, 2011; Kaplan et al, 2008). Orange? (Conquest, 2015 2010: 1) organisational mission is: " To become the global leader in the integration of communication solutions. " It answers the fundamental question, (1) „ What business are we in?? – For Orange this is communications solutions, however the statement needs to further „ make this clear in longterm purpose... [by asking]... (2) „ What would be lost if the organisation did not exist?? ... [and] ... (3) „ How do we make a difference?? (Johnson et al. 2011: 120).

Collins and Porras (1996) suggest that the mission statement can be underpinned by asking (4) „ Why do we do this?? cited in Johnson et al. 2011: 120). Orange explicitly states it „ believes that progress is worth nothing unless it is shared by all? (CSR report, 2011: 5). The statement below shows Orange wants to make a difference, by becoming the „ benchmark? organization for CSR, in the telecoms industry – thus, this statements answers question (3): " Corporate social responsibility is a key factor in the Group? s future success, and a source of value creation for all its stakeholders. Based on this conviction, Orange has defined an

BMN301 Building and Sustaining Strategy 2011-12 Portfolio Assignment  
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The statement does not however answer question 2 and this could be due to the evolutionary industry Orange operates in, which it recognizes is a tremendously dynamic sector „ driven by technological advances...a

constant flow of innovative services and by the arrival of major new players? (Annual Report, 2010: 6).

The industry and Orange is constantly undergoing incremental change (Plowman et al. 2007; Balogun and Hope-Hailey, 2004) with new products and services. Radical change is thus required, in order to adapt Orange's strategy (Plowman et al. 2007) to a changing environment, resulting in transformational changes (Bologan and Hope-Hailey, 2004).

Hence, their current focus is on CSR - conviction they hold down to the realization that a key to future success is through value creation for all stakeholders simultaneously (CSR, Orange, 2010). The Vision The following vision from Orange's „ Conquest 2015 project and focuses on its business services ambition (Press Release, 2010: 1): “ To become the leader in the integration of communication solutions for businesses in France and worldwide by 2015, consolidating our position as an IT infrastructures operator, making telecoms and IT converge. ” The purpose of a vision is to clearly define the organisations overriding mid - to long-term goal for its future state - (5) „ What do we want to achieve?? (Johnson et al. 2011: 121). Kaplan et al (2008: 3) suggest it should express „ how the organisation wants to be perceived by the world? nd be external and market orientated. Orange's vision answers question (5) to be a leader in communications solutions and be a responsible company.

The vision should also „ enthuse, gain commitment and stretch performance? (Johnson et al. 2011: 121) and in order to guide strategic development, it should be a) aspirational, b) measurable with a qualified

success indicator and c) inspirational (Kaplan et al. 2008). The statement covers a) with the aspiration „ to become the leader in the integration of communications solutions for business in France and worldwide? and further covers a measurable element, to reach this by 2015. The statement above is deficient in c) inspiration - however, Orange is well known for the branding slogan “ the future is bright, the future is Orange”, creating an inspirational element in their vision and the company stated from its beginnings in 1994 (Orange History, 2011) that: “ Orange? s vision is to create a better future where people can communicate wherever, whenever and however they wish. ”

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This vision further provides the overall source of reference within which the mission statement has been written, and the goals and objectives have been formulated from (Mullins, 2007).

Goals ; Objectives Orange? s (CSR, 2010: 5), „ vision is translated in practical action plans revolving around four basic commitments that embrace every entity in the Group? - the following is the company? s goals („ Conquest 2015? , 2010: 1): “ 1. Being an employer which is attentive to the well-being of its staff and society in general 2. Ensuring that customers choose Orange for its outstanding customer experience 3.

Focusing on growth drivers and improving the marketing of its innovative solutions 4. Defining and implementing the most relevant regional strategies 5.

Optimizing its performance” Orange enhances its vision by further stating critical goals, giving „ a more comprehensive picture of the enabling factors with which to achieve the vision, including intangible assets such as people and technology? (Kaplan et al. 2008: 5). Johnson et al. (2011: 121) notes „ some managers argue that objectives are not helpful unless their achievement can be measured?. Kaplan et al. 2008: 5) suggests bridging this gap to achieve strategic targets by integrating „ target setting? to quantify the vision, through „ exploration of feasible strategies to achieve those targets?.

Orange? s strategic objectives use financial Key Performance Indicators (KPI) to do this (Conquest 2015, 2010: 1): “ Four strategic objectives...in four key markets: ? ? ? ? Generating 500 million euros in cloud computing by 2015 by accelerating its developments focusing on four areas: Selling 10 million SIM cards by 2015 on the M2M market (or Internet of Things) Becoming number 1 for videoconferencing in France and one of the top three worldwide.

Generating 1 billion euros in revenues in emerging countries” CSR is at „ the heart? of the organisations strategy and has a dedicated department (see Appendix 2. 1). Orange quantifies CSR objectives with KPI? s - as well as wider issues driving commitment to them (see Appendix 2. 2) (CSR Report, 2010: 7): “ 1. Recognize and support employees; % of women on management committees and Social barometer 2.

Ensure transparency, quality, security and safety for our customers; average percentage of recommendations reported by the Customer Experience Tracker 3.

Share the benefits of the digital world with the greatest possible number of people; payment times for local suppliers in the AMEA zone (under construction) 4. Finding innovative solutions for a greener world; BMN301 Building and Sustaining Strategy 2011-12 Portfolio Assignment ? ? ? University of Gloucestershire Turnover of offers contributing to a reduction in the environmental impact of our customers. Rate of mobiles collected in comparison to the number sold by Orange. Total energy consumption of the Group" Johnson et al.

(2011: 123) notes that „ a recurring problem with objectives is that managers and employees „ lower down? n the hierarchy are unclear? about how they fit into the overall strategy of the organisation? , further suggesting this could be addressed by „ cascading? objectives to define a set of detailed objectives for each level of the organisation. Orange is tackling this through the „ Conquests 2015? collective initiative, by mobilising „ the Group? s 169, 000 employees around the world? and recognising that „ the human component is clearly the cornerstone of the new structure to be built?

(Annual Report, 2010: 21). To engage everyone in the initiative, Orange is providing managers with a shared reference framework, active support and resources, to carry out the central role of applying the initiative and a new

era of employee relations (see Appendix 2. 3) - managers „ embody the values of the company, the way it functions and its objectives? (Annual Report, 2010: 25). (Word Count: 1071) BMN301 Building and Sustaining

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