

Nsu mgt 210

Business, Marketing



Letter of Transmittal August 03, 2010 Mr. Faculty Member School of Business North South University, Dhaka. Subject: Transmittal Message Dear Mr. Here is the term paper of MGT 210 that you have asked for. For our project, you have selected United Airways (BD) Limited. We went to the company and talked with the top level managers to learn about them. Throughout the whole project we tried to follow your guidelines, apply our knowledge of management that is gained from you. We appreciate you for asking us to conduct this term paper.

For any kind of enquiry regarding the term paper please contact us at com or 01717 244 574. Sincerely Yours, Table of Contents | Serial No. | Contents | Page No. | | 01 | Mission Statement of United Airways (BD) Ltd. | 3 | | 02 | Executive Summary | 3 | | 03 | Officers of the Company | 6 | 04 | Organogram | 7 | | 05 | Situational Analysis | 8 | | 06 | SWOT Analysis | 11 | | 07 | Objectives and Strategies | 16 | | 08 | Management Issues | 20 | | 09 | Conclusion | 22 | | 10 | Bibliography | 23 | | 11 | Appendix | 24 | | 12 | GroupPhoto | 25 | Mission Statement of United Airways (BD) Ltd. United Airways (BD) Ltd. (UABDL) is pledge bound to be recognized domestically and internationally by the passengers, shareholders, investors and employees as the best airline in Bangladesh.

To provide a safe and reliable service to our valued passengers, we deliver service with a sense of professionalism, warmth, care and friendliness. Customer's satisfaction is our first priority. We want to deliver more than what we promise. We will achieve this by operating our flights on time and by offering personalized services on the ground and in the air. The slogan of UABDL is: " Fly your own Airline" Executive Summary United Airways (BD)

Ltd. is the first airline which has been appeared with a vision to create a world class airline in Bangladesh. Some airline companies had tried for several years to capture this airline sector based Bangladeshi market, but none of them have actually achieved success. United Airways (BD) Ltd. s an emerging company which is looking forward to achieve a remarkable position in the local as well as foreign airline sector. United airways (BD) Ltd. (UABDL) has been founded by an expatriate airline pilot, Capt. Tasbirul Ahmed Choudhury along with groups of professionals, business people and entrepreneurs with the intention of operating, managing and eventually owning several commercial aircrafts that will utilize Bangladesh as its base of operations. If we study past history, we will realize that how the airline sector of Bangladesh needed this kind of company. Previously, the airline sector was controlled and owned by government. From 1989, it was felt that there should be private airline company to provide better quality and service. In 1991, govt. hanged air transportation policy and permitted private sector to start airline business. During 1995, Aero-bengal, first private airline company, appeared in the airline business. But government set some restrictions for private airline and did not permit them to fly in domestic routes. After a long bargaining, in 1996, govt. removed the restriction and allowed private aircrafts to fly in domestic routes. Another private airline company appeared in the industry named GMG and finally United Airways (BD) Limited came into the industry in 2005. UABDL was incorporated as a private limited company on 28th June, 2005. Subsequently the company was converted into a public limited company from 8th may, 2006.

The company has been granted license from civil aviation authority of Bangladesh to operate passenger and cargo service in international and domestic sectors. On 10th July, 2007 UABDL commenced its 1st operation in domestic routes. UABDL internationally flied from Dhaka to Kolkata on 24 September, 2008. Now the company is moving forward to capture the share of international market. In spite of being a new member in the market, UABDL has gained very strong position. According to the annual report of 2007-2008, company generated revenue of Taka 222. 37 million. The gross profit amounting to Taka 95. 96 million; however the company experienced a loss of Taka 39. 11 million.

From the audited report of 2009, we can find that company earned revenue of Taka 298. 22 million and made Taka 158. 26 million as gross profit. This indicates an increase of 64. 93% as compared with the financial year 2007-2008. The company earned net profit before tax Taka 16, 983, 733 during the period of July 09 to October 09. This shows us the remarkable advancement of this company in this adverse market state prevailing in the aviation industry. The company has been permitted by Security & Exchange Commission to issue IPO of Taka 100 crore in one crore shares having face value of Taka 100. The process of issuing IPO is expected to be accomplished by this year.

Air travelers have experienced tremendous difficulty while traveling in Bangladesh. UABDL has concerned this as an opportunity and has been taking steps to make air travel to the country and inside the country easier, refreshing and reliable. United Airways (BD) Limited aims to develop the airline in a way which every Bangladeshi can feel proud of being associated

with. Investors are not only a part of this profitable venture but are also a part of investing for the economic growth of Bangladesh. The development of this new airline will help move Bangladesh further into 21st century. The logo of the company is designated as available to all communities or groups.

The seven colors – stroke lines give a feel of fineness while the overall shape gives an idea of unity. The shape of strokes is deliberated upon the shape of a circle – combined into a single entity. The multi colors of the logo reflects the various sophisticated services that UABDL is pledge bound to provide to their valuable passengers, investors, shareholder and patrons. United Airways (BD) Limited now has nine aircrafts in its fleet which are – 2 x Dash – 8 – 103, 3 x MD- 83, 1 x Boeing 767 – 300ER and 3 x Let 410. It is operating domestic routes in Dhaka, Chittagong, Sylhet, Jessore and Cox’s Bazar and its international routes from Dhaka to Kolkata,

Kathmundo and Kualalampur. UABDL serves exclusive halal meals for the passengers with special dietary needs by choice, due to medical or religious reasons. This menus have been prepared by trained chefs, with dieticians overseeing the overall nutritional value of the meal from their catering department in a hygienic way United Airways (BD) Ltd. discovers a unique opportunity in Bangladesh for domestic and international flight operation. Large number of population, along with notable economic growth and improving living standards of people ensures that this company will go further in this aviation industry. Officers of United Airways (BD) Ltd.

Here is the list of the top Officers who are working in different positions of United Airways (BD) Ltd. | Name | Position | Remuneration (in taka) | | Capt. Tasbirul Ahmed Choudhury | Managing Director | 880, 000 | | Syed Abdul
<https://assignbuster.com/nsu-mgt-210/>

Muqtadir | Senior Advisor | 57, 000 | | Capt. M Mushtaque Ali | Director
Operation | 70, 000 | | Shahjahan S.

Hasib | Director, | 42, 500 | | | International Affairs | | | Capt. Monirul Haque
Joarder | Director, Planning | 210, 500 | | Group Captain Khurshid Alam
Chowdhury (Retd.)| Director, HR | 58, 000 | | Wg. Cdr. ATM Nazrul Islam
(Retd.) | Company Secretary & Consultant |- | | Jilanee F. R.

Chowdhury | Director, |- | | | Marketing & Sales | | | Wg. Cdr. Muhammad
Ferdous Imam (Retd.) | Director, | 56, 800 | | | Admin & Finance| | | Mujib -Ur-
Rahman | Director, Engineering | 70, 000 | | D. M.

Moudud Chowdhury | Consultant | 46, 500 | | Dr. Mohammad Hafiz Ahmed |
Consultant | 35, 000 | | Nabhojit Panigrahi | Director, Ground Services | 150,
000 | | Farhad Hossain | Consultant |- | Organogram An organogram is a
diagram that shows the structure of an organization and relationships and
relative ranks of its parts and positions. This is also known as management
chart.

United Airways (BD) Limited has a dynamic team of pilots, engineers,
marketing and sales people, finance managers, consultants and officials led
by its Managing Director Capt. Tasbirul Ahmed Chowdhury. The organogram
of the company is shown below: Organogram of UABDL Situational Analysis
Situational analysis is a marketing term which involves the situation and
trends in a particular company's market. It is designed to take a snapshot of
where things stand at the same time the plan is presented. It is aimed at
identification of internal and external forces that may influence the

organization's performance and choice of strategies, current competitors. (www.businessdictionary.com) 1. Internal factors

Internal factors are those factors of an organization which can be controlled by the managers. In United Airways (BD) Ltd. there are some internal factors which affect the business. These factors come from within the business itself, without regard to any outside factors like customers and other businesses. These factors are under the domain of management of this company. 1. 1. Management levels Management level is one of the internal factors. It indicates how many levels are there from top to bottom. Management level includes operational level, technical level, and strategic level. i. Operational Level Operational level of any organization focuses on the performance and the efficiency of production work.

Like every organization operations functions are at the core of United Airways (BD) Ltd. The primary managerial task here is to develop the best allocation of resources with the given amount of resources that produces the desired output. The core functions of UNITED AIRWAYS are: ? Provide all services on promised time. ? Provide some unique services to the passengers ? Bring the equipments directly from USA. ? Ensure passengers' safety and satisfaction ? Ensure the welfare of employees ii. Technical level The main function of the technical level is to coordinate the activities of the operational level. There are some people in United Airways (BD) Ltd. who are officially authorized to perform the technical works. People who are involved with technical works are more closely related to the tasks that are performed by workers. iii. Strategic level Strategic level indicates top level managers who determine the how the organization interacts with its environment. In

this organization managing director, company secretary are considered as the top level manager. These managers do not direct the day-to-day activities of the firm; rather, they set goals for the organization and direct the company to achieve them. These managers are ultimately responsible for the performance of the organization, and often, these managers have very visible jobs.

As it is a new organization these top managers are using their experience and skills to improve its ranking and to do some good work for the society as well. As the source of authority comes from society the top level managers are working on how they can provide quality services to society. 2. External factors External factors are those factors which can't be controlled by the managers. UABDL has some external factors as well like competitors, customers, suppliers etc. these factors come from outside the business. One of their major external factors is their competitors. 2. 1. Competitors of UABDL The market condition in Bangladesh is unpredictable.

Attaining total success is a difficult task, as one need to win the hearts and souls of the people by adopting proper marketing strategy with a competitive price. Quality is the major tool for UABDL. The main competitors of UABDL are Biman Bangladesh Airlines, GMG Airlines, and Royal Bengal Airlines. Still it is increasing its position in terms of market share. Though, constantly they are under the threat from potential competitors, but they are doing well. Also it is doing very well as a new company though there are some limitations. There will be many competitors in the future also in this sector. But UABDL thinks that to achieve its vision, it has to be superior to its competitors. SWOT Analysis

SWOT analysis is a basic, straightforward model that provides direction and serves as a basis for the development of marketing plans. It accomplishes this by assessing an organization's strengths (what an organization can do) and weaknesses (what an organization cannot do) in addition to opportunities (potential favorable conditions for an organization) and threats (potential unfavorable conditions for an organization). SWOT analysis is an important step in planning and its value is often underestimated despite the simplicity in creation. The role of SWOT analysis is to take information from the environmental analysis and separate it into internal issues (strengths and weaknesses) and external issues (opportunities and threats).

Once this is completed, SWOT analysis determines if the information indicates something that will assist the firm in accomplishing its objectives (a strength or opportunity), or if it indicates an obstacle that must be overcome or minimized to achieve desired results (weakness or threat). (Ferrel O. , Hartline, M. Lucas, G. Luck, D. Marketing Strategy, 1998). We have done the research to find out the strengths, weaknesses, opportunities and weaknesses of United Airways (BD) Ltd. The details are described in the follow.

1. Strengths Strengths are internal factors of an organization. Strengths are those characteristics of the organization which are useful to attain the objectives of the organization. Factors which are considered as strengths of UABDL are described here.
1. Customer Preference UABDL is bound to satisfy its customers.

The company is offering its passengers a safe and comfortable flying experience at excellent value formoney. Considering these factors, customers prefer United Airways (BD) Ltd. rather than any other airways.

- 1.

2. Maintaining Flight Schedules UABDL is very strict about time schedule. They hardly delay their flights if any unavoidable situation takes place. Otherwise, they maintain their time schedule very strictly.

1. 3. Providing Quality Service Quality service providing to the customers is one of the most important strength factors of UABDL. They consider that customer satisfaction is their first priority. What the company promises to give to the customers, it tries to give more than that.

1. 4. Lower Ticket Fair than Others UABDL offers most competitive price compared to its competitors like GMG Airlines or Biman Bangladesh Airlines. This pricing strategy helps the company to attract more customers.

1. 5. Own Aircrafts UABDL does not lease the aircrafts like its competitors. No other airline companies in Bangladesh have their own aircrafts. But UABDL has its own aircrafts. This is one of the factors that United Airways can charge less than its competitors.

1. 6. Strong Management United Airways (BD) Ltd. has a dynamic team of pilots, engineers, marketing and sales people, finance managers, consultants and officials led by its Managing Director Capt. Tasbirul Ahmed Chowdhury.

Weaknesses Weaknesses are also internal factors of a company. Weaknesses are harmful or destructive for the company to achieve the objectives or goals. Factors which are considered as the weaknesses of United Airways are –

2. 1. Unfulfilled Marketing Promises Sometimes UABDL fails to fulfill the promises which were conducted during their marketing. But this kind of situation takes place very rarely in this company.

2. 2. Unavailability of Servicing Equipments Servicing equipments of the aircrafts are not available in Bangladesh. UABDL has to bring those equipments from abroad. This fact increases the servicing cost.

2. 3. Insufficient Fund

It is very difficult to run airline business in a developing country like Bangladesh as this business is very costly to run. It is also very difficult to build a sufficient fund in Bangladesh. UABDL is facing this problem in this country.

3. Opportunities Opportunities are external circumstances which are supportive to realize the objectives of the organization. United Airways (BD) Ltd. considers some factors as its opportunities which are discussed below –

3. 1. High Growth Rate of Potential Customers The growth rate of potential customers is high as many people from Bangladesh are going abroad for different purposes. So, UABDL has enough opportunities to capture more customers.

3. 2. Increasing International Routes

UABDL already has introduced international flights, but the company is planning to increase its international routes. Many people from Bangladesh are living in different countries around the world. If UABDL expands its routes, people will prefer to travel by United Airways as it is their “ Own Airline”.

3. 3. Increasing Market Share UABDL already has 52% market share and they are hoping to increase this rate. It will help the company to maximize its profit.

3. 4. Experienced Team The company has a very strong team of experienced Bangladeshi people in each and every department. Pilots, engineers, managers, marketing and sales people – all of them are very experienced which will help the company to be the best airline company in the country.

4. Threats

Threats are external factors which are destructive or harmful for the company to achieve the goals. There are few factors which are considered as threats by United Airways (BD) Ltd. and they are described in the follow –

4.

1. Competitors Competitors are always considered as threats to any kind of

companies. UABDL has mainly three competitors in Bangladesh – Biman Bangladesh Airlines, GMG Airlines and Royal Bengal Airlines. Competitors can take any unique steps to be the best airline company in Bangladesh. So, competitors are main threat to the company. 4. 2. Economic Condition of Bangladesh Bangladesh is a developing country of the third world.

The economy of the country is not strong. Natural calamity or any unavoidable situation also affects the country's economy very much. So, this is also considered as a major threat of United Airways (BD) Ltd. 4. 3. Unwillingness of the Banks to Finance Banks in Bangladesh are not very helpful to the airline companies like UABDL to support them financially. It will be very difficult to receive financial support from the banks if it will be needed in future. The above discussion clearly reflects the overall condition of the company. SWOT analysis helps the company to find out its weaknesses and threats and find out the ways to overcome those by its strengths and opportunities.

Objectives and Strategies Defining Objectives and Strategies A business objective is something the business is aiming toward or a strategic position it is working to attain. Usually is a step in the strategy. Objectives are similar to goals. And strategy is the process of accomplishing these objectives. To be successful, managers must develop and execute it well. (management.about.com) The objectives and strategies of United Airways (BD) Ltd. are discussed in the following. Objective – 1 The company will always provide quality, safety and on time service. Strategy United Airways (BD) Ltd. is always committed to its customers to provide quality in service.

It employs skilled managers who can manage the jobs very efficiently. UABDL uses better quality aircrafts and puts a lot of effort on the maintenance of the aircrafts. If any defect is detected of the aircraft, the authority solves that very quickly. The company collects feedback from the customers after experiencing the travel. If there is suggestion, the authority tries to consider that and if there is any complaining, it takes that with great concern. Objective – 2 The company will expand its service to Middle East by 2011. Strategy UABDL has found great opportunity in the Middle East routes. So, it is planning to expand its service to Middle East countries by 2011.

For this purpose, it is setting up its offices in the respective areas and also planning to operate heavy aircrafts in the Middle East routes. It is going to take big promotional strategy in those places and also in Bangladesh. Objective – 3 The company will acquire market share from foreign carriers within few years. Strategy UABDL has already entered the international market by operating the international routes to Kolkata, Dubai, Kathmandu and Kualalampur. And it is also going to expand its foreign routes by the next year. So, by expanding its foreign routes, it is going to acquire market share from foreign carriers. Objective – 4 The company will generate employment opportunity of the country at present and future. Strategy

UABDL opens a big opportunity for prospective employees. The company always prefers to employ local energies. Except some of the technical positions, almost all of the employees of UABDL are Bangladeshi. So, the company is creating a huge opportunity for the local job seekers. In the current economy, there is lots of manpower available, but jobs are not available for them. UABDL is trying to create opportunity for those deserving

people. The company should always follow this strategy in recruiting employees. Objective – 5 The company will raise the paid up capital to Tk. 200 Crore through issuing IPO by 2010. Strategy UABDL is entering the stock market by issuing IPO for the first time this year.

As a relatively new company, its performance in the opening years will surely catch the eyes of the investors to buy they shares of UABDL. The company is predicting that, issuing IPO will raise the paid up capital to Tk. 200 Crore by this year. Objective – 6 The company will launch a project to operate in European destinations including London, Gatwick, Manchester, Birmingham from Dhaka and Sylhet within 12 months of completing the project of Middle East. Strategy The company aims at a broader view to expand its service to the European region. By 2011 the company is willing to complete the project of Middle East and within 12 months of the completion of that project, it will launch the project to operate in the European destination.

It will operate flights from Dhaka and Sylhet to some major European destinations like London, Gatwick, Manchester, Birmingham etc. Objective – 7 The company will raise a fund of Tk. 2, 000 Crore by 2014. Strategy UABDL is going to issue its IPO this year. So, this will help to raise its capital as well as its fund. The company will also increase its fund from different available sources. So, it is predicting that it will be able to raise a fund of Tk. 2, 000 Crore by the year 2014. Objective – 8 The company will have airline offices throughout the world by 2015. Strategy From the inception of the company, it is aiming towards going to the international arena.

Already it has placed its offices in different countries where it is operating its flights. As it's another objective is to acquire market share from foreign

carriers, it is going to open airline offices throughout the world by 2015. Objective – 9 The company wants to be a leader in the Aviation industry within 12 years. Strategy UABDL's current performance indicates that it is going to be a leader in the local aviation industry within few years. This will be possible only if it can provide quality, safety and on time service regularly. As it will expand its business in international arena, it can dream to be a leader in the international aviation industry also. Objective – 10

The company wants to participate in the economic development of the country in regular basis. Strategy UABDL regards its investors as comrades in their endeavor to contribute in the overall economic growth of Bangladesh. It believes that involvement in this airline by making an investment is an opportunity to be a part of a unique venture that will have a significant impact on national economy. And by operating the international flights more frequently, it will capture a big amount of foreign currency. It will conduct different projects for the development of the economy of Bangladesh. Management Issues Staffs of this United Airways (BD) Ltd. include experienced professionals from various institutions as well as credible airlines.

Members of the management team is strategic thinkers and able to see the big picture, have diverse experience, demonstrate leadership attributes, combine business insight with technical savvy, and also committed to continuous learning. The company has departmentalized its function in following 11 categories – • Operations • Finance • Planning • Engineering • Admin • Sales and Marketing • Human Resource • International Affairs • Ground Service • Catering • Procurement Our study focused on

departmentalization and organizational structure. The objective here was to understand things like degree and type of horizontal differentiation, vertical differentiation, mechanisms of coordination and control, formalization, and centralization of power.

Looking at the organizational structure of the company we found it is based on 5 tiers at the top level management. This includes Managing Director, who is head of the company, Senior Advisor, Company secretary, Consultants and department directors. United Airways that make one-of-a-kind custom products, typically, both people's skills, knowledge and the machines used are important. Discussion with staff revealed following aspects:

- It is relatively expensive to operate, and work process is unpredictable
- It is comparatively flat organization (few levels of hierarchy)
- MD has low p of control (direct reports)
- Relatively low percentage of managers Concentrated units are Procurements, sales and marketing, Human resources and International Affairs
- Company work is largely vulnerable because of largely wide variables influencing its work. (i. e. Aircraft routes, country politics, International politics etc.)

Where operation level staffs deal with the ongoing day-to-day complexities of organizations, top level leaders effectively orchestrate important change. While managing requires planning and budgeting routines, leading includes setting the direction (creating a vision) for the company Management requires structuring the organization, staffing it with capable people, and monitoring activities; Leaders of United Airways goes beyond these functions by inspiring people to attain the vision.

Directors keep operations level staff focused on moving the organization toward its ideal future, motivating them to overcome whatever obstacles lie in the way. The culture determines the type of leadership, communication, and group dynamics within the organization. In United Airways BD workers perceive this as the quality of work life which directs their degree of motivation. The final outcomes are performance, individual satisfaction, and personal growth and development. All these elements combine to build the model or framework that the organization operates from. Conclusion United Airways has a goal of being a leader in aviation industry at home and abroad.

It will be a long journey for the company to accomplish that goal as it is very new in the industry. But whatever the company has done till now, it shows clear sign of the company's prospect. In this very short time, it has placed itself in a good position in the market. It is also entering the stock market this year. It aims to involve every Bangladeshi expatriates to affiliate with them as a proud owner of the airline by owning its share. By owning the share of UABDL, investors will not only be a part of a profitable business, but will also be investing in Bangladesh themselves. United Airways comprises a team of dynamic and talented Bangladeshi who are fully committed to make sure that their dream becomes a successful reality.

The company believes that involvement in this airline is a chance to become a part a unique venture that will have a significant impact on Bangladesh, leaving a long term legacy for all. And through its dedicated service to the customers, United Airways truly want to be "Your Airline". Bibliography In order to prepare this term paper, we have taken information from several

sources. Here is a list of those sources. 1. Donnelly, Gibson and Ivancevich. Fundamentals of Management. N. p. : Irwin McGraw-Hill, 1998 2. Griffin, W. Ricky. Management. N. p. : Cengage Learning, 2006. 3. Dessler, Gary. Organization and Management – A Contingency Approach. Englewood Cliffs, N. J. : Prentice – Hall, 1976. 4. Ahmed, Dr. Md. Hafiz.

The Gems in Management – For Achieving Personal Greatness. Dhaka, Dhanshalik Prokashani, 2006 5. Ferrel O. , Hartline, M. Lucas, G. Luck, D. Marketing Strategy. Orlando, FL: Dryden Press, 1998. 6. “ Definition of situational analysis”. Businessdictionary. com. , 2010 7. “ SWOT analysis in business”. About. com. , 2010 8. “ Shortage of human resources worryingtourism industrystakeholders”. The Bangladesh Monitor (Dhaka). July 1 – 15, 2010. 9. “ United Airways launches flight in Dhaka – Kualalampur route”. Parjatan Bichitra (Dhaka). January, 2010. Appendix Here is the sample question that we asked the persons we met at United Airways (BD) Ltd. 1.

Would you kindly share us the history of UABDL? 2. What were the main reasons of coming into this business? 3. How is your company doing financially? 4. What is the organizational structure of your company? 5. What kind of leadership style does your company follow? 6. Who are your target customers? 7. What is the current market position of UABDL? 8. What are the internal and external factors that are affecting your business? 9. Would you kindly share us the company’s strengths and opportunities? 10. Would you mind sharing the company’s weakness and threats with us? 11. What are the major objectives of your company? 12. What are the future plans of UABDL?

We are really grateful to the following persons whom we met at UABDL for sharing the information with us – Wg. Cdr. (Retd.) Dr. A T M Nazrul Islam Dr. Mohammad Hafiz Ahmed Consultant and Company Secretary Consultant Finance and Accounts United Airways (BD) Ltd. United Airways (BD) Ltd. Group Captain Khurshid Alam Director HR United Airways (BD) Ltd. Group Photo ----- Director Procurement Director Catering Director Ground Services Director Sales & Marketing Director Admin All the members of our group with the Consultant (Finance & Accounts), Company Secretary and Director HR (from left).