

British airways strategic management essay sample

[Business](#), [Management](#)



1. 0 INTRODUCTION

1. 1 Company Overview

British Airways Plc, is the largest internationally scheduled airline in the United Kingdom. Apart from scheduled services, the British Airways is also engaged in the operation of international and domestic carriage of freight and mail, and the ancillary services (Datamonitor, 2008). British Airways has flights to more than 300 destinations along with codeshare and franchise partners- carrying close to 33 million passengers. With earnings of over 8. 67 billion pounds sterling, British Airways also boasts of among the largest employee headcount in the United Kingdom with close to 42, 377 people. Ever since the company was privatised in 1987, British Airways has continued to grow along with the rising competition in the airlines market over the years. Nowadays, the British Airways has successfully been labelled as one of the pioneering airlines in green technology adaptation and environmental friendly strategic decisions. The British Airways was already the first airline to be a part of the scheme of European countries reducing greenhouse gas emissions.

Apart from the novelty improvements towards the ways in which passengers actually fly have also undergone huge revolutions thanks to the British Airways. Passengers printing their own boarding pass were initiated by the British Airways. Among the other initiatives that British Airways have been able to come up with include the company's on-going developments in the Heathrow airport which happens to be the United Kingdom's and one of the world's busiest airports. The global economic collapse of 2008 has also affected British Airways in terms of revenue. However, with recent mergers

and changes in air trade policies, the future for British Airways looks rosier and there are a lot of positive signs for British Airways both in Europe and the world market. British Airways annual reports have always stressed out of how much the company would like to become the “ world’s most responsible airline” and the development of the guiding principles along with careful strategic direction will definitely allow the goal to be achieved.

1. 2 Current Strategies

The current strategies of British Airways are in line with the advancement that the mobile and computing technology is experiencing at current time. At the same time, the company is also focused on expanding its business operations to better serve increasing amounts of passengers due to the slight recuperation of the global economic conditions. Among the strategies that the airline currently undertake include Upgrading the customer experience through the introduction of mobile application services for business class customers. Along with that the company is also experimenting with enabling texting and mobile services for business class customers during on-flight hours. Modernising the current fleet of aeroplanes while offering new services. Managing a better cost base operation

Increasing corporate responsibility through environmental performance and partnerships. Despite the fact that British Airways also operates in certain non-commercial areas such as cargo, the primary focus of this report is centred on the scheduled passenger market which occupies the largest operational cost and revenue share for most major airlines in the air traffic market. The opportunities that exist in today’s market for airlines in terms of

scheduled passengers is the most and British Airways will definitely to focus strategic development that will take these markets into account.

1. 3 The Basis for Strategic Management Process

Strategic Management is largely about the identification and description of strategies that management of a business can carry so as to achieve better performance and a competitive advantage for the organisation. An organisation is assumed to have competitive advantage if its profitability is higher than the average profitability for all other companies the same industry Strategic management can also be termed as a bundle of decisions and actions which a manager should undertake and one that can decide the results of a firm's performance. A manager must have a thorough knowledge and analysis of the general and competitive organizational environment in order to make the right decisions. The management should conduct a SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats). They should make out the possible utilization of strengths, minimize the organizational weaknesses and make use of arising opportunities from the business environment and market while not ignoring the concurring threats. Strategic management is mainly about planning for the predictable nature of business and also the unpredictable side of it.

It is applicable to both small as well as large organizations as even the largest organisation can face competition and, by formulating and implementing appropriate strategies, the company can attain sustainable competitive advantage. When it comes to British Airways, simply being the

leading air carrier in the United Kingdom with backing from the United Kingdom government will not be enough to sustain the rising threat of newer competitors who are able to offer no-frills air transportation with better pricing. The strategic management that is to be conducted on British Airways will follow the same pattern that exists in most strategic management plans. First and foremost would be the analysis or assessment- where an understanding of the current internal and external environments is developed. Next would be the strategic formulation in which high level strategy is developed and a basic organisation level strategic plan is documented. The strategic execution is when the high level plan is translated into a more operational planning and action items.

1. 4 Stages of Strategic Management Process

When it comes to strategic management, the process involves three primary stages which are as follows: Strategy Formulation

Strategy Implementation

Strategy Evaluation

Strategy formulation is the process that involves the business being put through various evaluation and self-appraisal measures to determine the strategies being used at the moment, the strategies that have been lacking a clear impact on the company's market penetration and the types of future strategies that may actually suit the company's nature of business and operations. Strategy implementation on the other hand, involves the strategic management procedure, where all of the evaluation on the company's current business set-up and its needs are converted into realistic,

goal-driven strategic changes both to the business and its operations. The strategy implementation is the actual placement of strategic changes into the organisation's framework, circulating sources and developing selection processes to bring out results that are intended to boost the company's performance in the market. Strategic Evaluation would always form the post-strategic implementation process of the strategic management exercise.

It also encompasses major evaluation-based aspects to determine the effectiveness of the implementation performed in relation to the strategy formulation's needs and findings. The strategic evaluation is important in allowing for the strategic implementation to be one that has satisfied the needs of the strategic formulation. In performing the strategic analysis, there would be a few aspects to be taken into consideration. Among them would be to identify the short and long term goals for the company. Next would be to identify ways that would help in achieving the required goals. By focusing all of the required strategic design towards the short term and long term goals, it would be easier to create a purpose declaration that succinctly conveys both the companies goals while also having a clear strategy towards reaching that goal.

2. 0 EXTERNAL ANALYSIS

British Airways will need a proper understanding of the external environment to achieve a sustainable competitive advantage over other companies. At the same time, the external analysis on British Airway's environmental and competitive environment is also important in attaining a proper

representation of British Airway's capabilities to meet current and future business challenges.

2. 1 PESTEL Analysis

2. 1. 1 Political

Air control and security have seen increase in safety and anti-terrorism actions as a result of the September 11 air hijacking in the United States and the London bombings of July 2005. Apart from that, heavy regulations on airline schedule and a limitation on scheduled passenger flights above United Kingdom region have also affected operations for most airlines operating inside the European continent. Compliance to new regulations is an essential option if British Airways required constant and profitable operations. At the same time, security measures are also an important measure as consumer confidence in an airline is starting to weigh on the ability of airlines to actually assure safe journey's without freak incidents such as hijacking and bombings.

2. 1. 2 Economic

The global economic crisis of 2008 has had a heavy bearing on the United Kingdom-based businesses and the scheduled airline business has also been affected. From 2008 onwards, world growth had been projected for just 2 percent annually. At the same time the weakening pound against the Euro also badly affects British Airways which happens to be UK based. Oil prices have declined by close to 50% since its peaks during the year 2007. As the United Kingdom was the first global superpower to be hit with the meltdown along with the United States, consumer spending has also seen its sharpest

decline in 13 years. This trend has not changed much for the past 5 years. Cost cutting measures by both individuals and businesses has seen a huge reduction in the number of passengers over the past 5 year period.

2. 1. 3 Social

The United Kingdom has an aging population which is unhealthy. At the same time, the global economic meltdown has also lead to critical levels of unemployment that has never been seen in the United Kingdom for decades. With the older generation ever expanding, British Airways can take positives in the fact that the older generation comprise of mostly retired folks who are more willing to make travel plans and long vacations At the same time, with unemployment being at a high, bargaining and price comparisons across competitions are bound to increase.

2. 1. 4 Technological

A recent survey revealed that 34% of online consumers are planning on using price-comparison sites more with Interned savvies seeing an increase since the late 2009. At the same time, online booking services and check-ins are becoming among the industry standards where most competitors are using it. It is no more a novelty boasted by British Airways alone. British Airways will definitely maintain technological awareness while also avoiding the habit of becoming solely reliant on technology based consumer marketing and forgetting other markets. British Airways should not forget that the older generation still have a large percentage of individuals who perform ticket purchasing and check-in procedure the classic offline way.

2. 1. 5 Environmental / Ethical

New environmental policies such as noise pollution controls and energy consumption controls have been mooted since the later stages of 2009 and 2010. Heathrow airport- which is the world's busiest airport and British Airways "home turf" is getting increasingly congested with approvals to obtain more land for expansion procedures not showing any positive signs. Newer legislations and environmental issues concerning land acquisition will only increase operational costs. Consumers today are also increasingly environmentally-conscious and search for signs of ethical environmental policies when choosing services and products. Environmental-friendliness is among the biggest marketing trends of the 2010 decade.

2. 1. 6 Legal

Legal problems have arisen in the form of price fixing among like-minded competitors in the hope of countering the variety in consumer preference in terms of pricing. At the same time, legal wrangles due to cabin crew strikes that has occurred previously also render an unstable legal platform for British Airways. The Open skies agreement in 2009 was seen as an opportunity for British Airways and competitors to freely transport aircrafts between the United States and Europe. British Airways merger with American Airlines underwent a lot of legal proceedings that are both costly and unnecessary distraction from the main business.

2. 2 Porter's Five Forces

Porter's five forces is an important tool in analysing the competitive nature of the airline industry in order to assess the position of British Airways in the

market. At the same time, the analysis will enable British Airways to make strategic decisions in order to increase profitability. Strength

Force/Threat

High

Competitive Rivalry

British Airways caters for both long and short haul flights. Within the long haul there exists little differentiation between BA and its competitors in terms of pricing and service offering. The short haul market is more fragmented with many small players Direct competitive rivalry is fierce with Virgin Airlines. Virgin Airlines were aggressive in which the company goes to all lengths to oppose any move by the British Airways in mergers Consolidation of competitors has also increased competition. High

Supplier Power

There exists two major aeroplane manufacturers (Boeing and Airbus) with high amount of competitiveness. This equals high bargaining power British Airways are restricted with a sole supplier of fuel to the airport Priority of landing slots is given to historic rights of existing users British Airways' employees use collective bargaining through trade unions in order to increase their bargaining power. Medium

Buyer Power

Low concentration of buyers to supplier mean the buyers have little bargaining power Increase internet usage has amplified awareness and

interaction of customers Low cost carriers are seeing surge in buyers due to economic conditions Low

Threat of New Entrants

Significant barriers towards new entry. Environment is too competitive.

There are also high capital costs requirements. Barriers to exit are in place which deters new entrants.

The failure of recent airlines such as XI and Zoom is likely to deter new entrants. Low

Threat of Substitutes

There exist few direct substitutes

Short haul flights (Eurostar and Ferries)

Long haul flights (no notable substitutes)

3. 0 SWOT ANALYSIS

Conducting a SWOT analysis into British Airway's business operations would be a good way to identify the company's strengths and weakness and ways for improvements. It is important that strategic development is reflected upon British Airway's strengths and weaknesses with relation to competitive threats and opportunities that exist in the organisation's external environment.

3. 1 Strength

British Airways boasts of an established and a well-known brand name that is reputed with carrying the symbol of United Kingdom air travel.

Prosperous and strengthening partnerships with United Airlines along with

the formation of Oneworld airline which becomes the third largest in the world. Largest United Kingdom based airline in terms of financial size and stability Terminal 5 development improves mobility in Heathrow airport

3. 2 Weakness

Poor employee relations history that were evident in a number of cabin crew strikes and issues that have not been dealt with carefully. Reliability and trust issue in terms of safety is not at an optimum level due to increase in terrorist threats Innovation and change is slightly slow in terms of British Airways application.

3. 3 Opportunities

British Airways rise in the Skytrax quality system is an important marketing area that the company can use to boast international image Most competitors have been forced to exit the market due to the high cost of competing and the struggle of the global economy. Reliability in terms of service delivery is still an issue that is faced by most of British Airway's competitors. Emergence and increasing prominence of new markets such as budget travelling.

3. 4 Threats

The Open skies agreement has provided a fair competition for most smaller airlines while also increasing the competitiveness through removal of restrictions on international routes for all airlines. Environmental awareness that has constantly risen amongst most consumers is increasing the pressure on British Airways to reinvent energy policies and apply strict regulation on

flight schedules during off-peak seasons to adopt environmental regulations. The global economy has still not shown clear signs of completely recovering from the turmoil of 2008. The reflection is evident on the dropping value of pound against the Euro. Reducing operational costs among competitions is making it hard for British Airways to settle on previous strategies for profit margin.

Part 2

4. 0 Strategy Formulation

The strategy formulation can be performed through to two different approaches which would be the corporate strategy or the business or competitive strategy. The corporate strategy involves a method in which an organisation chooses which range of collections of business for the company to interact with. The business or competitive strategy involves the sets of structure that shall decide the success of the company. While the company's technique includes the planning, industry/market research, success stories, dedication of resources and tracking.

4. 1 Difference between Corporate and Business Strategy

When it comes to corporate and business strategy, the differences are mainly affecting the technique that is taken and how the changes shall impact the company. In essence, when a company is to go through business strategy makeover, they are strategies that are directly targeted on a specific company's products and services that are addressed towards mending the problems these products and services have. At the same time, when it involves corporate strategies, it will be streamed downwards from

the administration, through the entire organisational structure with the intent of instigating a change in the decision making ways of the company.

5. 0 Porter's Generic Strategies

Porter's generic strategies involve three major strategic directions that companies can take in order to achieve competitive advantage over competitors. The three strategies include Cost Leadership, Differentiation and Focus. The focus strategies can be divided into two areas where one would be for cost focus and another for differentiation focus. Cost leadership involves the need for a company to create products and services that are cheaper than competition in order to maintain market advantage over other competition. Differentiation strategy involves the need for a company to differentiate its products and services in such a way as to create a uniquely desirable product that achieves target market of its own or stave off competitors' products and services for being uniquely different and non-imitable. Focus on the other hand involves the need to offering a product or service that distinctively serves a niche market that would have little competition. In splitting the focus strategy into cost focus and differentiation focus, companies can decide to on whether to emphasise on cost-minimisation in a focused market or product/service differentiation in a focused market.

Porter's generic strategies are an important way towards the strategic design process for a company's strategic management exercise. However it would also be fundamental to note that the method is not one that can be considered as fools-proof. It is realistically not possible for a company to

merely focus on any one aspect detailed in the generic strategy figure shown above. This is because when a company is to follow the differentiation strategy, it would attempt to work out ways towards differentiating its product and services to gain a competitive advantage over other brand names. However in a consumer-driven market it is virtually impossible for a company to focus on differentiation strategy without actually ignore cost leadership strategies no matter how unique their products tend to be as consumers can easily shun a specific product simply because of the high cost of the product.

6. 0 Advantages and Disadvantages of Related and Unrelated Diversification

6. 1 Advantages

When it comes to unrelated diversification, the measure should be first properly developed and performed only after thorough research of surroundings and the company's own sources usually bring out strong financial performances. Yet such decisions should only be made when the risks are low and chances of a failure are close to non-existent. In cases involving corporate purchases or downsizing, such variations can help safeguard resources to go through though economic periods.

6. 2 Disadvantages

It is important for a company that is moving in the direction of irrelevant variation to perform constant tweaking in accord with the direction that is being pursued in order to customise the strategic decision to suit both the company's goals and missions while also assimilating with the natural

market that is being penetrated or being worked on. In most situations, the effectiveness of the unrequired diversification will not be able to bring drastic improvements unless the decision makers are able to accurately foresee the results of changes. As a concept, the execution of irrelevant variation strategy needs allowance of significant financial and hr and there is always the risk of damaging the main company.

7. 0 Portfolio Analysis

Portfolio analysis is a methodical approach to analyse and evaluate the goods and solutions that make up an association's company portfolio. All organizations are involved in more than one portfolio. Some of these include posting, meetings and conferences, education and training, government representation, research, standards setting, advertising, etc. Each of these are among the association's strategic sections and directions (SBUs). Each company has a portfolio of goods and solutions. For example, an association's posting company might consist of a professional publication, a lay magazine, specialized newsletters geared to different member segments, CDs, a website, social media sites, etc. Portfolio analysis helps the company decide which of these goods and solutions should be highlighted and which needs to be phased out, based on objective criteria. Portfolio analysis includes procuring each of the association's goods and solutions through a development for better screens. During a time of cuts and limited resources, the company should display out applications and solutions that are not important to most associates. Those that induce a more restricted section can be financed by companies wishing the products or services rather than

by expenses important to display out applications and solutions that are not important to most associates. Those that entice a more restricted section can be financed by those wishing the products or services rather than by dues.

Part 3

8. 0 STRATEGY FORMULATION THROUGH TOWS MATRIX

From the SWOT analysis conducted earlier, it is essential that British Airways look at a couple of the strategic options to be further pursued; so as to allow the company to both continue moving in the right direction and to improve on any drawbacks they are facing in their current set-up. For the right strategic options to be identified, a TOWS matrix will be suitable for the formulation process. For the strategic options identification, two strategies will be applied through the use of the TOWS matrix tools. The first strategy will use British Airways internal strengths and applying it with their external opportunities and threats. This will allow for the company to use its strengths to improve the company's external factors. The second strategy will consider the weakness in the company with the external factors like opportunities and threats to eliminate underlying weaknesses in the company.

8. 1 Strengths - Opportunities

With the brand image that British Airways can boast of and the Skytrax Star system of quality rating that is able to offer huge recognition in the International level; it would be ideal for British Airways to attempt for market segmentation focus. By focusing the goals and objectives of the companies

towards area that will be the company's major generator, quality can be achieved in much shorter period. At the same time, supply chain migration will help to differentiate a British Airway that is much stronger through mergers; from the competition of smaller airlines. With most competitors still not reaching the mark of being able to provide reliable service, it is important that British Airways is able to bring improvements to its complementary services that will be able to define the airlines. Emergence of new markets provides a good opportunity for British Airways to offer broader service ranges.

8. 2 Strengths - Threats

With the increasing threat of environmental conscious consumers and stringent policies that place priority on environmental protection and CSR, it is important that British Airways produce a complete renovation of its brand image to become a premier environmental-friendly airline service. Instead of bringing environmental policies slowly into different aspects of operation, completely remodelling the brand into an environmental predecessor will improve the reputation of the brand among the new wave of consumers in the same fashion as what Toyota Prius was for Toyota in the United States and world market. Lowering cost for competition to operate should be taken as an advantage by British Airways. The resource that the company enjoys over rivals can be utilised towards diversifying into other transport markets while the cost remains low.

8. 3 Weakness - Opportunities

Change should be brought into people management culture in the company.

Leaders who are more apt at transformational styles of leadership will be suitable for the current crop of employees. Poor employee relations history can be countered through an improved people process that will look into treating individual employees in a more personal level. At the same time, inability to adapt to innovation and change can be rectified through technological advancement. Technology will play a vital role in helping British Airways address concern with reliability and trust.

8. 4 Weakness - Threats

In terms of strategies that can be implemented in ways where the weaknesses of the company does not expose threats; one proper measure would be to improve the environmental stance of the company to deter negativity that might stem from increased environmental awareness. The negative attention that the company has received in terms of reliability and change can be focused towards an improvement in environmental and ethical concern. This will help British Airways buy some time to repair the said weaknesses.

9. 0 ANSOFF PRODUCT MARKET MATRIX

The Ansoff growth matrix is a strategic tool that helps companies to evaluate products along with its market growth strategy. The product-market growth matrix of Ansoff allows a business to grow by virtue of a new or existing product succeeding in a new or existing market. The Ansoff matrix outputs a series of suggested growth strategies that directs the business' strategy through the following drivers:

Figure above shows the ANSoff growth matrix

Market Penetration

Growth strategy that focuses on releasing existing products into existing markets successfully through: Maintaining or increasing current product's market share. (Competitive Pricing strategies and promotion) Drive out competitors in mature markets through restructuring. (Aggressive promotional campaigns) Increase customer base through loyalty schemes

Market Development

Selling of existing strategies to new and fresh markets:

Marketing products in new geographical settings.

Different distribution channels.

Different pricing policies for trans-market customer pulling.

Product Development

Strategy that requires pushing new products into existing markets. This requires appealing and competent products which can appeal existing markets. Diversification

Diversification allows for businesses to introduce new products into new markets. This strategy allows for a company to introduce and dominate a market that is non-existent initially. There are too many risk factors involved with this strategy and companies that take this route for growth require deep pockets to suppress possible failure.

9. 1 ANSoff Matrix on British Airways Strategies

In terms of market penetration, British Airways can actually gain market share through renovation and modernisation of business approaches and the brand image as a whole. At the same time, improving environmental stance by actually going beyond minimal requirements in environmental conservation to actually increase the measures will also drive market share. By placing segment focus strategies, British Airways can actually derive from the fact that profit margins from business class passengers are the highest for the company and the fact the services that business class passengers require cannot be replicated by budget carriers makes it even more possible. British Airways's product development phase will involve technological advancement.

Introduction of internet access on flights along with improved integration of mobile computing peripherals such as tablet PCs, smartphones and laptops would be a value increasing service offering. Complementary services such as concierge services, car rental, hotel booking and even smaller services such as appointment scheduling and mapping of routes for foreign tourists would be value added bonuses in the product offering. Diversification and Market Development can be formed together for British Airways. The company will need to diversify into substitute services such as ferries or cruise with the same level of quality that is recognisable from the British Airways brand name. At the same time, increasing the number of scheduled flights with primary focus on large Asian economies such as China and India would increase the service offering ranges.

10. 0 BCG GROWTH-SHARE MATRIX

The Boston Consulting Group (BCG) growth-share matrix is a strategic model to guide companies in resource allocation. It is without a doubt; one of the most widely used model for portfolio management.

Figure above shows the BCG Matrix model

The BCG matrix can be used to determine priorities that should be given for the product portfolio of a company. Companies with diversified product lines can make use of the BCG models strategies for evaluating the organisation's resources for products. Placing products in the BCG matrix allows for products to be split into 4 portfolios in the company- which are the stars, cash cows, dogs and question marks. Stars (high growth, high market share)

Use huge amounts of cash

Generates large amount of revenue

Leaders in the business and market

Cash Cows (low growth, high market share)

Profits and cash generation is high

Low growth makes investments in product should be low for higher profit

Always the initial foundation in a company

Dogs (low growth, low market share)

It is better to avoid products which are dogs in the company Expensive to turn around and better to liquidate

Question Marks (high growth, low market share)

High Demands and low returns make them the most vulnerable portfolio for products In time will generate great absorption of internal resource.

Investment should be at minimal or zero to generate positive profit margins.

10. 1 Strategy Implementation on British Airways

While, the BCG growth matrix will not be the most ideal tool for British Airways to undergo strategic management restructuring, it is still an important tool for the airlines to understand where its varying products stand in the both the company's internal and external environment. When it comes to service for business passengers, the product can be considered as a cash cow due to the high amount of profit that is generated despite its naturally slow growth. British Airways will need to start considering the option of focusing on bringing more value towards services that are related to business customers. At the same time, budget passengers comprise a majority of air travellers today who are also a part of the most exciting market in air travel today. The market for such a product is extremely competitive while growth in the market is easily achievable as customers who are spoilt for choice are increasingly aware of the different advantages that different airlines provide. While the company may not require too much focus on the budget carrier market, it would be foolish to not take full advantage of the hugely expansive market which boasts of huge market returns too.

11. 0 Strategic leadership

Talking about strategic leadership, it should be noted that leadership is different from management. Management – It deals with complication of producing orderly and consistent results and managing it. The purpose is to produce orderly results not change. Leadership – It is concerned with

generating a shared vision of where the organization wants to get to, and formulating strategies to bring about the changes essential to attain this vision. It is about change. Malathi, K (2012) Activities of Management and Leadership:

Leadership

Management

Formulating strategies

Implementing strategies

Motivating and inspiring employees

Planning and budgeting

Recognize and reward success

Coping with organizational complexity

Dealing with change

Organizing and staffing to achieve strategy

They both play an important role in an organization. They are needed for implementing of strategies. Burberry needs to combine both the manager and leader to be successful in strategic implementation. The leader will formulate strategies and motivate the other employees and he will help deal with changes while the manager is responsible for implementing the strategies, organizing the staffs in order to achieve the strategies formulated. 11. 1 Corporate governance:

It includes a set of connections concerning a business's management, panel, investors and stakeholders, such as it employees and the group which it is

located (Witherek, W, OECD, 2004). It includes the way a company is managed. It is important that Burberry management the describes of business government while applying any new technique so as to prevent issue passions that will cause to misunderstandings and it will create the modify occur more effectively.

CONCLUSION

Conclusively, from the Ansoff Matrix and BCG matrix analysis, British Airways should give priority in implementing the SO strategy of using their strengths to gain in opportunities. This is especially evident in British Airways Ansoff Matrix and BCG analysis. Their Star products should be turned into cash cows as the market matures, as minimal investment will turn in higher returns and profit. This extra cash can be poured into improving on products that are in the question marks category. As these products are risky and could turn into dogs, mass amount of cash pouring and brand image renovation would be an advantage for British Airways. Implementing new markets into existing markets and rising fast as the market leader will be easier with strengths such as huge resource pool, established name in the business and strong merger with other industry leaders.

As identified in the PESTEL analysis, environmental issues are becoming increasingly important. A reactive strategy therefore would be to build an improved environmental stance while going beyond the requirements of current regulations such as the climatic change bills. The strategic management improvements are to be implemented into the corporate level

structure, business level structure and functional level structure. Due to the scale and scope of British Airways' operations it was decided that the focus of this report would be surrounding scheduled passenger flights. Further recommendations would include strategic analysis to implement SBU level strategies. Due to lack of primary research and restricted access to company information there may be limitations in the findings and recommended strategy, however it is believed that if the general direction of the suggested strategic intent is followed it will lead to success.

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