

The success factors of vodafone



Vodafone's Success factors Assignment 2 Name: Adel Ahmed ID: 105163

2011 Adel Ahmed 12/31/2011 “ A guy talking to people about “ toiletpaper. com” can raise \$1 million over the course of a lunch, while someone who has a cure for liver cancer is totally ignored by venture capitalists” -Ronald Bland, Maryland enterprise investment fund(Egbert, 1999a: 63). ” , Buss(2001). As quoted by Buss, technology based ventures have the edge over regular ventures; using the latest technology will help in many different ways inside the business venture in terms of marketing, HR, management... tc. This would give us a clue why Vodafone is one of the leading companies in its industry. Michael, Duane and Robert(2009) stated that Vodafone was the leading mobile operator in the world, with over 150 million customers in over 26 countries around the world; Vodafone's market capital is estimated at \$165. 7 Billion, making it the eleventh most valuable company in the world(according to Michael, Duane & Robert, 2009).

Neglecting the fact that Vodafone's Equity is massive and allows this corporation to undertake projects that normal business wouldn't even dream of going through; what makes Vodafone better than other multi-million Dollar companies? Figure 1. 1 Vodafone financial status for the years 2009, 2010, 2011 An important part in any business is the people who are operating that business, and by operating, not only the managers and other decision makers are included, but any employee who has a direct effect on the outcome of the business.

The way each corporation manages its employees differs according to the company structure and size. This brings us to the first success factor for Vodafone, employee satisfaction and loyalty. In October 2010, Vodafone

conducted a survey measuring employees' engagement level, loyalty and motivation, and Vodafone had scored 75; meaning they have maintained a high score in employee engagement(Vodafone group plc, 2011).

Furthermore, since a loyal motivated employee will perform better, Vodafone focuses on creating a friendly multi-cultural environment regardless of the location. In addition to that, communication between the different levels motivates the employees to work harder, as they get a feeling of importance and significance, which is why the chief executive communicates directly with all employees via team meetings, email and video updates.

Last but not least, employee recognition is very critical for any employee of any level, failing to acknowledge the effort of employees will definitely lead to employee dissatisfaction and frustration, which in turn leads to lower efficiency and poor quality work; that is why employees are rewarded on the basis of their performance and contribution to the business' success, besides the regular salaries, employees are offered retirement provisions and other benefits(Vodafone Group PLC, 2011). The second factor(still HR related) would be the employee development. " Training and development is much more than attending a classroom course. Vodafone Egypt(2011). Maintaining the same level actually means moving backwards in today's world, new methodologies and tools are being created everyday to improve the business operations. Employees' skills are enhanced through various methods including classroom training, conferences, special projects... etc(Vodafone Egypt, 2011). The telecom industry is a quick paced industry, if you lag behind you will always be lagging behind; to stay on top of such circumstances, not only does the knowledge of employees need to be

regularly updated, but their skills need to cope with what would be considered best at any given point in time.

In addition to that, not only the current employees are the ones in need of training and update, the new upcoming stars of the future need to be prepared early enough to gain an advantage over the “ war veterans”. The “ Ana Trainee” program offers current university students on the job training in their field of choice; more importantly, introducing them to the Vodafone culture and ways of operation, this is a great way of promoting the corporate culture and making Vodafone a ore desirable place later on when they are ready for employment. This results in an Employee turnover rate of 15%in 2011, with similar values in the previous years(Vodafone Group PLC, 2011). Finally, contribution to and interaction with society would shape out the way any business will turn out to be; it is true that a business can succeed with minimal social interaction, but a truly successful long-lasting business needs to reach out to the community.

The state of the community directly affects the state of the business, and any improvement in the community is reflected on the company’s performance; Kellogg’s for example, reaches out to the less fortunate communities by giving out product donations to the hungry as an attempt to battle malnutrition (Kellogg’s, 2011). Vodafone does help in different areas, for example, the accessible to all is a competition for Smartphone application developers; the main aim of this project is to provide an incentive for people to create applications for the physically/mentally challenged individuals.

There were several categories, like help talk for the mute, wheel map for people with impaired mobility and other similar categories as an outreach for the physically/mentally challenged people. “ Our goal is to eradicate illiteracy in 5 years” was one of the slogans of Vodafone Egypt, who has allocated an entire department for social projects, and that department was considered the best Social Corporate Responsibility department in Egypt according to Vodafone Egypt (2011).

A wide range of areas are covered by that department such as combating illiteracy, education, disaster relief and more issues that are fairly common in the Egyptian society. In addition to that, Vodafone also accepts ideas and contributions that might be applied later on or implemented in one of their projects. This is all an attempt to improve the society they are competing in as any social improvement is sure to have an impact on the company itself, and is also the duty of Vodafone as a conscientious socially aware corporation.

To sum it all up, if you combine a highly qualified team, motivated employees and social corporate responsibility, you get a company making as much money and with the total worth of Vodafone, a company that has successfully combated the imagery of the evil corporation, a company with significant impact on the global economy and on its local societies. Finally, we cannot deny the fact that Vodafone’s capital, equity and liquidity would be considered the most significant factor since all the aforementioned factors would not have been present if it were not for the strong financial status of Vodafone inc.

Vodafone has helped combat the evil corporation image for a lot of individuals with its international economic and social contributions.

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