Boom and bust in telecommunications

1- The strategic plan adopted by level 3, Global crossing and 360 networking failed due to several reasons. First, overvaluing the opportunity found in the market by wrong analyzing of the market and claiming that there is 1000% growth in the internet traffic in the year that was found to be 100% which is way less then what they thought. Second, the heavy competition between rivalries since they provide the same commodity (Fiber Optics) and all was using almost the same strategy (build massive networks, cut prices) that caused them to focus only on how to compete with each other. Third and Mainly, Not expecting the Discontinuous change in technological field in the general environment, an entry of a powerful substitute that can satisfy the same need such as broadband and internet through satellite with a very low switching cost for the customer, that almost demolished the need of the fiber networks which was the backbone of the companies strategies and their main road to dominate the market, that appeared in 2002 when the usage diminished and reached 3% of fiber that have been built2- Those managers suffered thinking myopia and a lack of prediction on the short term future because they focused their efforts and thinking skills on how to fulfill the imagined bulky demand in the market and not taking into consideration that radical discontinuous technological changes may occur and ruin their day dreams within a couple of months and that weakness created by those managers by not paying attention to the monitor role in the information roles which is collecting information’s about the market and the new inventions and projects that may enter and effect the market and those information’s are essential for every manager to know or at least informed aboutMoreover, they analyzed the opportunity in the market by overvaluing it by depending on unrealistic facts lead them to say that growth is 1000% instead of 100%, which made them to think that the heavy competition and the number of rivals cannot fulfill the need or demand of the market, this idea created their way into not taking into consideration anything but how to supply more and more. 3- Prior hypothesis bias due to the managers strong beliefs that as more the they build is as more they gain profit and take a larger market share and that finally turned to be completely not true in the new presence of the new technologyAnd the other decision-making bias is Escalating commitment, those managers' sticks to their plans and didn't change it until they went into bankruptcy or a massive debtsthose managers were led to this commitment because their exit barriers was too huge due to the fixed cost they've got in the market, so they stayed on their ideas but there other problem that they didn't took some corrective actions that may lead their company to survive like promoting their service, or providing new attractive services4- Those managers was able to have a different outcomes if they analyzed the market opportunity correctly from the beginning and then being entrepreneurs, innovative and building a technology that may compete on the long run instead on only dipping their heads into breaking bones competition.

That strategy could be applied by dividing or reallocating the company's recourses by reducing the budget of building new networks because those networks can handle the present demand, supporting and financing the developing and innovating department in order to have a better competitive service in the short term and an innovation in the long run and trying to position there companies as unique, differentiated and better then the competitors through advertising and promoting.