

Business At Work Assignment

Contents

E1: 3-4

E2: 4-5

E3: 5-6

E4: 6-7

E5: 7-8

E6: 8

C1: 9

BT

BT's ambitions "are to be the best provider of telecommunications services and solutions for everybody in the UK and for corporate customers in the rest of Europe, with global reach through partnership."

www.bt.co.uk/aboutus

E1

BT is a public limited company. The major difference between private and public limited company is that the public version has its shares available to the public for anyone to purchase. It is very expensive going public because it costs a lot to have shares quoted on the stock exchange, the company must apply to the stock exchange council, the company needs to arrange merchant banks to handle paper work, selling shares is a risky business because the stock exchange has good and bad days and it costs a lot to advertise. An advantage could be that large amounts of capital can be raised very quickly and that the company is always in the media so it gives the company free media coverage. A disadvantage could be that as more shareholders come in the business the company could be lost by the original owners, which would give them less control and as the company is always in the media, if the company does something bad then everyone will know and that if shareholders are unhappy with the business people can be voted out.

BT is one of Europe's leading providers of telecommunications services. Its main activities include local, national and international services, broadband and Internet products and services and IT solutions. BT serves over 21 million business and residential customers and has over 28 million exchange lines and it provides network services.

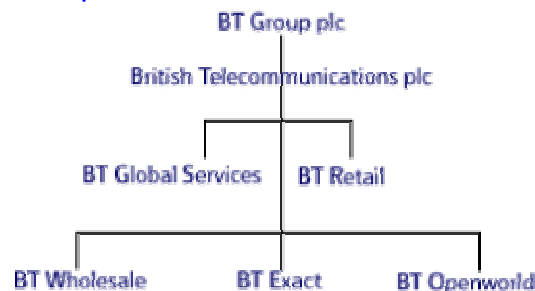
BT creates value for shareholders by being the best provider of communication services for everybody in the UK and business customers in Europe. BT consists mainly of BT retail, BT wholesale, BT global services and BT open world.

BT retail is the largest communication provider by market share; it supplies a wide range of communication products and services. It has three main customer groups, residential customers, business and major business. It has over 19 million consumers and over million business customers. BT wholesale provides network services in UK as well as other BT business. Its main strategy is to upgrade to next generation.

BT global services offer solutions to customers worldwide. Global services have 50 percent of people based outside the UK serving large business worldwide. BT open world is one of UK's leading Internet services providers. It provides broadband and narrowband services to more than 1.7 million businesses and consumer customers. Other businesses that make up BT are BTgroup PLC and BT exact, which specialize in telecommunication engineering and network design and its systems.

BT Structure

<http://www.btplc.com/Corporateinformation/Principalactivities/Principalactivities.htm>



E2

BT mainly focuses on seven objectives. To deliver high level of customer satisfaction and to reduce the number dissatisfaction each year. To achieve profitable growth and capital expenditure while reducing capital expenditure. To put broadband at the heart of BT and to expand the market for broadband services and create a media enabled network. To provide solutions to business in Europe and other value added services. To place all UK networks under single management structure and to limit investments in data platforms. To use the BT brand to move into broadband services and related markets such as communication solutions and business mobility services for

major business customers and all the above objectives delivered by skilled and motivated people.

E3

The functional areas that exist in BT are finance, production, human resources, marketing, administration and research and development.

Finance

Most financial records are stored on computers and use specialized software. The financial department are responsible for recording data such as money paid to or by the company, payment of wages, annual accounts and figures etc. In the past two years, BT's net debt has been reduced from £27.9 billion as at 31 March 2001 to £9.6 billion as at 31 March 2003, a reduction of 66%. This shows that although BT is in debt, they are reducing it. This department helps British Telecom meet its financial objective, which is to achieve organic profitable growth.

Production

The production department are responsible for finished products. A production department would be linked to the planning department to set targets and it will also be linked to the purchasing department who would provide them with the raw materials. BT's products are call options, Phones & Faxes, answering machines, modems, accessible products, home monitoring, home networking, gaming and music, digital TV, lines and mobiles.

Human resources

The types of work involves in BT's human resources would be, making policies, welfare role supporting, training new people, negotiating role, administrative role and concerns with wages. This department also helps to reduce the number of dissatisfied customers.

Marketing

The marketing department are responsible for identifying, anticipating and satisfying customer needs; they are mainly involved in investigating what consumer's want. The broadband for BT show that marketing department has done well because at 31 March 2003, BT had around 800,000 ADSL (Asymmetric digital subscriber line) connections and they are well on the way to reaching their target of one million this summer. The functions of the marketing department help BT to move into broadband for consumers and related markets.

Administration

Administration department would deal with enquires, communication and producing documents , they mostly deal with paper work.

Research and development

Mostly concerned about creating new and better products, without this department a business cannot remain successful.

This department is also tightly related to the organisation department. This department helps British telecom to provide solutions and other value added services to corporate customers in Europe

E4

The key features of BT consist of the following. A unique name "BT", objectives, a set of objectives setting the direction, rules and regulations, some which are written down, patterns and structure, a set ways of doing things, posts and offices, which means that people have varied responsibilities, a chain of command, which are commands set in official and unofficial codes, power, different people have different levels of power and records which are systematic and well organised.

The organisation structure that BT has is matrix structure as they are selling and making products and the company is more of a tall structure because it is a large organisation. BT would have different styles of management, autocratic, democratic and consultative as it is a very large organisation and has different departments, which need different rules.

BT employs 104,700 people around the world, of whom 96,300 are in the UK. This makes BT one of the UK's largest employers, working and living at the heart of society. Their approach is to act fairly towards their people, value their contributions and enable them to achieve their full potential. BT helps their employees develop professionally while respecting their other commitments - to themselves, their families and the wider community.

BT main performance highlights for the 2003 financial year are as follows:

- Customer Dissatisfaction down 37%
- Broadband now available to 67% of all UK households
- People Satisfaction steady at 67%
- Increase in the percentage of ethnic minority employees (8.2%) in BT whilst percentage of women (23.8%) and disabled employees (2%) held steady
- Global Warming CO2 emissions now 40% lower than 1996

- Waste to landfill down 1% to 89,878 tonnes with 24% recycled
- Health & Safety significant incident rate down from 122 to 113 per 10,000 full time employees
- Ethical trading risk assessment questionnaires completed by 31 suppliers and 14 on-site assessments undertaken
- Awareness of our Statement of Business Practice in the UK up 7% to 83%
- Direct community investment of £8.2m plus £17.9m in further funding and support in kind, exceeded our 1% of profit target by 50%

To maintain and grow this level of achievement BT have set themselves some targets. BTs headline target is to reduce the number of dissatisfied customers by 25 per cent each year.

E5

All organisation should have good clear paths of communication so that everyone is clear about objectives, there is smooth and accurate communication, everyone is organised, ideas and views clearly, people can respond quickly and people don't feel frustrated. BT has a local area network, which is an intranet. The uses for networks include, email, teleconferencing an electronic data exchange.

Internal communication is communication that takes place within the organisation and external communication takes place between the organisation and the outside world. The common forms of internal communication are verbal information, which is communication through telephone messages, recorded messages and using answering machines, written communication covers paper documents like letters, memos, brochures, this form of communication often takes time to process and electronic information like email which is rapidly replacing other forms of communications.

Organisations need to communicate with stakeholders, customers, government, suppliers and the community through external communication. Types of external communication are telephone, which is the most frequently used of external verbal communication, interviews with people who may be interested with something the organisation has done, business letter is still the most widely used form of external communication, it can be used for making arrangements, confirm verbal arrangements and provide parties with records. Facsimiles if form of external communication which expanded over recent years, it can send both written and visual information. Email, which is an alternative to writing letters. Videos and CDs provide visual information about the organisation. Electronic data interchange, which is a form of paying without cheques, invoices and save

time and reduces cost. Video conferencing allows organisations to have face-to-face meeting without travelling and websites. We can see that ICT has totally transformed ways of communicating within business, the use of email to replace communications carried out by letters, memos etc, and the use of networked databases to replace the traditional system of filing and storing. The use of computers to replace a range of operations like registering, delivering etc. The use of Internet to communicate with the global market. The use of digital methods for much faster communications.

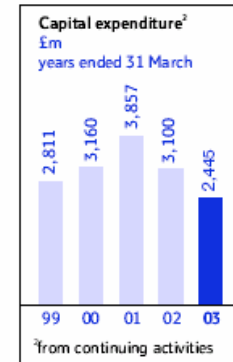
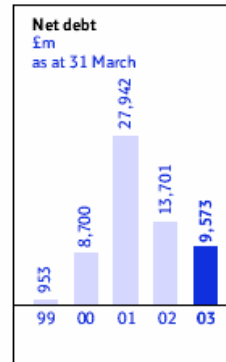
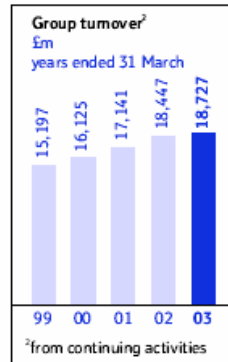
E6

Total quality management is an attempt by a business to stop errors and waste accruing in at all levels in the organisation. Organisations should see internal relationships just as important as external relationships. For total quality management to be successful an organisation needs to monitor all activities and identify areas of improvement, team working is also important because people can develop a wide range of skills. Lastly an organisation must research to ensure customers are happy for TQM to be successful.

Quality control is the process of checking raw materials and supplies that arrive at the business and also the finished products as they leave the business, but this is rarely used nowadays. Quality circle is where a group of people meet at regular intervals to check the quality within the production. Also an organisation should have quality assurance, which means the business has set certain standard and publicise the fact they have met the standards. Quality of output is important for customer's loyalty and therefore quality should be considered in design, production, distribution and after sales services

C1

Judgements



BT Annual Report and Form 20-F 2003 3

<http://www.btplc.com/Investorcentre/PublicationsandDownloads/FinancialReports/AnnualReports.htm>

In the past two years, BT's net debt has been reduced from £27.9 billion as at 31 March 2001 to £9.6 billion as at 31 March 2003, a reduction of 66%, which shows that although the company is in debt, it is doing well, the group turnover shows that the company's income is rising over the five years, but slowly and its capital expenditure has been reduced. BT has growing success in such new-wave markets as broadband, mobility, information and communications technology (ICT) and solutions. Consumers and businesses are now more satisfied with the way BT provide and repair their services. BT is the UK's leading Internet service provider for small and medium businesses. One the main point is that overall customer dissatisfaction was significantly down by 37% for the company (against the target BT set of 25%).

Broadband is more than just another product. It is a whole new way of communicating. It sparks off incredible demand and is growing at a rapid rate connections having increased almost fourfold in the 2003 financial year. At 31 March 2003, BT had around 800,000 ADSL (asymmetric digital subscriber line) connections, and they are well on the way to reaching there target of one million this winter. BT were very carefully this year, they targeted their capital expenditure, which was £2.4 billion during the 2003 financial year, a 21% reduction on the previous year. A series of technological breakthroughs can, bring ADSL within potential reach of 90% of UK homes and small businesses within the next few years. I would say that this year BT has done well in term of reducing debt, capital expenditure and reducing customer dissatisfaction.

Bibliography

BT structure from, pg 1

<http://www.btplc.com/Corporateinformation/Principalactivities/Principalactivities.htm>

BT charts, pg 9

<http://www.btplc.com/Investorcentre/PublicationsandDownloads/FinancialReports/AnnualReports.htm>

