

LCBB6004

Strategic Management and Sustainability

Student Name: Anna Cozonac

Student ID: 2030928

Table of Contents

1. Introduction.....	3
2. Company Background	4
3. Identifying Key Business and Corporate Strategies	5
Ansoff matrix	6
4. Analysing Resources and Capabilities.....	8
Value chain analysis	8
VRIO analysis	9
5. Evaluating Strategy in Action.....	11
SAF framework.....	11
6. Evaluating Sustainability Efforts	12
Successful execution	12
Challenges faced	13
7. Conclusion	14
8. References	15
9. Appendices.....	17
SWOT analysis	17

1. Introduction

Strategic management is the process by which managers integrate the firm's functions into streams and patterns of action designed to fit the constraints and demands of the market (Tsalis, *et.al.* 2020). The objective of the concerned report is to carry out strategic review of the company corporate and business strategies to provide strategic solutions for improving firm productivity. This report consists of the analysis of Vodafone Group's strategic decision-making as well as course of action. The industry is a British Plc business that is traded on the stock market in London.

The report will assess the organisation's primary operations and corporate approaches, as well as its resources, capabilities, and strategy implementation success. The report will also evaluate Vodafone's sustainability as well as competitiveness practice integration. In addition to engaging with material to support the analysis, ideas for future strategic planning will be given. The report seeks to meet the learning objectives of identifying and assessing the complexity of leadership and management of people in a company as well as critically analysing efficient-enhancing tactics.

2. Company Background

Vodafone is a leading telecommunication company, led by the purpose develop range of leading products and services to connect customers and assist in building digital societies for better future. Vodafone which is the largest Pan-European and African telecom company. Headquarter of Vodafone is established in Newbury, Berkshire, England, UK. Currently, there are 104,000 number of employees working towards the future growth and success of the organisation. Vodafone offer range of products and services such as Fixed telephony, mobile telephony, broadband, digital television, internet television, IPTV and IoT. Its purpose is to connect for a better future by using technology to through improve lives, digitize critical sectors, and enable inclusive and sustainable digital societies (Peres, 2019). It provides mobile and fixed services in 17 countries, partners with mobile networks in 46 more, and is also a world leader in the Internet of Things (Vodafone, 2023).



Figure 1: Vodafone Logo

(3blmedia.com, 2023)

3. Identifying Key Business and Corporate Strategies

Business strategy refers to ways a firm operate and compete in marketplace that assist in attain high growth and profit. The key business strategy of Vodafone is focused on sustainable growth to drive high returns. The vision of organisation is to become new generation connectivity as well as digital service provider for Africa and Europe that further enable inclusive and sustainable digital society (Fuentes, *et.al.* 2020). Porter's generic strategies assist businesses to create their business level strategies that assist in taking informed decisions to complete in competitive industry.

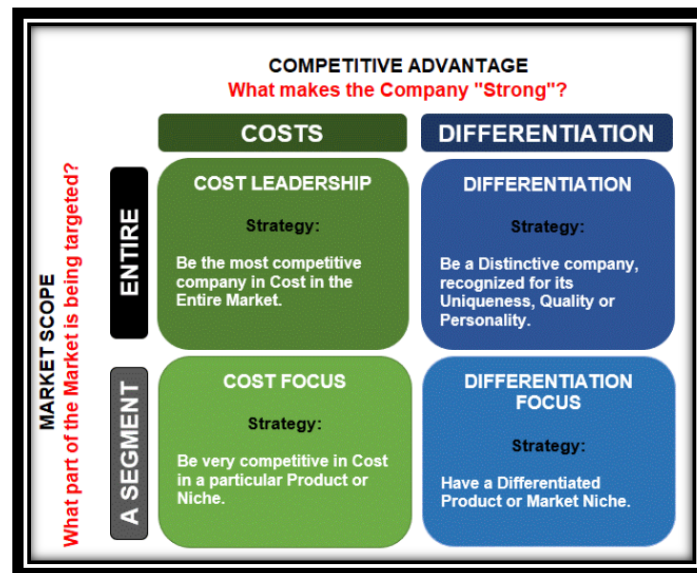


Figure 2: Porter generic forces

(Source: Chauke, 2021)

Cost leadership: A cost leadership strategy is a strategic approach that seeks to get a competitive edge by attaining the lowest operating expenses within a certain industry. Vodafone has a cost leadership approach as it enables Vodafone to provide superior service while minimising expenses.

Differentiation: A strategy that entails providing a superior quality product compared to rivals, albeit at a premium price. Vodafone also utilise differentiation strategy as this approach entails providing distinct items to various segments depending on their specific needs and preferences. Vodafone used a differentiation strategy with the introduction of its iPhone service (Musyoka, et

al., 2022). Despite its higher price compared to its rivals, this product maintained a competitive advantage by providing free lifetime calls for Vodafone members and superior network coverage.

Focus Strategy: Focus strategies include attaining either Cost Leadership or Differentiation inside certain market segments, using approaches that are inaccessible to more broadly-oriented competitors. By using a focus approach, the company is able to provide exceptional service to clients in their specific market, resulting in the development of strong brand loyalty (Coffie, 2020). Vodafone employs a differentiation strategy by tailoring its product offerings to meet the distinct demands and expectations of various customer segments. With this Vodafone also prioritises consumer interaction.

Thus from the above analysis it has been identified that Vodafone uses combination of cost, differentiation and focus strategy that has helped organisation to operate in competitive market. Based on the analysis it has been identified that Vodafone position itself as a hub of diverse services where customers can enjoy communication, anywhere, anytime, Always reliable and easy with great values. By using cost leadership and differentiation Vodafone focus on customer excellence.

Ansoff matrix

The Ansoff matrix is a strategic planning tool that provide framework to assist management teams and the analyst community to efficiently plan and evaluate their growth initiatives (Shih, et al., 2022).

Market penetration: This strategy involve selling existing products and services to the current customer base in target market. Vodafone is increasing its market share by offering competitive pricing, improving loyalty programs and introducing promotions.

Product development: This strategy involve introduction of new product and services in existing market. Vodafone is utilising this strategy to provide new data plan, IoT solutions and other advanced technologies to fulfil changing consumer needs (Tantau and Frăţilă, 2021).

Market development: Market development refers to the strategy in which organisation sell existing products and services in new unexplored market. Vodafone is continuously expanding across globe through their online selling channels as well as franchise network.

Diversification: It is considered as a procedure in which companies try to operate business by selling new product and services in new market. Vodafone majorly use diversification as it try to bring new telecommunication products and services such as brining digital TV, routers to enhance business operations (Kumar, et al., 2020). In addition, Vodafone also started providing services to DHL and Unilever depicts their dedication towards ensuring the success in new market.

4. Analysing Resources and Capabilities

Value chain analysis

Primary activities

Inbound logistics: Acquisition of network equipment, devices, and other resources necessary for its communications operations. Overseeing supplier connections to provide a consistent supply of essential components (Kerr and Moloney, 2018).

Operations: Constructing and up-keeping telecommunications infrastructure, including networks, towers, and data centres. Delivering telecommunications services, assisting customers, and doing other operational tasks.

Outbound logistics: The distribution and transportation of services to clients across diverse channels, including physical retail establishments, digital platforms, and affiliated points of sale (Kalam and Kalam, 2020).

Marketing and sales: Engaging in the promotion of Vodafone's services via various advertising, promotional, and marketing initiatives. Sales endeavours including the implementation of methods to acquire and retain customers.

Services: Provision of customer assistance and delivery of services, including problem-solving, technical assistance, and billing operations. Continuous enhancement of the quality and dependability of the service (Jahanbakht and Mostafa, 2022).

Support activities

Infrastructure: Overseeing the whole corporate framework, including financial, legal, and administration. Planning strategically and allocating resources at the company level.

Human resource management: The primary objective is to recruit, train, and enhance the skills of personnel, with a specific emphasis on technology, customer service, and sales. Strategies to enhance employee commitment and reduce turnover (Nandi and Nandi, 2020).

Technology development: Conducting research and development activities to improve network capabilities and expand service offerings. Allocation of resources towards the development and maintenance of IT systems and infrastructure to facilitate operational activities.

Procurement: Engaging in supplier negotiations to get cost-efficient and superior inputs. Maintaining connections and relationship with crucial suppliers to provide a reliable supply chain.

VRIO analysis

Resources	Value	Rare	Imitation	Organisation	Competitive Advantage
Global and local presence of Vodafone	Yes	Yes	Yes	Yes	Provide strong competitive advantage
Sales force and channel management of Vodafone	Yes	No	Yes by competitor	There is potential to utilise sales force	Provide sustainable competitive advantage
Financial resource	Yes	No	Yes	Yes has sound financial position	Provide relatively sustainable competitive advantage
Marketing expertise within Vodafone	Yes	No	Yes	Yes	Temporary competitive advantage
Distribution and logistics costs competitiveness	Yes	No	Yes	Yes	Moderate to long term competitive advantage

From the above analysis it has been identified that Vodafone has vital resources and capabilities that has helped organisation in attain competitive advantage across the globe. Majority of the resources and capabilities of Vodafone are rare, however they can be imitated by competitors but it require human as well as financial resource. Thus, it can be concluded based on the above analysis that Vodafone has advantage over its rivals in competitive market and possess financial

stability that will ensure long term growth and success in competitive marketplace (Kittilaksanawong and Kandaswamy, 2018).

5. Evaluating Strategy in Action

SAF framework

The main aim of Vodafone's is to implement a new, efficient operating model to enhance the organization's global and local presence. (Onsongo and Knorrinda, 2020).

Suitability: In reference to generate high profitability and revenue margin Vodafone is promoting diverse programmes and utilising different marketing channels for attract new target consumers in competitive market (Shah and Chiew, 2019). Vodafone leverage competitive advantage to explore growth opportunities positively only because to its strong financial position.

Acceptability: The stakeholders are expected to be retained with the global and local positioning, as well as the strong financial stability, as it fosters consistent expansion and profitability. The effective use of the sales force and skill in marketing favourably impact stakeholder satisfaction. The acceptability of distribution cost competitiveness is likely due to its ability to improve operational efficiency and perhaps result in cost savings.

Feasibility: Vodafone's ability to establish and operate in different areas is evident from its past achievements, making its worldwide presence viable. Financial robustness ensures the availability of essential resources for the execution of strategic plans (Shah and Chiew, 2019). Utilising the sales team and marketing knowledge may be achieved via careful strategizing and implementation. Attaining distribution cost competitiveness is achievable, while necessitating continuous endeavours to maintain operational efficiency.

6. Evaluating Sustainability Efforts

Based on the analysis of Vodafone annual report it has been identified that in financial year 2018, there is 13% reduction in scope 1 GHG Emissions from fuel. In addition, it has been examined that 200 tonnes of e-waste have been effectively recycled that has helped in 25% reduction in CO2 emission per rack in their data centre (Vodafone, 2023). Vodafone has established aggressive objectives to decrease its carbon emissions. The company's objective is to reduce its carbon footprint, including both direct and indirect emissions, through the implementation of energy-efficient technology and the expansion of renewable energy utilisation. This includes efforts to fuel its network infrastructure using sustainable energy sources (Hannah, et al., 2023).

Vodafone prioritises ethical sourcing and supply chain standards. This entails collaborating with suppliers to guarantee ethical and sustainable company conduct, including labour rights, environmental effect, and social responsibility. Vodafone acknowledges the significance of digital inclusion and implements measures to provide connection to places that lack access and are located far from urban centres. Vodafone helps to narrowing the digital gap and promoting socio-economic development by expanding network coverage and providing assistance for digital literacy programmes. Vodafone participates in several social impact activities, including the provision of assistance to education, healthcare, and disaster relief endeavours (Vodafone, 2023). The corporation engages in partnerships with NGOs and community organisations to tackle social concerns in the areas where it conducts its operations.

The widespread use of electronic gadgets has led to a notable increase of e-waste, which is now a major environmental issue. Vodafone has adopted e-waste management initiatives to appropriately manage the destruction and reuse of electronic equipment, therefore mitigating the environmental consequences of its activities. Vodafone upholds openness in its sustainability endeavours by consistently providing reports on its social and environmental outcomes. This entails the disclosure of fundamental measurements, objectives, and advancements in sustainability reports.

Successful execution

Global expansion: Vodafone has effectively extended its activities on a worldwide scale, having a significant presence in many nations. The Firms success has facilitated its entrance to many competitive markets and enabled firm to operate on a wide-ranging consumer base.

Strategic partnership: Vodafone has been in the forefront of technical innovation in the telecommunications industry (Raghuvanshi, 2019). The company has invested in the advancement of state-of-the-art networks, services, and solutions, guaranteeing its ability to compete in the rapidly evolving digital landscape.

Diversification: Vodafone has formed strategic partnerships and alliances with various enterprises. For example, collaborations with content producers, device manufacturers, and technology companies have strengthened its array of services and attracted a wider clientele (Raghuvanshi, 2019).

Technology innovation: Vodafone has consistently shown leadership in technical innovation within the telecommunications industry. The company has invested in the advancement of state-of-the-art networks, services, and solutions, guaranteeing its ability to compete in the rapidly evolving digital landscape.

Challenges faced

Network infrastructure costs: Establishing and up-keeping a resilient network infrastructure requires substantial financial commitments. The expenses related to the expansion and enhancement of networks might have an effect on the company's financial success.

Intense competition: The telecommunications industry is defined by fierce rivalry, fueled by ongoing technological advancements and changing consumer preferences. Vodafone faces challenges from both traditional telecommunications providers and rising rivals, requiring continuous efforts to demonstrate its uniqueness (Pai, 2021).

Regulatory challenges: Conducting operations in numerous countries necessitates navigating through diverse regulatory frameworks. Vodafone's activities might be hindered by changes in rules, licencing prerequisites, and compliance standards.

Technological disruption: The rapid progress in technology, such as the transition to 5G, presents both favourable circumstances and difficulties. Vodafone must allocate resources towards adopting innovative technology while guaranteeing a smooth and uninterrupted transition for their current client base.

7. Conclusion

From the above analysis it has been concluded, that Vodafone exhibits a thorough and cohesive strategic approach that includes corporate strategy, use of the Ansoff matrix, resource analysis using VRIO, and sustainability initiatives. Vodafone's business plan prioritises sustainable development and profitability, establishing the company as a cutting-edge connectivity and digital service provider for both Africa and Europe. Vodafone uses Porter's generic strategies to effectively apply a mix of cost leadership, differentiation, and focus. This enables the organisation to provide exceptional services while still ensuring efficient operations. According to the Ansoff matrix, Vodafone has a variety of growth strategies. These include penetrating new markets through loyalty programmes and competitive pricing, developing new products through the introduction of new data plans and Internet of Things solutions, expanding into new global markets, and diversifying their offerings through the introduction of new telecommunication products and services.

The value chain analysis offers a comprehensive understanding of Vodafone's main activities, emphasising the effectiveness in logistics, operations, marketing, and service provision. The VRIO study highlights the distinctiveness and durability of critical resources, such as worldwide reach, sales team, financial power, marketing proficiency, and competitive distribution. Vodafone's sustainability initiatives are in line with international objectives for environmental and social responsibility. They demonstrate their dedication to reducing carbon emissions, managing e-waste, sourcing ethically, promoting digital inclusiveness, and making a positive social effect. The SAF framework review assesses the compatibility, approval, and achievability of Vodafone's strategies, with a focus on the suitability, desirability, and feasibility of their existing plans.

Recommendation for Vodafone encompass maintaining a strong emphasis on sustainable practices, advancing technological and service innovation, consistently investing in staff development, and forming strategic relationships to further augment its worldwide and local influence. In order to achieve long-term success in a competitive telecommunications business, Vodafone must demonstrate adaptability, responsiveness to market developments, and a continued commitment to environmental and social responsibility.

8. References

- Chauke, G.N., 2021. Porter's generic strategies. <https://www.researchgate.net/figure/Porters-generic-strategies-Consuunt-2021_fig1_355351264> accessed on 19-12-2023.
- Coffie, S., 2020. Positioning strategies for branding services in an emerging economy. *Journal of Strategic Marketing*, 28(4), pp.321-335.
- Fuertes, G., Alfaro, M., Vargas, M., Gutierrez, S., Ternero, R. and Sabattin, J., 2020. A conceptual framework for the strategic management: a literature review—descriptive. *Journal of Engineering*, 2020, pp.1-21.
- Hannah, E., O'Hare, B., Lopez, M., Murray, S., Etter-Phoya, R., Hall, S. and Masiya, M., 2023. How can corporate taxes contribute to sub-Saharan Africa's Sustainable Development Goals (SDGs)? A case study of Vodafone. *Globalization and Health*, 19(1), pp.1-15.
- Jahanbakht, M. and Mostafa, R., 2022. The emergence of GVCs for frontier markets: Insights from the African mobile telecommunications industry. *Africa Journal of Management*, 8(1), pp.59-82.
- Kalam, K.K. and Kalam, K.K., 2020. Market segmentation, targeting and positioning strategy adaptation for the global business of Vodafone Telecommunication Company. *International Journal of Research and Innovation in Social Science*, 4(6), pp.427-430.
- Kerr, W.R. and Moloney, E., 2018. Vodafone: Managing advanced technologies and artificial intelligence. *Harvard business school*, pp.9-318.
- Kittilaksanawong, W. and Kandaswamy, S., 2018. Vodafone-Idea merger: Emergence of a telecom giant amidst predatory price wars. *The CASE Journal*, 14(6), pp.609-634.
- Kumar, J., Gupta, A. and Dixit, S., 2020. Netflix: SVoD entertainment of next gen. *Emerald Emerging Markets Case Studies*, 10(3), pp.1-36.
- Musyoka, M., Arasa, R. and Ombuki, C., 2022. Porter's Generic Competitive Strategies, Alliance Partnerships and Firm Performance of Mobile Telephone Network Service Providers in Kenya. *European Journal of Business and Strategic Management*, 7(2), pp.86-86.
- Nandi, S. and Nandi, M.L., 2020. A Framework to Apply Porter and Kramer's "Creating Shared Value" Approach: Evidence from a Business Model's Success and Failure in Africa. *SAM Advanced Management Journal*, 85(4), pp.40-3.
- Onsongo, E.K. and Knorrington, P., 2020. Comparing frugality and inclusion in innovation for development: Logic, process and outcome. *Innovation and Development*, pp.1-21.

Pai, V.S., 2021. Vodafone India Ltd: Managing in a Turbulent Emerging Market. *Vision*, 25(1), pp.103-117.

Peres, T.L.B., 2019. Vodafone: The Importance of Dynamic Capabilities in an Innovative Market (Doctoral dissertation).

Raghuvanshi, S., 2019. Vodafone-idea merger: An overview. *IAHRW International Journal of Social Sciences Review*, 7(5-III), pp.1654-1658.

Shah, U.E.M. and Chiew, T.K., 2019. A systematic literature review of the design approach and usability evaluation of the pain management mobile applications. *Symmetry*, 11(3), p.400.

Shih, W.L., Wei, C.C., Lin, H.H. and Chang, P.H., 2022. Selecting and balancing market portfolio using artificial intelligence and fuzzy multiobjective decision-making model. *Concurrent Engineering*, 30(4), pp.382-398.

Tantau, A.D. and Frățilă, L.C., 2021. Business Development in the Renewable Energy Industry. In *Research Anthology on Clean Energy Management and Solutions* (pp. 1439-1474). IGI Global.

Tsalis, T.A., Malamateniou, K.E., Koulouriotis, D. and Nikolaou, I.E., 2020. New challenges for corporate sustainability reporting: United Nations' 2030 Agenda for sustainable development and the sustainable development goals. *Corporate Social Responsibility and Environmental Management*, 27(4), pp.1617-1629.

Vodafone, 2023. Sustainable Business Report. <<https://www.vodafone.com/business/sustainability> > accessed on 19-12-2023.

Vodafone, 2023. Vi Sustainable Business Report.<[https://www.myvi.in/about-us/sustainability#:~:text=Here%20are%20a%20few%20highlights,waste%20have%20been%20effectively%20recycled.&text=5\)%203%20Million%20Units%20of,to%20our%20data%20centre%20soon.](https://www.myvi.in/about-us/sustainability#:~:text=Here%20are%20a%20few%20highlights,waste%20have%20been%20effectively%20recycled.&text=5)%203%20Million%20Units%20of,to%20our%20data%20centre%20soon.) > accessed on 19-12-2023.

Vodafone.com, 2023. About Vodafone Group accessed from <<https://www.vodafone.com/about-vodafone#intoduction>> accessed on 19-12-2023.

9. Appendices

SWOT analysis

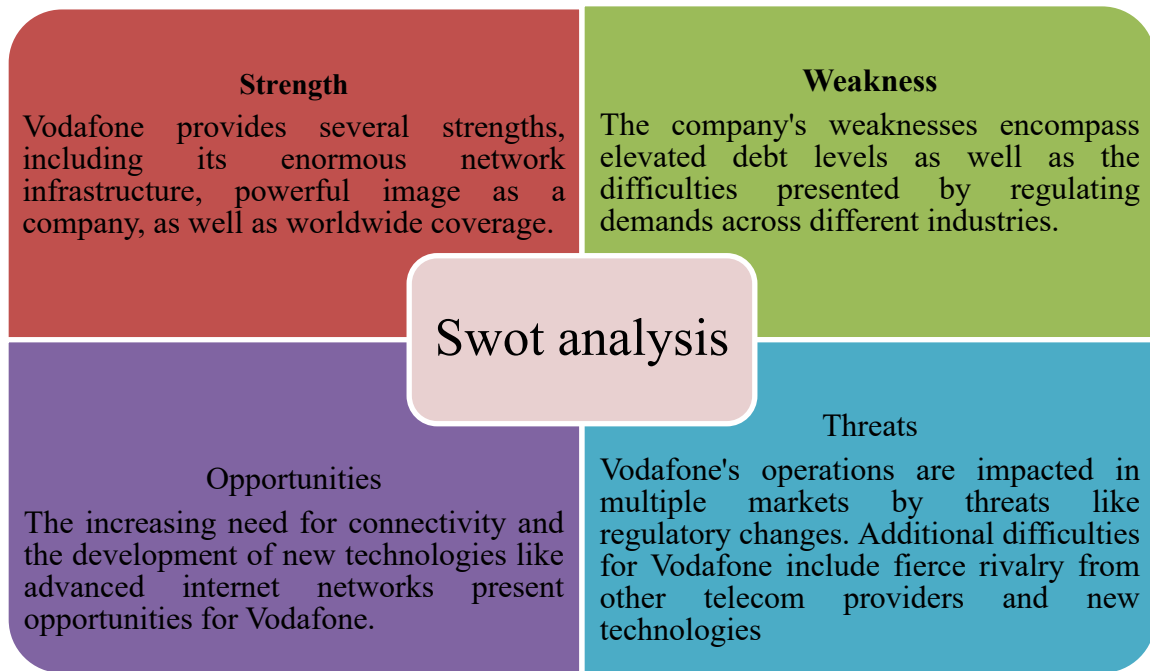


Figure 3 By Author