



ICM

MARCH 2018

OPERATIONS MANAGEMENT – PRE-ISSUED CASE STUDY & GUIDELINES

Important notes for candidates regarding the pre-issued case study

The case study is designed to assess knowledge and understanding of the Operations Management syllabus in the context of the relevant case study. The examiners will be marking candidates' scripts on the basis of the questions set. Candidates are advised to pay particular attention to the mark allocation on the examination paper and to plan their time accordingly.

In order to prepare for the examination, candidates will need to carry out a detailed analysis of the case material ahead of the examination. Candidates have sufficient time during the examination to answer all the questions, but this means that detailed analysis has taken place before commencing the examination. The examiners are looking for clear evidence that candidates have a good understanding of the case and can apply and interpret the concepts and ideas learned from a study of the syllabus when answering the questions. Candidates are advised not to waste valuable time collecting unnecessary data but are permitted to conduct additional research into the case study organisation from relevant sources outside of the content of the attached pre-issued case study. Such additional research should attempt to identify significant characteristics and approaches to Operations Management taking place within the case study organisation, together with any particular issues, problems or challenges faced by the organisation. This may help inform any analysis carried out within the examination session. Any notes, including references drawn from this additional research, must be contained within the notes permitted in the examination room (see below).

The copying of pre-prepared 'group' answers, including those written by other third parties, is strictly forbidden and will be penalised. Thus, questions will demand analysis in the examination itself and individually composed answers are required in order to pass.

Candidates are only allowed to take up to two pages (four sides) of A4 notes into the examination room. These notes should be securely attached to the answer script at the end of the examination and returned. Your prepared notes will count for 15% of the overall mark for this unit and therefore it is important that you ensure that these notes are included with your answer script.

The notes will be assessed as follows:

- Relevant and broad research into conceptual framework through recommended academic sources [5 marks]
- Broad and appropriate summarisation and abbreviation of main features of case study [5 marks]
- Clearly structured and effectively organised notes, providing evidence of sound analytical approach and clear focus on relevance and significance [5 marks]

A copy of this case study will be available in the examination. Therefore, you will NOT be allowed to bring this case study into the examination room.



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OPERATIONS MANAGEMENT
CASE STUDY – BT GROUP PLC

EXTRACT FROM THE ANNUAL REPORT 2016, BT GROUP PLC (Telecommunication Services Sector)

Chief Executive's introduction

2015/16 has been a landmark year for us. Our lives and work are now built around connectivity – and our expectations are constantly rising. Our customers' demand for data is increasing exponentially, and we want to be able to access files, stream entertainment or use applications wherever we are, on any device, seamlessly.

I'm proud that it's BT's networks, products and services that lead the way in many of these areas. And our strategy of innovation and investment has helped, and will continue to help us lead and shape the digital future in the years to come, and to broaden and deepen relationships with our customers. This year we've brought EE into the BT family. By bringing together the UK's best mobile network with the best fixed network, it puts us in a great position to meet the growing demand from UK consumers, businesses and the public sector for converged digital services.

The integration of EE is going well and we now see the opportunity to deliver more synergies than we originally expected, and at a lower cost. The acquisition has also allowed us to refresh our organisational structure, with a sharper focus on serving customers both in the UK and internationally.

We've also passed a number of landmarks on our fibre investment. Over 25 million premises can now get superfast broadband – around 85% of the country – and we're on track to help take coverage to 95% and beyond. We continue to lead other major European nations on almost all measures of speed and connectivity.

This year has also seen us develop a range of exciting new products, services and content. We've grown our TV business by around one third this year alone. It's benefited from the halo effect created by BT Sport, as well as from other investments we've made in this area such as the exclusive launch of AMC.

I'm very pleased with how customers have responded to our UEFA Champions League and UEFA Europa League content, with BT Sport audiences up 45% this year. And we broadcast the UK's first ever live matches in Ultra HD.

With our business customers, we're seeing great demand in the UK and around the world for our products and services, in particular our IP and cloud-based services, and our cyber-security products.

We've also made progress on service this year. Openreach hit all 60 of the minimum service levels set by Ofcom, and BT Consumer complaints are now 50% lower where our agents are multi-skilled. We've also launched a number of tools that give customers greater control over their orders, bills and services. Our new 'My BT' app for example, has been downloaded more than 435,000 times so far, as customers increasingly want to use digital channels for service. 'View my Engineer' also allows customers to track engineer appointments.

Despite these improvements, I know we're not where we want to be. As connectivity becomes ever more critical to how we live and work, our customers have rising expectations of the service we provide, and quality of service is becoming more important than price alone. That's why Openreach is tackling missed appointments, why BT Consumer will be upgrading service levels to next day repair and why we've hired 900 engineers. We've also recruited more than 900 extra contact centre staff which will enable us to return EE and BT Consumer contact centre work to the UK.

Our continued investments in our people, network and products will also enable us to improve the experience delivered by our contact centres, remove failure and change the way we interact with customers.

Today we help millions of people connect to friends and family and have a wealth of information and entertainment at their fingertips. We help companies work smarter and compete around the world, and we enable essential public services to be delivered.

continued overleaf

Our aim to become a fully converged service provider will allow us to create and deliver a whole new generation of products and services. It will provide a foundation for all areas of our business, deliver for our customers and generate huge opportunities in the years ahead.

Our commitment to using the power of communications to make a better world, and to making sure we're always broadening and deepening our customer relationships, means we're confident that BT will remain right at the heart of what's to come – delivering significant value for our customers and employees, for our shareholders, and for society.

Gavin Patterson, Chief Executive
4 May 2016

STRATEGIC DIRECTION

Our purpose is to use the power of communications to make a better world.

We're here to meet the needs of our customers, delivering the experience, products and services that matter to them. Millions of individuals connect through us to their friends and family, and have huge amounts of information and entertainment at their fingertips. The smallest companies, right through to multinational corporations, use our services every day to conduct their business. Many public services rely on our technologies. And in the UK, most of the telecoms industry operates across our networks – we help more than 500 other communications providers to serve their customers. Our success as a business depends on delivering value to all our customers. We try to think ahead, anticipate what they want and develop products, services and an overall experience that meet their needs, whether as individuals or as businesses. Our services are vital to our customers and their communities. We look for ways of using and developing those services to deliver economic growth and wider societal benefits. To bring our purpose to life, we've set a number of challenging long-term ambitions that make a positive impact on the societies, communities and environment we operate in. By creating value for our customers and society, we grow our business and reward our shareholders for investing in us.

Our goal is to deliver sustainable profitable revenue growth.

In previous years, we relied on cost transformation to offset declining revenues, so that we could grow our cash flows and the value of our business. This year, we grew our revenue, driven by the investments we've been making. In the years ahead, we expect profitable revenue growth, combined with continued transformation of our costs, to provide a platform for long-term and sustainable cash flow growth. We'll reinvest some of the cash we generate back into the business, to help us to grow over the long term. A virtuous circle. And we'll also use it to pay dividends to our shareholders and reward other stakeholders.

Our strategy is founded on broadening and deepening our customer relationships.

To deliver sustainable, profitable revenue growth, we need stronger relationships with our customers. That means making sure we stay relevant to them as markets, lifestyles and technologies change. The three pillars of our strategy help us do that: delivering superior customer service; transforming our costs; and investing for growth. The better our customer service, the more we'll sell and the less time and money we'll spend putting things right. And the better we manage our costs, the better value for money we can offer our customers and the more we can invest in giving customers what they need – today and tomorrow. These are the principles that drive our business model.

Complete Annual Report 2016 for BT Group Plc available at: www.annualreports.co.uk