

# Application of Balance Scorecard to address the marketing problem in Telecommunication sector

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## Abstract:

*This paper aimed to identify the problems that are associated with starting and running small business especially in telecom companies and giving solution by applying balance scorecard model. In carrying out the study, a qualitative research method was used. The most important method data was sourced by primary data by conducting and using interviews with people that working in the selected company and by secondary data using literatures collected from books, journals and past research work and electronic web.*

*On the basis of the analysis of data collected during the interview, the study revealed that Telecom Company faces many problems when compared with other businesses or companies. The problem facing in telecom companies faced are ranked as follows: Lack of Finance, lack of managerial skills, problems in human resources, inappropriate marketing, outdated facilities and providing adequate goods and services to customers.*

**Key-Words:** *Small Business, Telecom sector, Business Management, Performance*

## 1 Introduction

In this phase of paper will give an overview of selected company "Optical Communication Engineering Sdn.Bhd" and introduction of balance scorecard framework.

### 1.1 Company Overview

Optical Communication Engineering Sdn. Bhd.

(OCE) was established in 1992 by Rimbunan Hijau Group to produce optical fibers, optical cables and associated passive devices, active devices and accessories in Malaysia. In 1994, OCESB expanded its expertise to produce Optical fiber cables and acquired connectivity technology from NTT (Japan) under transfer of technology to produce a full range of optical integration products. Since then OCESB has specialize in Metro Optical Cables and

Integration.

**1.2 Introduction of Balance Scorecard** The balance scorecard is used as a strategic planning and a

management technique. This is widely used in many organizations, regardless of their scale, to align the organization's performance to its vision and objectives. The scorecard is also used as a tool, which improves the communication and feedback process between the employees and management and to monitor performance of the organizational objectives.

As the name depicts, the balanced scorecard concept was developed not only to evaluate the financial performance of a business organization, but also to address customer concerns, business process optimization, and improvement of learning tools and method. Following is the simplest illustration of the concept of balanced scorecard. The four boxes represent the main areas of consideration under balanced scorecard. All four main areas of consideration are bound by the business organization's vision and strategy.

**Figure 1: Balance Scorecard Framework**



The balanced scorecard is divided into four main areas and a successful organization is one that finds the right balance between these areas. Each area (perspective) represents a different aspect of the business organization in order to operate at best possible capacity.

- **Financial Perspective:** This consists of costs or measurement involved, in terms of rate of return on capital (ROI) employed and operating income of the organization.
- **Customer Perspective:** Measures the level of customer satisfaction, customer retention and market share held by the organization.
- **Business Process Perspective:** This consists of measures such as cost and quality related to the business processes.
- **Learning and Growth Perspective:** Consists of measures such as employee satisfaction, employee retention and knowledge management.

The four perspectives are interrelated. Therefore, they do not function independently. In real-world situations, organizations need one or more perspectives combined together to achieve its business objectives.

**1.3 Features of Balanced Scorecard** From the above diagram, you will see that there are four perspectives on a balanced scorecard. Each of these four perspectives should be considered with respect to the following factors.

When it comes to defining and assessing the four perspectives, following factors are used:

- **Objectives:** This reflects the organization's objectives such as profitability or market share.
- **Measures:** Based on the objectives, measures will be put in place to gauge the progress of achieving objectives.

- **Targets:** This could be department based or overall as a company. There will be specific targets that have been set to achieve the measures.
- **Initiatives:** These could be classified as actions that are taken to meet the objectives.

## 2 Problem Formulation and

Problems were found and identified through conducting interview with top managers such as Sales manager and Human resource manager as well as my experience of using the company product and services for last 5 years which helped me to be so familiar with company's strength and weaknesses and issues. The problems and issues will be explained accordingly to related business area of the company in bracket. The identified problems of Optical Communication Engineering (OCE) are in following below:

**2.1 Lack of Human Capital** Human capital is one of the main issues and problems that is going on this company. Human capital can be defined in organization context to the collective value of the organization's intellectual capital (competencies, knowledge, and skills). This capital is the organization's constantly renewable source of creativity and innovativeness (and imparts it the ability to change) but is not reflected in its financial statements.

Or in another word human capital is the set of skills which an employee acquires on the job, through training and experience, and which increase that employee's value in the marketplace. This problem was exposed through interview with Sales manager "We are limited in number of employees; we are offering young people specially students an opportunity to join us and use their knowledge and skills". I noticed this problem when i went to company several times and saw they are employees who are assigned to several tasks to cover such as the receptionist was in charge of answering customer problems, calling distributors to deliver the products and giving registration form to new customer, also the problem was shown that there is only one technician that working in OCE to resolve and address all technical issues from product and services by customers. Technician or IT whose job is to install modem or plug for telephone and internet cable and solve the technical problems with their modem or any sort of hardware issues. Having one technician working for the company will not be able to answer and solve multiple customers' issue a day.

These all show as evidence to explain that company Human resource function does not generate or create adequate number of employees to train and develop them for each of this particular task. This lack of human capital leads to skill shortage in the company where there is mismatch between available workers or employees and current and emerging needs of the company as the existing employees are assigned to cover more than one task. This issue which is related to human resources of the company has had direct impact such as reducing in productivity as it takes a while for them to answer customer needs and performing the tasks, and also they are not effective to their obligation and responsibilities since some of employees are in charge of tasks that mismatch with their skills and abilities or workforce is not equipped with right skills to achieve business goal. Also recruitment, development and retention practices are inconsistent and costly.

Human capital's importance has been recognized as one of the major challenges in HR to invest in the employees as employees and people are main asset of the company.

## **2.2 Business Level Strategy (Strategic Management):**

An organization's core competencies should be focused on satisfying customer needs or preferences in order to achieve above average returns. This is done through Business-level strategies. Business level strategies detail actions taken to provide value to customers and gain a competitive advantage by exploiting core competencies in specific, individual product or service markets. The problem in OCE Company in Strategic Management is simply their business strategy where they are only focused on Cost Leadership strategy since they are offering their service cheaper than competitors in order to attract the customers. Following Cost Leadership as the only business strategy is problematic Businesses can find it difficult to set the price of a product to produce an above-average return while remaining competitive. Cost leadership is a business-level strategy that requires the combined efforts of suppliers, designers, research and development, production and distribution. The major problems OCE faces of implementing focused Cost Leadership strategy are:

### **2.2.1 Quality Perception:**

Competition-based pricing is a model that relies on the pricing habits of the company's competition. It does not take into account product cost, but the company's profit margin or product demand. In some cases, OCE

may be forced to sell product at a loss to remain competitive. But their strategy as being the lowest-priced supplier sometimes creates the perception that the product quality is lower than that of the competition, therefore losing customer's trust and going for competitors. If Perception of quality becomes so low the business will suffer.

### **2.2.2 Customer Service:**

An everyday low price offering of the company reduce their profit margin and force to operate on a low budget. If the company cannot afford to hire the number of sales associates needed to maintain high level of customer service, then low price strategy may not be enough to maintain repeat business.

### **2.2.3 Inefficiency to Changes in industry and Market:**

OCE tends to keep their costs low by minimizing advertising, market research, and research and development, but this approach can prove to be expensive in the long run. A relative lack of market research can lead the company to be less skilled than other firms at detecting important environmental changes. Meanwhile, downplaying research and development can slow the company's ability to respond to changes once they are detected. Lagging rivals in terms of detecting and reacting to external shifts can prove to be a deadly combination that leaves OCE out of touch with the market and out of answers.

The business level strategy is very essential in the business. Companies need to be very cautiously and critical to choose their business strategy. Because Business strategy refers to a set of actions a business organization intends to undertake in order to improve on its competitiveness, service delivery and customer relations. It involves identification of competencies in core areas in order to gain comparative advantage over other firms.

If a company like OCE do not implement a right strategy might suffer through entire business aspects such as cost, effectiveness, competitiveness, operation or losing brand value, without a proper strategy companies cannot not get their desired goals.

Among all the problems have been identified in the company, Human capital issue is more priority to other issues as this issue refers to employees and people working in the company. Employees always have been classified as most important asset of a company where they are the one that give company name, reputation, success and profit. It's impossible to find an organization today without employee or

manpower. Therefore, their existence in the company is very essential and important. Optical Communication Engineering needs take this problem into consideration and focus on it more than other problems. Because human capital or manpower planning means deciding the number and type of the human resources required for each job, unit and the total company for a particular future date in order to carry out organizational activities. As it stated before employees or human capital has tremendous impacts on overall organization performance as it brings more managerial function, efficient utilization, motivation and higher productivity. For a company like Optical Communication engineering fails to understand the importance of human force or employees' manpower in the organization will suffer serious consequences and they'll cease from the market and competition.

### **2.3 B. One Area Network Coverage (Marketing):**

For internet service providers companies like OCE coverage and networking are very essential in order to expand the business and gain subscribers as much as possible. Another problem identified in OCE is that, this company only has networking coverage area for internet and that is Petaling Jaya compares to competitors such as P1 Buddy that has internet coverage in various area for instance in Kelana Jaya, Kelang, Demansara and Subang Jaya. In Telecommunication industry marketing and internet coverage areas are independent and have direct impact on each other. The wider coverage company provides or offer, the more customers would be aware of their product and services and expand their business. The restricted and limited network coverage by OCE indicates that the company is not effective in marketing as wider coverage give the opportunity to gain more customers or subscribers to increase brand's image and recognition.

The restricted area internet coverage of OCE would make the company to lose competitive advantages and chances or opportunities to gain more subscribers

## **3 Problem Solution**

This paper will concentrate on Marketing issue of selected company since this problem as has the priority to other identified problems, and it believed it's the company's biggest issue and the major reason why they are getting and getting less customers compare to their its competitors due to their poor effort and invest in marketing strategy and activities. The aim of

telecommunication marketing is to generate the highest level of revenue from your network and strengthen customer loyalty. If OCE continue to ignore the importance of marketing in their business, they will not be able to build strong relationship with costumers and their business and not capable to increase revenue and customer loyalty and protects their customer base against competitive activity from low-cost telephone service providers.

In Telecommunication industry marketing and internet coverage areas are independent and have direct impact on each other. The wider coverage companies provides or offer, the more customers would be aware of their product and services and expand their business. The restricted and limited network coverage by OCE indicates that the company is not effective in marketing as wider coverage give the opportunity to gain more customers or subscribers to increase brand's image and recognition.

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The solution will be given by using strategic planning model such as "Balance Scorecard" in order to provide solution in such a detailed and comprehensible and reasonable approach to gain desired outcome and help OCE to reach their vision and objectives.

**3.1 Application of Balance Scorecard** Just as telecom companies like OCE rely on several factors in successful marketing to provide constant information about their products, services, promotions, qualities and elevate advertisement in order to ensure to attract more customers of about the company and what they have that makes them different that other competitors. In that case managers of OCE are relying on multiple benchmarks to more accurately assess company's performance in an integrative way. It ensures us if OCE wants to acquire that successful sustainability in market and attract more customers, It's recommended that managers of OCE to follow Balance scorecard to achieve their strategic objective more effectively. Balance scorecard approach helps OCE to have better perspective of customers and expectation in their marketing plan and also helps managers to interact with their internal and external performance metrics in order to balance both financial and strategic goals.

### 3.1.1 Customer Perspective:

According to the researchers Kaplan and Norton (1996), “the customer perspective enables companies to align their core customer outcome measures - satisfaction, loyalty, retention, acquisition, and profitability - to targeted customers and market segments. It also enables them to identify and measure, explicitly, the value propositions they will deliver to targeted customers and market segments.

For the customer’s perspective OCE needs to be concern with their products and services in order to increase their revenue and profits. OCE needs to be very crucial with quality of their products and services. Increase in quality of products and service help OCE to maintain their customer satisfaction and loyalty and reduce the risk and cost of replacing faulty goods. OCE can build a reputation for quality by gaining accreditation with a recognized quality standard, such as ISO 9001, published by the International Organization for Standardization.

#### 3.1.1.1 Objectives:

- Customer retention: Obviously retention of customers is an effective way for OCE to keep current revenue level. Thus, it is very essential for OCE to measure customer retention from time to time in order to identify change trends. The fact that customers stay with the company proves that such customers are loyal towards it. Measuring customer retention is in some ways measurement of customer loyalty. OCE will be able to gain customer retention by offering more after sales services to show their commitment to their customers and value their needs. This would enhance the customer loyalty to the business and its company.

- Customer Satisfaction: Success in the above category depends on how well OCE meets customers’ needs. Customer satisfaction is all important. Satisfied customer stays loyal to the company. Customer satisfaction surveys have become extremely popular in all business spheres. OCE can acquire their customer satisfaction by increase and adding to quality of their products and services

- Customer Profitability: OCE should set their objectives by maximize profits by selling as much of its products or services to as many customers as possible. It seems logical to think that the more customers that OCE gets, the more profitable the company will be. However, OCE managers should also be aware that some customers are more profitable to the company than others. Managers should analyze their customers to determine those that are the most profitable, and most important to

keep satisfied,

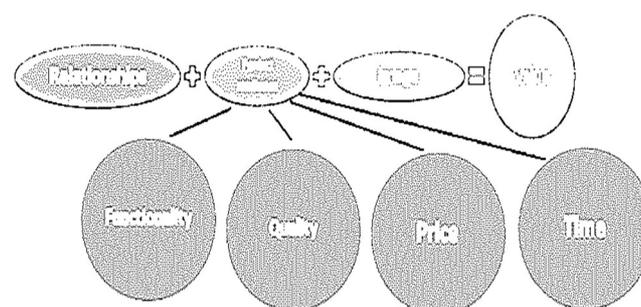
#### 3.1.1.2 Measures:

- Customer survey: Customer satisfaction surveys are a highly effective method of gaining feedback from your customers and play a vital role in measuring, managing and improving customer loyalty. Process of discovering whether or not a company's customers are happy or satisfied with the products or services received from the company. May be conducted face to face, over the phone, via email or internet, or on handwritten forms. Customer answers to questions are then used to analyze whether or not changes need to be made in business operations to increase overall satisfaction of customer

- Customer Profitability Analysis : Customer Profitability analysis is a measurement that help OCE to identify what percentage of their customers bring more profits to their business than those that contribute almost little to nothing. It is an application of segmented reporting in which a customer group is treated as a segment. It is especially helpful when combined with an activitybased costing approach that determines which activities are performed for each group and assigns costs based on appropriate drivers.

- Customer Value Proposition: Value propositions make it possible to better understand drivers of the core measures. The value proposition helps OCE to discover why the customer needs to buy their products and services. And also they can even recognize what is the expectation of the customers from their products and services in order to meet their goals. Usually what customers expect from telecom companies is quality of product, reasonable pricing, efficient service, reputation of the business and etc as shown in figure below:

Figure 2: Customer Value Proposition



Source:

<http://www.bsccdesigner.com/balancedscorecard-the-four-perspectives-customerperspective.htm>

A total value proposition, created to help OCE and their business unit, is a way of making them more desirable and attracting the right type of customers Strategies Initiative:

- Brand positioning: The positioning statement is probably the most important sentence in a marketing plan. Brand strategy is a long-term plan for the development of a successful brand in order to achieve specific goals. A well-defined and executed brand strategy affects all aspects of a business and it helps OCE to understand needs and want of their customers and prospects. A brand as a "name, term, sign, symbol or design, or a combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of other sellers.

Branding can support OCE to understand that is not about getting your target market to choose them over the competition, but it is about getting their prospects to customers they are the only one that provides a solution to their problem. Branding strategy is constructive method that can help OCE on multiple concerns such as:

- Purchasing:

A well-executed branding strategy makes it easier for OCE's customers to make purchasing decisions about their products. Customers would have a clear perception of the performance, benefits and quality of OCE products. The confidence that the brand will continue to meet their expectations minimizes customers' risk in purchasing the product. A strong brand helps OCE you build long-term relationships with your customers. Customers continue to buy from companies they trust, so it is important to continually reinforce the brand values that are important

- Distribution:

OCE can also strengthen their presence in retail outlets and distributors through a well-executed branding strategy. Retailers feel confident in stocking a product with a strong brand, because they know there is strong consumer demand for that product. Brand strategy can help OCE sell into retailers and build retail sales by stimulating demand.

- New Products:

A strong brand makes it easy for OCE to introduce new products that carry the same branding. The new

product could be a range extension -- a different size, colour or version of an existing product. In the minds of customers, the new product will have the same qualities as the existing range because of its association with the existing brand.

- Value:

A well-executed branding strategy ensures that OCE's brand makes an effective contribution to profitability through increased revenue, improved distribution and growth through new products. This, in turn, creates greater value for customers, making it easier for the company to attract not only customers also investors for fund future growth.

- Customer Acquisition: Acquisition strategy is a strategy designed to help companies focus on finding new prospects and converting them into customers as well as converting long-held prospects into paying customers. Acquisition strategy is key in sales and marketing. A successful customer acquisition strategy will be able to describe potential customers based on a theoretical ideal and know the size of the potential target market. This information allows OCE to shape their offerings based on the data they've collected about how their target customers responds when making purchases and enables OCE continually to gather data and feedback to improve future efforts based on customers perception of their product and service offerings. Customer Acquisition is about both push and pull marketing, meaning that acquiring customers isn't just about "hunting" them down. It's also about having the right information when they find the company.

This implies the key factor in customer acquisition is that, sales manager of OCE needs to know how to really listen to the prospect and get a firm idea of how that prospect feels about the potential of the products offered for sale. Once they correct data from customer's prospect and within right information they are able to offer product according to their expectation that would lead gaining and retaining customers for the business.

### 3.1.2 Financial Perspective:

As it state above The Financial Perspective covers the financial objectives of an organization and enables managers to track financial success and value. Financial perspective helps OCE how to be appeared to their shareholder's point of view.

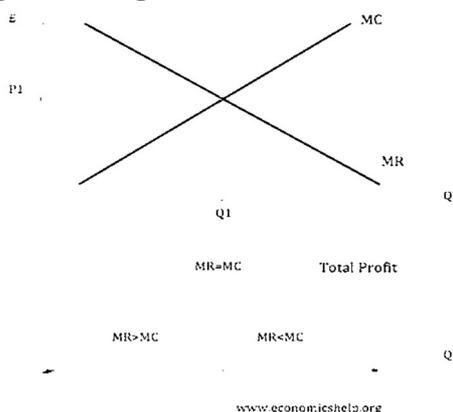
### 3.1.2.1 Objectives:

Of course finance's goal is to maximize the profit and revenue to generate enough cash to support the operation and business in order to sustain in the market.

- **Profit Maximization:** Profit maximization should be one of the primary goals in OCE which is ability for them to achieve a maximum profit with low operating expenses. Profit maximization is the process of identifying the most efficient manner of obtaining the highest rate of return from its production model.

The goal of this effort is not aimed at realizing some type of profit, but at achieving the highest profit margins that are possible, given the current circumstances. For this reason, the process will often involve a detailed investigation of all aspects of the company operation, the amount of market share held by competitors, the current status of the marketplace, and the desires of the targeted customer base.

**Figure 3: Diagram of Profit Maximization**



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To understand this principle looks at the above diagram. If the firm produces less than Q1, MR is greater than MC. Therefore, for this extra output, the firm is gaining more revenue than it is paying in costs. Total revenue will increase. Close to Q1, MR is only just greater than MC; therefore, there is only a small increase in profit. But, profit is still rising.

- **Reduce Cost Structure:** Cost structures are simply the identification of how costs associated with the production of a good or service is distributed throughout the process. There are different types of cost structures and these include transaction costs, fixed costs and marginal costs. OCE's goal must to minimize the cost that they need to spend for manufacturing their products in order to maximizing the profit. Reducing costs are always necessary for companies, at every stage it is a must so that the company can get more revenue. Business cost

structures are of two broad classes cost-driven and value-driven. Understanding these cost structures are a must for OCE, they differ significantly.

### 3.1.2.2 Measures:

- **Return On Investment (ROI):** Return on investment, or ROI, is the most common profitability ratio. ROI is a method to measure the benefit obtained from an investment. This helps OCE to discover how efficient they are using of their assets to generate profits. ROI helps OCE to measure how much revenue they are receiving after investment in their fixed assets. ROI can be calculated as:

$$ROI = \frac{\text{Gain from Investment} - \text{Cost of Investment}}{\text{Cost of Investment}}$$

A high ROI means more profit yielding to the shareholders or investors from the revenue they gained after the money they invested in.

- **Net Income:** Net Income is an indicator how much profit or income they generate after paying the expense, interest, taxes and depreciation. Net Income is useful indicator for shareholders to measure how much OCE is making for over period of time and comparing to previous years. If OCE produce more profit over the years it's a good sign for shareholders as their price of share increase and earn confidence to invest in the business.

- **Cash Flow:** Cash flow is a good measurement for shareholders to see how efficient OCE is at their spending. OCE is an indicator of cash outflow (money goes out of the company) and cash inflow (the money coming to the company) at any given time. OCE needs to keep a close eye on their cash flows. To do this, they should develop cash budgets on at least a monthly basis. Developing a cash budget means comparing cash receipts or revenues with cash disbursements or payments and determining net cash flow. This is how the small business owner knows how much cash is available each month.

### 3.1.3 Internal Business Process Perspective

Internal Business process gives perspective to OCE how to address the question of which process or strategies are the most critical satisfying their customers and shareholders.

For internal business process perspective, OCE's managers need to come up with business strategies that ensure future competitiveness, innovation and

organization learning that allow the company to create economic value (profit) for shareholders and adding value in their product and services for their customer satisfaction.

- Innovation: innovation is one of the most important/critical internal processes. Some companies are paying more attention to timely and effective innovation than traditional operational excellence. Importance of innovation is especially noticeable in companies with long development and design cycles such as OCE in telecom industry.

Innovation process consists of two elements: first, OCE needs to identify the market, size and peculiar features, customers' existing and possible needs and preferences as well as price limits for new products/services. OCE should have accurate and valid information on market size and imagine those new opportunities the new market can offer. Here questions OCE needs to take into account:

What benefits will be valued by customers in new products?

How innovation will help beat competitors in the new market?

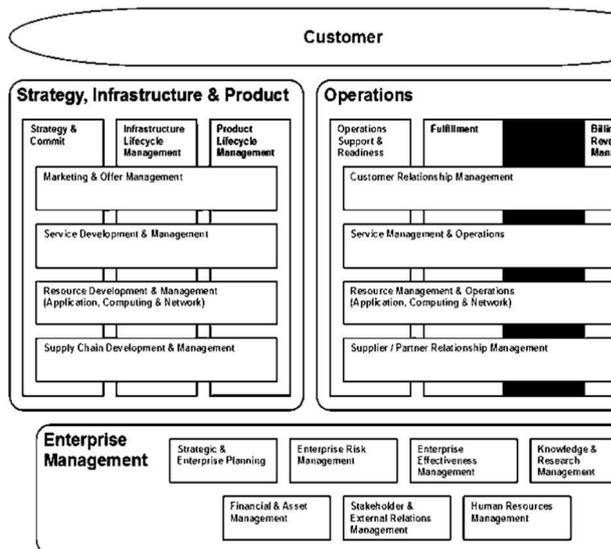
These seemingly simple questions require extensive research and creativity. Innovation is the answer. OCE must realize that now competitive advantage is gained through release of innovative products/services. It often happens that as soon as the company releases a new product it already has technology and plans to develop a new product. Thus, OCE must invest more on their research and development processes since it becomes extremely important in the business value chain. The innovation strategy allows OCE to spend more on innovation and research as much as maintaining operation and production processes which would able them to gain competitive advantages by attracting large group of customers and gain their trust.

- eTOM framework : eTOM stands for

Enhance Telecom operation management which is a management framework for telecom companies in order to increase efficiency in their its business process. eTOM is the most widely used and accepted standard for business processes in the telecommunications industry. An ongoing initiative of the TeleManagement Forum, eTOM delivers a business process model/framework for use by service providers and others organizations within the

telecommunications and related sectors industry. In order for OCE to assess and improve the performance of their business process, they must measure it in quantifiable terms. Generally to measure a business process, financial, external, internal measures are used. Financial measures track the difference between the value provided to customers and the cost of producing and delivering the product. External measures track customer expectation in terms of product cost, response time, variety, and quality as well as, customer satisfaction with product performance along these dimensions. Internal measures track the performance of the process in terms of cost, low time, flexibility and quality. Internal performance measures can thus be a predictor of customer satisfaction and thus financial performance if customer expectations have been identified accurately. In you can see several methods to evaluate and improve the performance of a business process.

If OCE wants to have a standard way to describe their company's processes and identify processes that require changes when new strategies and goals are announced, they need telecom process architecture like eTOM . eTOM is a business process framework that defines all major business processes in telecom service providers. Actually, it is one of Next Generation Operations Systems and Software frameworks. It has almost four levels in details from 0 to 3 levels in which 0 level shows the highest conceptual level of the eTOM and level 1 shows how the major process areas – Strategy, Infrastructure & Product and Operations – are decomposed and levels 2 and 3 are further decomposition of the previous processes' view.

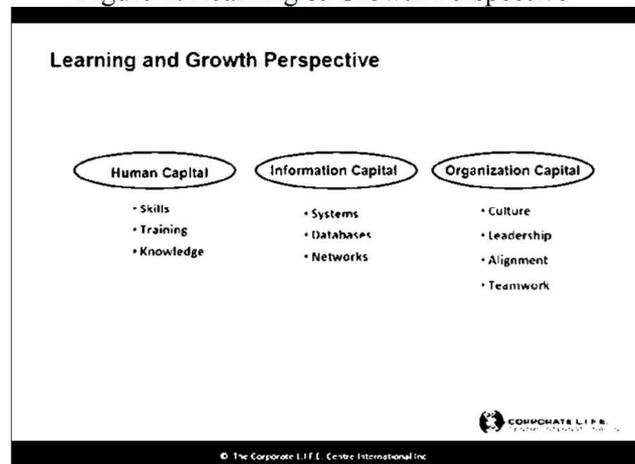


In the framework of eTOM level 1, fulfillment, Figure 3: eTOM Business framework

assurance, billing (FAB) is the core processes of operation processes. In the figure 2, the horizontal processes represent functional view points and vertical processes represent business viewpoints. Operations process shows flow and business elements for service fulfillment, assurance, billing and OSR. Strategy, infrastructure & product process for management and strategy of infrastructure and product life cycle supports this operations process.

**3.1.4 Learning and Growth Perspective:** Objectives in learning and growth perspective are drives that that encourage implementation of goals set in the financial, customer and internal processes objectives. The fourth and final perspective is the learning and growth perspective, which is, how OCE needs to plan “to develop and grow in order to continue to create value. The Learning & Growth Perspective focuses on the intangible assets of an organization, mainly on the internal skills and capabilities of the employees that are required to support the value-creating internal processes. The Learning & Growth Perspective focuses on. A generic model of Learning and Growth Model:

Figure 4: Learning & Growth Perspective



Source : [http://www.theclci.com/products\\_PMMS-BSC04.htm](http://www.theclci.com/products_PMMS-BSC04.htm)

In simple word, Learn and Growth model gives perspective to OCE how much they must learn, improve and innovate to meet objectives.

## 4 Linking Marketing Plan to Balance Scorecard:

In above we examined each perspective of balance scorecards and what actions OCE needs to take in order to satisfy their customers, shareholders and create value in their products in order gain competitiveness in the industry. But we need to ask ourselves, how those objectives and action plans or strategies for each prospective can help OCE to overcome their marketing problem?

### 4.1 Customer Prospective:

If OCE manages to gain customer satisfaction and retention by providing their desired product and services, this would lead maximizing their experience. Once a customer is satisfied of how company is treating them, he/she would a recommend OCE to other customers. This means that the satisfied customers would do the marketing for OCE by introducing the company’s business.

This would result increase in number of customers that can subscribe to the OCE’s products.

#### 4.2 Financial Prospective:

Once OCE generate enough profits and give the beneficial return on investment of shareholders, this give confidence to other investors or existing to invest more in company's stock price and this means more money coming to the company. Means OCE making more cash inflow than outflow. Within this cash OCE can spend them on advertising, promotion and expanding their product and service coverage on multiple areas rather than one limited area (PJ). This would result in increase and develop their business.

#### 4.3 Internal Business process:

Internal business process which involves both customer and shareholder perspective. This is where OCE needs to come up with efficient action plan as it explained above to obtain satisfaction of both customers and shareholders to meet their marketing goals.

#### 4.4 Growth and Learning:

Trained employees would give OCE ability to implement their marketing plan in superior, more well-organized and more efficient since they have essential knowledge, methods and familiar with latest trends. Research and Development would help OCE to gain knowledge in the industry and other competitors to identify and discover what other top rivals do on their marketing strategy and advertisement. This makes OCE to become second move advantage where they can learn and follow the bigger company in the market such as maxis and Digi and follow their methods to have sustained

long-term successful marketing strategy

### 5 Conclusion & Recommendation

Optical communication Engineering is the company with 20 years of experience has the potential to become one thriving company in telecom industry if they realize their problems and know how to overcome them. OCE has what it takes to earn the competitiveness among the other well-known telecom companies. OCE is one of the fewest manufacturing and broadband design telecom company in Malaysia, and one of the oldest internet service provider with long history of holding the licenses such as NSP (network service provider) and acquired connectivity technology from NTT (Japan) under transfer of

technology to produce a full range of optical integration products. These are can be evidence that to prove OCE has long history of success in telecommunication.

But today due to mismanagement and lack of responsibly from the top management team, OCE is facing multiple crucial issues in main aspects of the business organization. Problems in most essential area of business that identified in business project and they are: Marketing, Business Operation, and Human Resource and of course customer service.

Having problems in all of that area it ensures us OCE is in the deep trouble and they need a progressive long-term plan to consolidate and stabilize their position in the market.

In this paper recommendation and solution were given to only one aspect of their problematic area in OCE which was marketing. I believe this is where OCE has suffered the most and have went into decline ever since in compared to other identified problematic areas. In order for OCE to be a successful competitor in the market, as service provider should focus on creating innovative new value-added services to fulfill customer's want or need, and promoting them using marketing techniques. These techniques cannot be applied without marketing plan Marketing is given priority in telecommunication industry and if OCE wants to have long-term profit they need to come up with such an effective marketing strategy to stay in competition and fulfill customer's preference and demand.

The technique or model that was recommended for OCE to overcome their marketing issue was "Balance scorecard". This framework enables company leaders to monitor both current performance and the factors that drive future performance.

These capabilities make the Balanced Scorecard a powerful tool for measuring and managing marketing performance. A Balanced Scorecard helps OCE to measures marketing performance across four perspectives – financial, customer, internal process, and learning and growth.

Another recommendation can be given to OCE besides follow balance scorecard is how to use their resources and capabilities in efficient way. Although resources and capabilities that OCE is limited compares to other big telecom companies, but if they know how to use those resources in an effectual way would lead to at least achieve their short-term goals. The efficient way of using their resources and capabilities can be in three thing: Cost, quality and

time. OCE needs to learn how to spend money on their business operation and products and services in order to block overspending and wasting which can cause them financial difficulty or shortage of capital. OCE needs spend bulk of their current budge on advertising and marketing plan to expand their business to increase customer such as: Add coverage area on their internet service to acquire brand recognition in large quantity of costumers. OCE needs to be critical on their quality of products to gain their customer loyalty and retention since telecom companies do produce almost similar products, therefore they should remember that quality is one of the main factor that would help them to stand out among other rivals.

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Time refers the period that OCE needs to take of the problems and overcome them. If they do this in shorter period of time, they main gain advantage but if they continuously ignore the issues in time matter, not only they can solve the problems they would face bigger problems as the issues and problems become more and more as the business go on process.

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