



THE TIMES 100

BUSINESS CASE STUDIES

External stakeholders - BT

BT is one of the UK's largest companies and is one of the world's leading providers of communications solutions and services. BT is continuously developing new and enhanced services to meet the demands of its customers. BT develops and sustains relationships with its stakeholders. A stakeholder is any individual or group with an interest in the decisions made by a company. Maintaining these relationships is good for business in the long term.

External stakeholders - External stakeholders are those that are not part of the business. BT's main external stakeholders are the government and industry regulators, suppliers and partners, its customers and the community.

Government and industry regulators - BT must comply with rules and regulations set by the governments and industry regulators in the countries in which it operates. These stakeholders directly affect BT in several ways. They issue BT with licences to operate in the telecommunications sector. Without these licences, BT would have no business. Governments and regulators also set various technical and legal requirements. Ofcom is the regulatory body that creates standards and rules for the UK telecommunications industry. Ofcom seeks to ensure that companies like BT set fair prices for its customers.

Customers - A focus on customers is at the heart of everything BT does. To attract and keep its customers, BT seeks to offer the products and services demanded by businesses and consumers. This requires continuous investment in new services. For example, BT is investing £2.5 billion on creating wider Super Fast Broadband access across the UK. Through its research and development work, BT is able to offer more environmentally efficient solutions to its customers. For example, the latest wireless broadband BT Home Hub router uses almost 40% less energy and contains 25% less plastic than earlier versions.

Suppliers - BT has a global supply chain. It requires suppliers that can deliver the materials, components, products and services that will enable BT to achieve a technical and competitive advantage. Cost and quality are important considerations. However, BT also maintains an environmental focus to its relationships with suppliers. For example, when the company purchases components and products at low cost from the Far East, managers check that the low cost is balanced against environmental and other impacts.

Partners - BT is one of six official sustainability partners for the London 2012 Olympic and Paralympic Games. BT's role as a partner in the London 2012 Olympic Games is a business opportunity. BT's communications networks will help to make London 2012 the most successful and visually-rich games of all time. BT's Network will transmit every image and sports report and support every visit to the London 2012 website.



The community

All companies can have an impact on the communities in which they operate. This is why the wider community is an important stakeholder. These impacts can be positive. For example, businesses provide jobs, which have an impact on local economies. There can also be negative impacts, such as pollution and other environmental disturbance. All businesses must be sensitive to community concerns. BT plays a role in community building. One way it is doing this is by helping to make broadband internet access more widely available. 9.2 million adults in the UK have never used the internet; BT hopes to address this via its *Get IT Together* campaign to help people get online.

Questions

1. How does an external stakeholder differ from an internal stakeholder?

2. List the main external stakeholders of a business.

3. Explain why it is important for firms like BT to support the community.

4. Analyse the impacts that the government has on businesses like BT.

Task

Investigation . For a business with which you are familiar, carry out a short investigation to find out its positive and negative impacts on the local community. Write a report of your findings and, where possible, make recommendations about how it could reduce the negative impacts you have discovered.

What have you learned?

Create a summary circle showing the main learning points from the External Stakeholders session. Try to include examples of the different external stakeholders as well as the interests these groups have in the decisions of a business.