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| BUSINESS ANALYSIS REPORT 2022  2018 |
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| *“Marketing and Operational Report of Alpha Consortium Limited* |
| Table of Contents  EXECUTIVE ANALYSIS   1. INTRODUCTION    1. OBJECTIVE OF THE COMPANY   2.0. ANALYSIS  2.1 THE CURRENT SITUATION  2.1.1 Company background  2.1.2 Past analysis for alpha consortium  2.1.3 SWOT Analysis for Alpha Consortium  2.1.4 Analysis of SWOT and Pest  2.1.5 STP Analysis   * Segmentation * Targeting * Positioning   2.1.6 Current Strategy (Marketing and operations)  2.1.7 Risk Managemet  2.2 Proposed marketing plan  2.2.1 SOSTAC Framework  2.2.1.1 Situation –where are we now  2.2.1.2 Marketing mix (tactic)  2.2.1.3 Objective –where do we want to go  2.2.1.4 Strategy-How do we get there  2.2.1.5 Action-Who is responsible for what and when?  2.2.1.6 Control –How do we keep track of progress  2.3 Projected Revenue and sources  2.4 operational Challenges and Plan to overcome Them  2.5 Strategic integration of marketing and operation  3 Conclusion.  References   1. INTRODUCTION   This report proposes to discuss the current business strategies (marketing and operations) employed by Alpha Consortium Limited to contribute sustainable support services and values to clients (Discos, Gecos, TCN) within the Nigeria Electricity market operations. This services/values are delivered in order to secure percent of the market share, and increase the profitability and revenue of the Company.  Furthermore, the report will also investigate Alpha’s current plans to introduce a new services and products into the current services offers to clients and how the current business practices, and marketing strategies will best impact the introduction of the new services and products.   * 1. OBJECTIVE   The overall object of this report are as follow:   * Evaluate the existing marketing strategies a adopted by Alpha consortium limited * Review the quality of service render and its sustainability to the industry * Investigate the impact and benefit of proposes new products and services to the clients and Alpha as a company. * Review how the various marketing and operational strategies adopted can work together to ensure a successful introduction, planning, implementation, and monitoring of the new products and services * Establish how the both the existing marketing and operational activities, and proposes new product and services, will provide short term, long term values to clients and the shareholders.   2.0. ANALYSIS  2.1 *THE CURRENT SITUATION*  2.1.1 Company background  Alpha was founded in 2001 as an engineering, consulting and project management company situated in Lagos, Nigeria. As a private sector organization, it consults and advises various Federal and State Governments on all aspects of utilities management, arranging from power engineering, procurement & construction of Substation & transmission lines, network protection, control & monitoring, utilities metering (power, water, oil & gas), renewable energy and Information Technology deployment.  The key corporate strategy of the company is to actively provide a platform that will take leadership position in the Turnaround of the Nigerian Electricity market via strategic alliances with local and foreign institutions that are poised to participate in the opportunities emerging from the democratized Nigeria economy, this we aim to achieve via alliances, partnership and cooperation with local and foreign institutions that specialize in our core area of business. For the purpose of this report, the provision of engineering services which contribute over 90% of the company business revenue will be assessed and discuss due to the nature of new product and services being added to the market. The company recorded a consolidated turnover of 650 million with 25% operating profit before interest and taxes. With a strong reputation, quality of services to clients, and goodwill already established with the existing clients, the company is position to continue make profit as well as introduce new services that will improve the electricity sector runs by the clients. The Company key partners; Discos, Genco, TCN, Telecoms.  2.1.2 PAST Analysis for Alpha Consortium Limited   |  |  | | --- | --- | | POLITICAL | ECONOMIC | | * FGN inclusion of renewal energy implementation on exclusive list. * Government policies on unstable duties charges on power and solar equipment * Government policies and control on implementation of cost reflective tariff delay investment * Naira –Dollar rate exchange rate policies. | * Government is working hard to ensure stronger public-private partner in order to improve investment in sector. * Government subsiding the huge metering gap to grow and strengthen the sector. * Provision of infrastructure by building new substation and transmission lines | | SOCIAL | TECHNOLOGICAL | | * High levels of crime and political instability due to changes of government * High proportion of aging working population and younger population not experience to fill the gap * Vandalizing of power equipment and installation by youth | * Modern power infrastructure deployed to improve transmission and distribution of power by government reforms. * Deployment of smart prepayment meters and payment system * Telecommunication reform and investment impact in power operation |   2.1.3 SWOT Analysis for Alpha Consortium   |  |  | | --- | --- | | STRENGTHS | WEAKNESS | | * Well established reputation in services delivery within the power industry * Shareholder and staff are confident and well rewarded * Most successful in engineering services with well-trained experience workforce * Effective leadership at the organisation engineering research service delivery initiative * Effective and goal orientated corporate government at the board level. | * Current economic downturn has had a negative effect on the organisation turnover and profit * Unstable financial funding has halts the organisation sustainable research service delivery * Delay of projects due to lack of maximize funding * Banks unwillness to finance some level of government project in the sector * Political unrest which lead to high levels of crime and uncertainty * Inability of the organisation to accept execution of project in some area of the country due to crime and uncertainty. | | OPPORTUNITIES | THREATS | | * Increase in demand for electricity generation and distribution for production and economic growth * Increase population that is predominantly young or working age * Increase in employment opportunities will improve the company corporate image through increase social responsibility * Opportunity to connect through partnership with more companies globally * Collaboration with various environmental entities around the world to promote deployed renewable energy as source of clean energy. | * Introduction of new product/services during economically difficult season means more uncertain risk * Aggressive competition by foreign investor with modern technological services * Uncertain natural disaster like flood, covid-19 etc. * Saturated market with many prefer big name in the industry like siemen. |   2.1.4 Analysis of SWOT and Pest  The overall goal of Alpha is establish a mutually beneficial relationships and strategic alliances with best of class operators in the energy sector. The introduction of modern technological services such as deployment of advance smart metering, fault protective and detection, mobile smart payment backup with block-chain technology security, automated power transformer fire extinguisher, etc will keep the company in sync with its mission through developing and improving in rendering specialized modern technology services in the industry. The government of the day has being investing in the sector to improve the country energy generation and transmission capacity currently at 4 to 5 thousand which is considered insufficient, this has given the company the opportunity to continue to invest in research and development to exploit the market current needs in order to maxima its potential and sustain good position as service provider leader regardless of aggressive competition and community threat. The government lack of political will to fully open up the deployment of renewable energy (solar) with policies considered not appropriate, is still limiting the investment in solar energy regardless of the initial high cost of deployment. However, Alpha Consortium limited is considering the sector as the future if we want to improve in our energy generation.  2.1.5 STP Analysis   * Segmentation   The electricity industry of Nigeria is divide into generation, transmission and distribution section and Alpha position is to become a major player in the 3 levels of the industry, in conjunction with technical partners and with its vast knowledge of local conditions, content and experience, the company has position its services across the sector. However, in order to assess which segment of the market might best suit the organisation to render regular needed services affordable services , the company provides above 70% of their services in the distribution sector with is exposed to numerous operational problem arranging from vandalization of equipment, cables, etc which must be fixed to ensures continues services to customers. Alpha provides series of maintenance services like line tracing, installation of distribution transformer, string of lines, metering etc and this services some time involves signing of monthly/ yearly services rate agreement which comes with low rated billing as revenue. The introduction of new services like smart payment system will afford the Disco to improve their revenue collection real time and improve customer services.   * Targeting   In order to their revenue and working capital with seeking for loan or overdraft from bank, the company always take every opportunity to maximize their revenue , taking what other consider as small job like meter installation to boost its monthly working capital and at the same time creating more job opportunity for the contract staff. Those considered as big job, are mostly world bank, united nation sponsored project always employed few specialized technical staffs, capital intensive and regular job. It is the company policies to invest in research to come up with relative cheaper cost effective services and get their brand recognized and accessible to the Disco.   * Positioning   In line with Alpha’s current goal to have close working relationship nationwide as local utilities facilitator company that will touch the life of their client’s customer, believe that the smart payment system will position the mine of the Discos to always considered Alpha as their first choice when it comes to revenue collection. This believe has made the organisation to invest massively in modern technology, training of staff to quality services and minimum down time if any. The company want to engage in active promotional campaign in social media, radio and TV advertisement and also since the solution is web-base, they will ensure its interface with bank platform for easy usage.  The company other service will equally be promoted across the relevant industry needs. Alpha is considering increase the capacity of the off-grid standalone solar installation services rendered to telecommunication base station. One of the major telecommunication provider is their client and their target is to conduct more proof of concept (PoC) to other telecommunication provider in order to secure the market as a lead off-grid solar energy provider in that sector.    2.1.6 Current Strategy (Marketing and operations)  For the fact that Alpha Consortium has been in the power industry for over 20 years and has name as accepted brand across the sector of the industry, it is evident that the introduction of new services like smart payment solution, off-grid solar energy solution will form part of a diversification strategy that will further increase the company services portfolio which will increase its revenue and capacity in the industry. However, the successful introduction of the brand into the new market will be dependent on the organisation financial capacity that will be made available for the initiative, and moreso, what the company can afford to spend to promote the process of diversitying into the new market (Keegan, 2001). In accordance with Ansoff’s matrix, the introduction of a new product or services will involves a high of risks and this will require careful marketing and operational strategies so that cost can be keep at manageable and minimize the risk to the company. The effect of 4 p’s of the marketing mix will discussed later.  Ansoff’s Matrix   |  |  |  |  | | --- | --- | --- | --- | |  |  | Products | | |  |  | Existing | New | | Markets | Existing | Market Penetration  Consolidation  Withdrawal  Do nothing | Product development | | New | Market development | Diversification |   Increase Risk  2.1.7 Risk Management  As it is demonstrate in the above matrix, the process of marketing development by diversification involves a high level of risk, since it involves introducing a new product into new market (Lynch, 2008). Considering this, Alpha have to ensure proper research is conducted and adequate testing running of the solutions with various devices to be sure before deployment at clients’ site in order to minimize risk relating to entering into new market and ensure the solution is accepted by the end user.  2.2 Proposed marketing plan  Alpha’s goal to clients, is to continue to offer acceptable product and services regardless whether it old or new services, so that the company will continue to dominate the market space as old player. In order to provide a detailed description of the proposed marketing plan for introduction of the company product, SOSTAC framework will be considered as a guarded.  2.2.1 SOSTAC Framework  2.2.1.1 Situation –where are we now  Presently, Alpha Consortium is rendering series of service arranging from high capital construction services to low services like metering services to the 3 level players in the electricity industry in Nigeria. It is a major brand name within the industry and with a high reputation for corporate social responsibility, the company is in a good position to add new services that will improve client services to their current brand, provided is in line with their image of social responsibility. Although the last financial statement shows a decline in demand for construction of new substation and its profit due to no recent investment in new substation construction as result of economic downturn, other products and services shows a progressive steady increase in profit during the period. However, the introduction of any new product or services in the current market should at level of cost effective that will be affordable, accessible and acceptable to ensure Alpha’s continue dominant in the industry.  2.2.1.2 Marketing mix (tactic)  Alpha Consortium will :   * Price – offered services at competitive price in relation with other suppliers. * People –capable staff who are well trained to provide services * Product – offers a diversify service * Place -   2.2.1.3 Objective –where do we want to go  **SMART Objective**  Corporate objective are smaller, more achievable targets that will help the organisation to obtain its aims (Porter, 2004). Recently, more medium term goals that will lead to the achievement of organisation long term goal set in line with its aims (Kourdi, 2009). These objective must be SMART- which means, Specific, Measurable, Achievable, Realistic, and Timely (Whittington, 2000). With reference to the SWOT Analysis stated before, the following SMART objective have been formulated to help in marketing of Smart payment solution and Off-grid solar solution to industry player respectively :   * To conduct proof of concept of the off-grid solar energy solution at base station site of the telecommunication other players and will run at the clients site at least for a month after due consideration of energy usage cost will be compare for consideration. * To obtain a 50% market share of deployment of the smart payment in all the Dscos site in country by the end of 2023. * To enhance the company’s current services rendered of corporate social responsibility and ensure sustainability through quality, accessible and affordable services to all the industry players.     2.2.1.4 Strategy-How do we get there  Taking the smart payment solution first, the marketing team, will conduct experimental marketing across the industry by initiating meetings, conduct presentation to demonstrate the efficient and effectiveness of the solution on different devices suitable to the marketing teams and management of the targeted Electricity distribution company. The second product, off-grid standalone solar solution should go through PoC after due consultation and presentation, identifying the cost benefit to usage of diesel at their site. This marketing will point at Alpha Consortium as solution provider and also improve the corporate social responsibility image of the organisation, whilst promoting the product/services and stimulating demand in the appropriate market segment. This will help to achieve the organisation overall objective set for the new services deployed to the market.  2.2.1.5 Action-Who is responsible for what and when?  The research and development department will be responsible for researching and carry out continuous testing on different devices and trained the marketing team on the usage. The Marketing team will need to ensure that appropriate feedback is given to the research team to make any necessary amendment before promoting the product. The technical team will manage the operations side of the business, and ensure that the correct level of capacity is made available to the clients and is efficiently utilized to ensure streamlines services levels that are capable of meeting demand.  2.2.1.6 Control –How do we keep track of progress  The marketing team will ensure constant monitoring and controlling of marketing activities and operational strategies, the company needs to regularly revisit the overall corporate objective of the company, in addition to those objective set to grade the introduction of the new product. Timely marketing research into the client’s needs, as well as the actions and strategies adopted by any competitor brands will keep the products target and positioning on the right track.  2.3 Projected Revenue and sources  The expect profit margins for the newly introduce services are expected to be relatively low to comparison to other service render by the company. In most case the cost of promoting this service has to be keep lower to sustain reasonable of spending. Training of client’s staff can be offered at site to reduce spending. It is possible that level of acceptance of the services will increase in long term provider the marketing team keep promoting the product over time to the right end user. There also a proof possibility that telecommunication market will grow faster in long term considering the high cost running generator this days. With the further introduction of the new services, the consolidated revenue of Alpha might surpass the projected revenue taking into consideration the exploitation of the Telecommunication market with thousand numbers of base station.  2.4 operational Challenges and Plan to overcome Them  Alpha consortium smart payment solution is locally developed solution that need constant research attention. The current IT programmers are working on contract base except the IT Manager that supervised the team. With the current high staff turnover in IT profession, I believe Alpha should offer  Permanent employment to the team and also sign agreement with the IT manager that the product designed will not be transferred to competitor under any circumstance. Also the company should proceed to register the product Trade mark officially.  The cost solar panel, battery etc are expensive and to have all the product in stock mean capital investment for Alpha Consortium. However, Alpha should source for cheaper finance in order to provide cheaper service that will be acceptable and profitable to all stakeholders.  2.5 Strategic integration of marketing and operation  The marketing and promotions needs to ensure that there is sufficient demand alignment stimulated by various marketing presentation and experiment in order to support the technical team deployment levels. Constant communication between the marketing team and the operation (technical) is important in order to ensure meeting clients demand at appropriate time. The technical team has to formulate grant chart to ensure streamline project implementation at all time.  3 Conclusion.  Alpha Consortium limited, as major stakeholder in the power industry currently offer series of services to the Disco, Gecos and TCN. Such service include, construction of injection substation for both Disco and TCN, Installations od distribution transformers, metering service, solar installation, etc. As a well-established company with a reputable image in the industry, in conjunction with reputable partners, expand or diversify into manufacturing of prepayment meter to reduce meter gap as propose by Federal Government to reduce overbilling, under billing of the consumers. This will sustain more value from the company to the Nigerian consumers.  References |
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