

## **STRATEGIC MANAGEMENT IS NECESSARY TO ENSURE THE ABILITY TO ADAPT TO THE CHANGING EXTERNAL ENVIRONMENT**

**Nasser Khamis Nasser AL Ghadani<sup>1</sup>, Mohd Burhan bin Ibrahim<sup>2</sup>, Muhammad Sabri bin Sahri<sup>3</sup>**

<sup>1</sup>Mr. International Islamic University, Malaysia, asool\_926@hotmail.com

<sup>2</sup> Assoc. Prof. Dr. International Islamic University, Malaysia, asool\_926@hotmail.com

<sup>3</sup>Prof. Dr. International Islamic University, Malaysia, asool\_926@hotmail.com

### **Abstract**

There are many organizations that exist in complex, unstable, and increasingly global environments, and these organizations face a multiple set of challenges from their uncertain and complex external environment. The general objective of this study is to conduct a comprehensive application of a set of models that have been developed into tools for critical strategic analysis of the external context of a case organization operating in Nigeria. This study also aims to clarify the role of the external environment and its importance for understanding organizational behaviour so that the organization can implement and implement a comprehensive management strategy. This study depends on conducting an appropriate analysis of the external environment.

As a result of the continuous analysis and evaluation of the environment in which the organization operates by managers and human resources executives, it is found that it can assist in decision making in response to environmental changes. It can be observed that the results indicate that "the external environment consists of all entities that exist outside the boundaries of the organization, but have a significant impact on the organization's survival, growth and continuity and therefore, organizations need to constantly monitor and adapt to these external changes through a proactive or reactive response.

**Keywords:** Strategic management, external environment, Diasite, Nigeria's economy, case organisation

### **1. INTRODUCTION**

Many Organisations exist in environments that are complex, unsteady and increasingly more global, facing variety of challenge from their uncertain and complex external environment (Aaltonen, 2011). However, Szyliowizz and Galvin (2010) points out that the role of the external environment is very crucial to the understanding of the organisational behaviour. Therefore, it appears conceivably that for an organisation to implement management strategic a proper analysis of the external environment must be done (Human and Naude, 2010).

Although, business environments are progressively more complex to understand, Pitts et al (2010) acknowledge that organisations can deal with the challenges as well as identify the opportunities in the conceptualisation of the external environment. This can be achieved when the environment in which an organisation functions is constantly analysed and evaluated by the Mangers and the Human Resource executives, thus, assisting in decision making in reaction to environmental changes (Chalhoub, 2009). Additionally, strategic management theorist opined that organisations should actively manage and implement

their strategy in such a way that adaptation to environmental forces is ensured in order to combat/cope with the challenge of the external context (Lee, 2010).

For this reason, the focus of this essay is to undertake a comprehensive application of a range of models that has been developed into tools for critical strategic analysis of the external context of a case organisation that is operating in Nigeria a country in West Africa. The essay is also aimed at evaluating the impact of the external environment on the organisation's aspect of the human resource division in strategizing competitive advantage in relation to opportunities, combating the threats that might hinder the organisation's survival and success. The essay also discusses the key drivers of change and the effect on human resource practices in the organisation.

The case organisation is a Management majority owned business in which the author was employed as a customer care agent for eighteen months. For the purpose of this essay, the case organisation shall be referred to as Diasite.Com (Diamond satellite Communication). It is a cooperate business involved in broadcasting, telecommunication and internet services overseen by a young female chief executive officer, making the organisation female friendly, giving the author an easy entrance. However, the information about the case organisation is based on the author's experience while employed in the organisation and is not backed up with facts.

Established in 1995, Diasite launched a straight to home satellite television services through the Astra satellite with six free to air channels including Daisite News, the first non-stop 24 hours channel in Nigeria. Daisite's first customer services/management centre was inaugurated in Lagos, Nigeria. With the merging of Daisite and Divecom (Diverse Communication) in 2000, Daisite communication (daisite.Com) was formed. Daisite.Com is a leading private broadcasting and telecommunication firm in Nigeria that provides broadcasting, internet and telephone service all over Nigeria and to some surrounding countries like Ghana and Benin. In 2005 Daisite.Com launched multi-channel mix of seven basic subscription channels comprises of Sports, Movies, Cartoon, News, Documentaries, Music, Occasions and events, and then the launch of high definition channels (HD mix) in April 2010.

The case organisation's competitors are DAAR SAT, GLOBACOM, DSTV AND STAR COM. The organisation has three main business structure; Broadcasting, Telephone and Internet services, with four major departments which are: Technical, sales/marketing, billing and cancellation department These main business structures are maintained and managed by experienced professionals in Financial/accounting, Information technology systems, Legal and Regulatory constitution and Risks Management all reporting to Human Resources and in turn to the Chief Executive Officer.

Diasite.Com Head Office is located in Lagos, and has five branches located in Abuja, Port-Harcourt and Kaduna in Nigeria, Cotonou in Benin and Accra in Ghana. For the purpose of this essay the author will focus on the Lagos office where the author was employed as a customer care agent. Diasite.Com Lagos office comprises of about 600 permanent staff, 280 contract staff and 30 interns, with employment contract of three types. The permanent contract are given to professionals with ample experience in the job area, on the other hand the fresh university graduates with insufficient experience in the job area are either on part-time or fulltime contract, while the interns are under the flexible contract of three to six months.

Diasite.Com, being a well-structured organisation, the author employs four tools and models, that is, PESTLE, STEEPLE, PORTER'S FIVE FORCES AND SWOT analysing and applying them to the external context of the Organisation.

These various tools and models have been employed by researchers and analysts in analysing the external environment in which an organisation functions. These tools/models advanced from PEST in the 1980s to PESTLE in the mid-1990s showing a distinction between political and legal then progresses to STEEPLE which incorporated ethic (Appendix 1) model by early 2000s (Kew and Stredwick, 2008). Additionally, Hannagan (2002) earlier noted that the models have evolved to SPECTACLES. (Appendix 1)

However, the author will be making use of the STEEPLE to analyse the macro environment of the case organisation because it incorporates other tools (PEST and PESTLE), hence, reducing repetitions.

Using the social factor in STEEPLE model in analysing the external context, it is discovered that the population of Nigeria is estimated at over 152.2 million with approximately 2% growth rate, fertility rate is about 4.82% and birth rate as 36.07%. The median age is 19.1 years with the males at 19 years and the female at 19.2 years. The working population of Nigeria is between the age of 15 and 65 which makes up 55.5% of the population. Nigeria is made up of over 250 ethnic group, the most populous being the Igbo, Yoruba and Hausa that makes up 18%, 21% and 29% of the population respectively. The major religions are Christian (40%), Muslim (50%), and Indigenous beliefs (10%) (NDP, 2010). These provides diverse pool of

customer for Diasite.com, furthermore, the several festivals, celebration and events has also provided Diasite.Com the ground to broadcast live and recorded programs that will be interesting to various people with diverse culture and believes.

Analysing the technological factors it is discovered that in the past decades to present Nigeria is witnessing an exceptional rise in technology especially in IT systems and mobile telephones which result in Nigeria been awarded the fastest growing telecommunication and technology market in Africa with high rate of mobile and internet users (World Bank, 2009). This has enhance the performance of the organisation of meeting the needs of their customers, opening customer service centres which enable customers to call either to upgrade their TV package or to complain about problems to any of the services, therefore, with the availability of internet and IT systems that can be cared for immediately while the customers are online, reducing the rate at which engineers are sent out. Thus, creating a competitive hedge, since technology is an advantage an organisation can possesses (Kew and Stredwick, 2008).

Regarding the economic factor, Nigeria main economic revenue is petroleum oil ([http://www.economywatch.com/world\\_economy/nigeria/](http://www.economywatch.com/world_economy/nigeria/)). Although, Ajakaiye and Fakiyesi (2009) confirms that the 2008/2009 global economic recession has great impact on Nigeria's economic, leading to increase in the rate of unemployment, pay cut/freeze and redundancy (CBN, 2010), due to the impact it has on industries. There is an increase in mixed performance of the economy in recent time (Onu, 2011). Nevertheless, Diasite.Com benefitted from the redundancies and layoffs of employees from these industries, in filling the vacancies in their call centres. Furthermore, Beckman (2009) points out that lack of adequate social infrastructure and amenities such as good road and electricity also result to the unstable economy. Moreover, the Militants agitation crisis in the Niger delta region also leads to the constant increase in petroleum prices (Ekpo and Afangideh, 2009). However to combat this problems the government uses taxes to redistribute revenue and create resources for public services (Onu, 2011).

Regarding the environmental factors of the business context Campbell and Craig (2005) acknowledge that there are always environmental impacts from/to the Organisation, due to the fact that every organisation make use of the resources in the environment, discard wastes and generate gases from gas and electricity usage. Employees are admonished to switch off lights whilst is not in use during the office hour and at the end of day. Additional, extreme and disproportionate usage of papers is discouraged. Due to the instability of electricity generators are often used, however, generators are kept in such a way as to reduce noise and air pollution. As a tropical rain forest region, Nigeria experiences heavy rainfall (Wilkinson, 2008). [http://www.channelstv.com/global/news\\_details.php?cat=Local&nid=25935](http://www.channelstv.com/global/news_details.php?cat=Local&nid=25935)), which would have increase employees' absenteeism during the raining season, hence to ensure that employee come to work, staff buses are situated in strategic areas to take employees to and from work.

Considering the political factor of the business context, Allan (2004) states that all business function in a nation state and that all decisions made by the political body encompasses several implications on the way the objectives of the organization is achieved. Since the adoption of democracy on the 29<sup>th</sup> May 1999 (Omo-Bare et al, 2008), reform policies have become a main concern of the Nigerian government. The core part of the country has been the National Economic Empowerment and Development (NEEDS) (USAD, 2006). Their main aim is to improve the growth of the non-oil sector, enhance the economic stability and restore inactive local industries to thrive and adequately compete with in and out the country (<http://www.nigeria-planet.com/Democracy-and-Nigeria.html>).

Regarding legal factors, there are law that guides the operations of business in Nigeria. There are also broadcasting and telecommunication regulation bodies that supervise the activities of broadcasting and telecommunication organisation, to ensure the right procedures are adhere to such licensing regulations, health and safety laws and customers' data protection.

Analysing the ethical factor of the external context, it is discovered that it influences the culture of the organisation, in respect as to mode of dressing; hence, employees are under obligation to strictly obey code of conducts and culture of the organisation on modes of dressing and floor adherence, the organisation is also strict on the matter of lateness and absenteeism as well as the kind of words used on the floor and to customers. This, McCraw et al (2009) says will enhance performance.

Nigeria is a mixed economy with various private and public industries guided by legislation (<http://www.nhcuk.org/about-nigeria>), hence, due to the socioeconomic and technological factors that are dynamic and somewhat turbulent, the case organisation act as Prospectors as well as Reactors (Mile and Stow, 1978 cited in Kew and Stredwick, 2008) (Appendix 2). Therefore, the three key drives of change to Diasite.Com are Social, Economic and Technological factors.

Social factor is the first key driver, existing in a country with diverse culture, various festivals, and population

with mixed age range and religion, Diasite.Com make it their aim to structure their viewing package in such a ways that will interest of the majority, designing the programs in such a way that will be available in different language and culture. Due to the verse geographical region, smaller distribution centres where also opened for quicker and easier access to customer. To also have high customer satisfaction, the HR recruited people who could speak two or more local language to work at the call centres as customer care agent. This strategy is essential because when the right employees and resource are put in place it results to high performance (Farndale et al, 2011).

The second key factor is economy which is very important to the survival of an organisation. Diasite.Com HR utilised the availability of worker due to the unemployment rate and the fact that most employees are made redundant due to the economic recession to recruit more workers that are then sent to other regions of the country where the population of skilled and educated people is very low, hence making up for the shortage of staff in those centres/offices.

The third key driver of the organisation is the technological factor of the country that continuously improving. Hence, to due to globalisation there is improvement in the broadcasting and telecom technology. Therefore, to enhance customer satisfaction, the organisation integrated an Enterprise Resource Planning System, which is needed to remain competitive and enhance responsiveness to change (McLaughlin, 2010). The normal customer signal receiving box was also upgrade to enhance picture quality and to support the new television technology of high definition. Thus, the HR saw the need to recruit workers skilled in the high definition television equipment.

According to Brooks and Wheatherston (2000) these model are useful in identifying major external factors that can create opportunities as well as problems. Nevertheless, Macmillian and Tampoe (2002) argued that the tool is liberal and very complex to apply. The tool is also said to be overlapping (Thompson and Martin, 2005). However, Farnham (2005) emphasised that the interrelation ensures accuracy and heightens strategic performance.

Having completed the analysis of the Diasite.Com external environment, the author will carry out an analysis on Diasite.Com internal environment using Porter's five forces model (Johnson et al, 2008). (Appendix 3)

**Threat of entry:** In other to attract customer and cross the barriers of entry, new entrants introduced lower price for the service but the length and condition of their contract with customer leaves customer coming back to Diasite.Com. Furthermore, the fact that Diasite.Com supplies services for television, telephone and internet on one account, for more convenience, customer chooses to stay with Diasite.Com.

**Threats of substitutes:** since other organisations do not provide all three servicing but provide either one or two, most customers choose to stay with Diasite.Com. Additionally, having subscribed Diasite.Com television/viewing package it can be watched via the internet on computers and laptops and on mobile phone. Hence ensure flexibility for customers.

**The power of buyer:** customers wants to pay the best price, thus, they tend to squeeze the supplier to get the lowest price possible (Johnson et al, 2008). However, Daisite.Com has kept their customer by giving seasonal offer of half price and the option of paying for two services and getting one free. Additionally, due to the fact that Daisite.Com has a long and reputable standing, international organisation such as BSKYB (SKY TV) sell some of the television package to them to broadcast in Nigeria, which also result in the majority choosing to go with Daisite.Com.

**The power of supplier:** due to the wider coverage of Diasite.com most companies contracts their organisation's commercial advertisement to Diasite.Com. Additionally, Diasite.Com has various companies that supply them with equipment and technical materials to ensure adequate and quick delivery of services.

**Competitive rivalry:** due to the oligopolistic nature of the competition, there is competition between the various organisations. However, due to the growth and improvement in the telecommunication and broadcasting sectors the competition is not intense. Moreover, the heterogeneous/diverse nature of the services give room for less intense competition showing the sector is in the growing phase (Kew and Stredwick, 2008).

The author also acknowledged Shell Directional Policy Matrix and Boston Matrix but decides to use Porter's Five Forces Model because it is more suitable and confirms the real position of Diasite.com, explaining the complex behaviour of an organisation (Kew and Stredwick, 2008). However, Recklies (2008) argued that Porter's model focuses more on the economic situations of the moment the business originated, hence, restricting its practicability when under changing environment.

Therefore, to augment the analysis of the internal and external environment /context, SWOT analysis will be

used by the author to evaluate the opportunities, threats, weaknesses and strengths (Appendix 4).

**Strengths:** Being a large firm with a long period of establishment Daisite.Com has a strong financial base. Their multi-lingual employees enhance the customer satisfaction and aid their marketing strategies. The diversity and variety of the Television package and other services give Diasite.Com a wider coverage within and outside the country, not to leave out their young and dynamic management with innovative working practices such as flexible working hours.

**Weakness:** Shortage of staff in some regional offices/call centres hamper performance in those region. Also, the rate of absenteeism during bad weather affects sales and performance during those periods. Furthermore, the lack of constant in-house training and induction for existing employees in other to align with the changes in technology also affect performance. However, the HR Management is looking at enhancing the training programs for existing employees.

**Opportunities:** Diasite.Com is a good and popular household name which enhances the scope of coverage. The diverse socio-cultural factors of the country give an edge in the designing of their viewing packages, thus, making it appealable to a wider range of customers. The large working population gives an opportunity to recruit worker to fill the shortage in staff at the region with less educated and unskilled population. The fact that they have BskyB as one of their supplier also gives them edge over their competitors because it gives them access to broadcast international programs. The introduction of fibre optics also aid in their wider coverage.

**Threats:** Instability of electricity in the country increases their expenditure as the cost of generating power is expensive due to the increase in fuel price. This also incur increase in the cost of carrying out an installation as engineers will have to visit customers in their various home to install their satellite receiver, signal box and router or repairs visit. The lack of sufficient skilled worker also incurs cost for the organisation as skilled worker will have to travel form one region of the country to another. Poor service network as a result of bad weather also impale performance in the period of bad weather condition. The rate of new entrants increases the rate of competition. However, the improvement of Diasite.Com facilities has minimised the effect of bad weather on the network

Therefore, SWOT tool is appropriate because it aligns the internal factors to the external factors (Thompson and Martin, 2005). Additionally, Kew and Stredwick (2008) confirms that it is easy to understand and use, encouraging managers to analyse the external and internal context of the business and when use properly. It focuses on causal action giving detailed analysis on response to the external business context (Carlsen and Adersson, 2011).

However, when used with other models and tools it gives both present and future analysis of the external context and its' impact on the internal context of the organisation, which enhance an organisation's core competence (Johnson et al, 2008).

## CONCLUSION

There is the acknowledgement that organisations are changing speedily, thus, adopting various tools and models as did in this essay in the analysis of the case organisation context ensures the continuous survival of the organisation (Smith, 2011). Therefore, rather than using a single tool that will produce a vague analysis, the use of various tools and models will adequately analyse the business context. Although, various author critic the models both in constructive and unconstructive ways, the tools and models has reveal the key drivers for change in the case organisation, showing the position of the of the organisation and how it interact with the external environment. Moreover, Chalhoub (2009) also confirms that for an organisation to have the ability to navigate through the different external environmental factors, all the managers together with the Human Resource executives must have a comprehensive knowledge of the external environment and its' impact on the internal environment of the organisation.

Consequently, the author agrees with Gupta (2009) that points out that "the external environment comprises of all the entities that exist outside the organisation's boundary, but has significant influence on the organisation's survival and growth,... thus, organisations needs to constantly monitor and adapt to these external changes having a proactive and/or reactive response".

## REFERENCE LIST

Aaltonen, K. (2011) Project Stakeholder Analysis as an Environmental Interpretation Process. *International*

*Journal of Project Management*, 29 (2), pp: 165-183.

- Allen, S. (2004) *News Culture: Culture and Media Studies*, (2<sup>nd</sup> Edition). Berkshire/England: McGraw-Hall Education.
- Ajakaiye, O. and Fakiyesi, T. (2009) *Global Financial Crisis Discussion Series, Paper 8: Nigeria*. [Online] <http://www.odi.org.uk/resources/download/3310.pdf> (Accessed on 10<sup>th</sup> March 2011)
- Beckman, B. (2009) *Trade Union and the Politics of Crisis: South Africa and Nigeria Compared*. *United Nations Research Institute for Social Development*. [Online] [http://www.unrisd.org/unrisd/website/events.nsf/d063b7f4013ddaeb80256b59004b47a3/b61b97330ad3c430c12576a3002c1580/\\$FILE/Beckman.pdf](http://www.unrisd.org/unrisd/website/events.nsf/d063b7f4013ddaeb80256b59004b47a3/b61b97330ad3c430c12576a3002c1580/$FILE/Beckman.pdf) (Accessed on 10 March 2011)
- Brooks, I. and Weatherson, J. (2000) *The Business Environment: Challenge and Changes* (2<sup>nd</sup> Edition). Harlow: Prentice Hall.
- Burt, G. (2006) *Toward an Understanding of the link between Environment, Discontinuity and Volitional Strategic Change*. *International Journal of Business Environment*, 1(3), pp: 320-335.
- Campbell, D. and Craig, T. (2005) *Organisations and the Business Environment*, (2<sup>nd</sup> Edition). Oxford: Butterworth/Heinemann.
- Carlsen, J. and Adersson, T. (2011) *SWOT Analysis of the Public, Private and Not-for-profit Festival*. *International Journal of Event and Festival Management* 2 (1), pp: 1-19.
- Central Bank of Nigeria (CBN) (2010) *The Nigeria Banking Industry: What Went Wrong and the Way Forward*. [Online] [http://www.cenbank.org/out/speeches/2010/the%20nigerian%20banking%20industry%20what%20went%20wrong%20and%20the%20way%20forward\\_final\\_260210.pdf](http://www.cenbank.org/out/speeches/2010/the%20nigerian%20banking%20industry%20what%20went%20wrong%20and%20the%20way%20forward_final_260210.pdf) (Accessed on 10<sup>th</sup> March 2011).
- Chalhoub, M. S. (2009) *The effect of Management Practice on Corporate Performance: An Empirical Study of Non-Governmental Organisation in the Middle East*. *International Journal of Management*, 26 (1), pp: 51-76.
- Conti, T. (2010) *The Dynamic of Value Generation and their Dependence on an Organisation's internal and external Value System*. *Total Quality Management and Business Excellence*, 21 (9), pp: 885-901.
- Ekpo, A. H. and Afangideh, U. J. (2009) *Global Economic in Crisis: A Re-Thinking of Received Economic Doctrine with some Evidence from Nigeria*. [Online] <http://www.aercafrica.org/documents/rethinkingworkshoppapers/EkpoAfanghide.pdf> (Accessed on 10th March 2011)
- Farndale, E.; Hope-Hailey, V.; and Kelliher, C. (2011) *High Commitment Performance Management: The Role of Justice and Trust*. *Personnel Review*, 40 (1), pp: 5-23.
- Farnham, D. (2005) *Managing in a Strategic Business Environment*. London: CIPD.
- Gupta, A. (2009) *Organisation's External Environment. Practical Management Transforming Theories into Practice*, [Online] <http://www.practical-management.com/Organization-Development/Organization-s-External-Environment.html> (Accessed on 3 March 2011)
- Hannagan, T. (2002) *Management: Concept and Practices*. Harlow: Pearson Education.
- Ivanova, O. and Castellano, S. (2011) *The Impact of Globalisation on Legitimacy Signal: The Case of Organisations in Transition Environment*. *Baltic Journal of Management*, 6(1), pp: 105-123.
- Johnson, G.; Scholes, K.; and Whittington, R. (2008) *Exploring Corporate Strategy: Text and Cases*, (8<sup>th</sup> Edition). London: Pearson Education.
- Kew, J. and Stredwick, J. (2008) *Business Environment: Managing in a Strategic Context*, (2<sup>nd</sup> Edition). London: CIPD.
- Lee, R. P. (2010) *Extending the Environment-Strategy-Performance Framework: The Role of Multinational Corporate Network, Strength, Market Responsiveness and Product Innovation*. *Journal of International Marketing*, 18 (4), pp: 58-73.
- Macmillan, H. and Tampoe, M. (2000) *Strategic Management*. Oxford: Oxford University Press.
- McCraw, H.; Mofeit, K. S. and O'Malley, J. R. (2009) *An Analysis of the Ethical Codes of Corporate and Business School*. *Journal of Business Ethics (The Netherlands)*, 89(1), pp: 1-13.
- McLaughlin, S. (2010) *Dangerous Solution: Case Study of a Failed e-project*. *Journal of Business Strategy*, 31 (2), pp: 24-33.
- Nigeria Demographics Profile (NDP) (2010) *Nigeria Demographics*. [Online] [www.indexmundi.com/nigeria/demographics\\_profile.html](http://www.indexmundi.com/nigeria/demographics_profile.html) (Accessed on 3 March 2011)

- Omo-Bare, I.; College, M. and Jackson, M. (2008) The Democratic Transition in Nigeria. [Online] <http://teachersites.schooldesk.net/content/4/82/4871/my%20files/Democratic%20Tranistion%20in%20Nigeria.pdf>. (Accessed on 10<sup>th</sup> March 2011).
- Onu, E. (2011) Nigeria Economy Record Mixed Performance [Online] <http://allafrica.com/stories/201102070595.html> (Accessed on 3 March 2011)
- Pitts, D. W.; Hicklin, A. K.; Hawes, D. P. and Melton, E. (2010) What Drives the Implementation of Diversity Management Program? Evidence from Public Organisations. *Journal of Public Administration Research and Theory*, 20 (4), pp: 867-886.
- Recklies, D. (2008) Beyond Potter: A Critique of the Critique of potter. [Online] <http://www.themanager.org/Strategy/BeyondPorter.htm> (Accessed on 3 March 2011)
- Ross, A. (2011) Supply Chain Management in an Uncertain Economic Climate: a UK Perspective. *Construction Innovation*, 11 (1), pp: 5-13.
- Short, J. L. and Toffel, M. W. (2010) Making Self-Regulation more than Merely Symbolic: The Critical Role of the Legal Environment. *Administrating Science Quarterly*, 55 (2010), pp: 361-396.
- Smith, I. (2011) Organisational Quality and Organisational Change: Interconnecting Paths to Effectiveness. *Library Management*, 32 (1/2), pp: 111-128.
- Szyliowicz, D. and Galvin, T. (2010) Applying Broader Strokes: Extending Institutional Perspectives and Agendas for International Entrepreneurship Research. *International Business Review*, 19 (4), pp: 317-332.
- Thompson, J. and Martin, F. (2005) Strategic Management: Awareness and Change, (5<sup>th</sup> Edition). London: Engage Learning.
- USAID (2006) Quarterly Progress Report: Restructured Economic Framework for Openness, Reform and Macroeconomic Stability. Nigeria REFORM Project. [Online] ([http://pdf.usaid.gov/pdf\\_docs/PDACO801.pdf](http://pdf.usaid.gov/pdf_docs/PDACO801.pdf)) (Accessed on 11<sup>th</sup> March 2011)
- World Bank (2009) Nigeria at a glance. [Online] [http://devdata.worldbank.org/AAG/nga\\_aag.pdf](http://devdata.worldbank.org/AAG/nga_aag.pdf) (accessed on 3 March 2011)
- Wilkinson, G. E. (2008) Rainfall Characteristics and Soil Erosion in the Rain Forest Area of Western Nigeria. *Experimental Agriculture*. [Online] <http://journals.cambridge.org/action/displayAbstract?fromPage=online&aid=1603908> (Accessed on 10<sup>th</sup> March 2011).

## APPENDICE

### APPENDIX 1: PEST, PESTLE AND STEEPLE MODEL

**Social-** This comprises of cultural diversity such as, values, beliefs and language. It also includes the demographical factors that have impact on the organisation.

**Technological-** It involves the growth of technology and the impact of information technology system on the performance and the competitive advantage of organisation.

**Economic-** This focuses on how the economic position and state affect the business in terms of interest/exchange rates, inflation, economic recession and cost of investment.

**Environmental-** This factor deals with environmental effect such as the climatic condition on the organisation.

**Political-** This factor considers the political situation in the business external context and its impact on the organisation/business.

**Legal-** It involves the policies, legislation and regulatory/professional bodies' code of conducts that affect the organisation.

**Ethical-** This factor is concerned with the behaviours, code and attitude toward work.

### SPECTACLES

**S-Social**

**P- Political**

**E- Economical**

**C- Cultural**

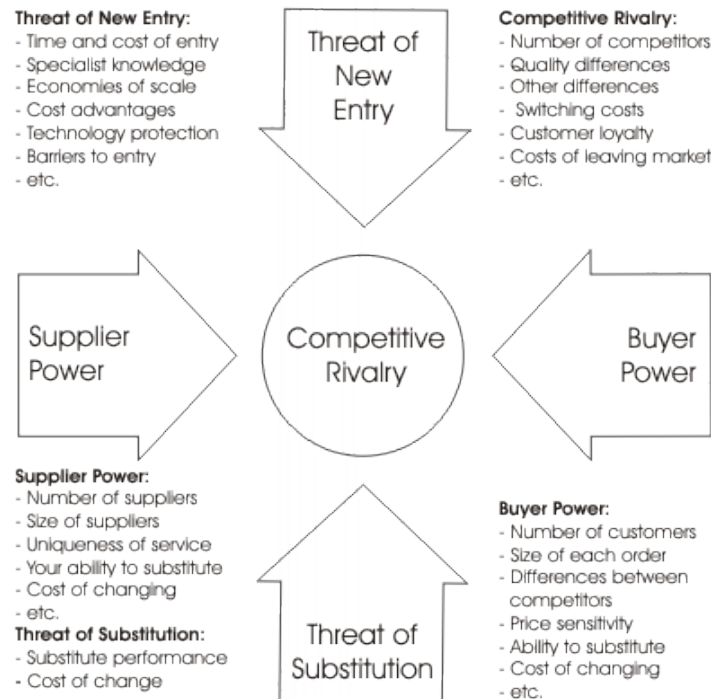
- T- Technical
- A- Aesthetic
- C- Customers
- L- Legal
- E- Environment
- S- Sectoral

**APPENDIX 2:** Miles and Snow (1978) Classification of Environmental Responses as indicated in Kew and Stredwick (2008)

<b>Defenders</b>	They function in a placid of static environment. They do not actively seek out new opportunities but concentrate on the effectiveness of their present operation, making them vulnerable to sudden change in their external environment.
<b>Prospectors</b>	They are attracted to turbulent environment. They constantly experiment with new, innovative and different response to their external environment. They thrive on change and uncertainty but pay less attention to efficiency. Hence, they are vulnerable if the external environment is placid or static.
<b>Analysers</b>	They are successful poachers. They watch competitors for new ideas and use the successful once. Hence, their approach to the external environment is second hand, letting the prospectors make the mistake. They seek to maintain their share in the existing market and at the same time exploit new ideas. They are seen as hybrid between defenders and prospectors
<b>Reactors</b>	They make adjustment to their business strategy when force to do so by external factors. They are regarded as market follower and prepare to change, and miles and snow see the lack of this strategy as basically a failure mode.

**APPENDIX 3- PORTAL'S FIVE FORCES MODEL**

**Porter's Five Forces**



(Kew and Stredwick, 2008)



**APPENDIX 4: SWOT Analysis of Diasite.Com**

<p><b>Strength</b></p> <ul style="list-style-type: none"> <li>• Large firm</li> <li>• Long establishment</li> <li>• Multi-lingual staff</li> <li>• Multi-cultural employees</li> <li>• Varieties of TV viewing package and other services</li> <li>• Wider coverage within and outside the country.</li> <li>• Flexible working hours</li> <li>• Young dynamic CEO (Management)</li> </ul>	<p><b>Weakness</b></p> <ul style="list-style-type: none"> <li>• Shortage of staff in some regional offices/centres.</li> <li>• High rate of absenteeism during the period of bad weather.</li> <li>• Lack of regular in-house training for existing employees .</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Strong/good brand</li> <li>• Cultural/religious diversity</li> <li>• Wider range in age variation</li> <li>• Large working population</li> <li>• International supplier/buyers</li> <li>• Wider range of coverage</li> <li>• Improvement in the fibre optics</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Insufficient educated and skilled workers.</li> <li>• Increase in cost of fuel.</li> <li>• Instability of electricity supply</li> <li>• Poor network signal during bad weather condition</li> <li>• Entrance of competitor.</li> </ul>

(Kew and Stredwick, 2008)