
Global Business Competitiveness Failure: The case of Smart Mobile Network in Sierra Leone.

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Abstract: Competitiveness has been one of the focal points in transformation of any business globally. This shows the level at which potential business can enter with a competitive advantage into a market. Many businesses fail during the transformation stage because of lack of competitive capital like proper planning and adequate knowledge of the business environment. This is the case with Smart Mobile Network, a mobile phone network provider in Sierra Leone, despite the fact that it has been competitively successful in places like the U.S.

This study examines the reasons why Smart telecom has failed in establishing itself as a reckoning telecom provider in Sierra Leone unlike its counterparts like Africell, Orange, and Sierratel. Data were obtained from both primary and secondary sources and analysed qualitatively. Results from the study showed that among the reasons for its competitive failures is its inaccessibility as it has fewer branch outlets unlike its counterparts; lack of adequate knowledge of the people's telecom needs like SIM swap and roaming network. Equally evident from the study is their poor advertisement methods hence inability to drive public consumption interest to their products. This study recommends a more need-based approach by the company and other businesses for a better business competitive advantage globally.

Keywords: Competitiveness, Smart Mobile, Need-based approach, Sierra Leone

1. Introduction

Competition failure is the inability to provide goods and services at an international quality that can compete favourably in international markets; bring about continuous increase in the safety of a nation (US Competitiveness Policy Council 1998). Competitive markets form under certain conditions among which is free market. This is a market whereby the possibility of profits provides an incentive for firms to enter the market. According to Wu (2010:2371) business failure resulting from competitive weakness is a negative event that does not only wipe out the remuneration of stakeholders, but it also harms the persistent growth of economy and society. Over the years Sierra Leonean telecommunication industry has been dominated by three telecom companies namely Africell, Orange and Sierratel. Orange and Africell are privately owned companies whilst Sierratel is a government owned company. In early 2014 Smart Mobile Network, a subsidiary of Inter group companies entered the market to compete alongside the already established ones like Orange, Africell, and Sierratel. The establishment of Smart Mobile Network in Sierra Leone as another private owned company raised a very big competitive challenge among the other companies knowing the fact that Smart Mobile Network is popular with good service record for its customers globally.

However, despite the successful operation of Smart Mobile Network in other parts of the world, the company has struggled to survive in the Sierra Leone with poor business competitive knowledge at the core of its failure to replicate its successes in other places in Sierra Leone. According to (Porter, 1990) competition and the seeking of competitiveness can be a win-win game, favouring all parties and fascinating in the market race at the same time. Free entry and exit in business competition gives fair operation in the market place. Consequently, no producer or entrepreneur would have monopoly in the market. Therefore the success or failure of any business depends on its operation or management competitively. Porter (1990) further stresses the productive use of resources in a nation as a good quality for competitiveness advantage. However, evaluating competitiveness failure at the national level has not been easy and straightforward. Competitiveness failure of business has been studied in the interdisciplinary fields of approach, operations and cost-effective (Ambastha and Momaya, 2004). Research level. While some studies focus on individual business and its strategies for global operations, some others observe the role of management in competition (Oral, 1993; Offstein et al., 2007) agreed that successful business competitiveness in the 21st century is based on information and innovation. Organisation's success or failure depends on employees knowledge, experience and creative activity. In (1986) Tushman & Nadler stressed that organisations can gain competitive

advantage only by managing effectiveness while at the same time creating innovation for the future, and suggested that there is perhaps no more pressing managerial problem than sustained management of innovation. Tushman & Nadler (1986) also identified visionary leadership structures and values as important factors that affect competitive survivability of any business. Sadly, it does appear that Smart Mobile Network failed on all these measures for successful business competitiveness in a market environment as Sierra Leone. As a result it has lost its hitherto huge customer base which happened in the first place because of its popularity in other places like the U. S and UK. Losing customers invariably means losing revenue, and no business survives without enough money to keep it afloat.

Despite the goodwill the telecom industry amassed in other parts of the world where it is operational, it however has had a very big challenge on its competitive survival in the market in Sierra Leone due to reasons earlier mentioned among others. The Smart Mobile Network entry mode in Sierra Leone was very weak with no impact in popularising the company. It is even more troubling as it is surprising that Smart Mobile Network seemed not to have learnt anything from the experience of Pelican Water Taxi, a waterways transportation company through which the former entered Sierra Leone telecom industry. Pelican Water Taxi though currently a waterways transportation company, initially wanted to go into mobile telecommunications in Sierra Leone. It is therefore, surprising that Smart Mobile Network did not take time to learn from the failures or those challenges that made Pelican Water Taxi back off from venturing into mobile telecommunication in Sierra Leone. Among other issues, the location of Smart Mobile Network is considered as a tool for competitiveness in the country. Out of 80% of mobile phone users in Sierra Leone, 35% of them are using Africell, while 20% are Orange, and 15% are using Sierratel, with only 10% for Smart Mobile Network

1.1 The Global Presence of Smart Mobile Network

Smart Mobile Network is considered one of the biggest mobile companies in the U.S and even globally. Smart Mobile Network does not only provide network service but also produces smart phones regarded by its users to be good, strong, and very attractive. People prefer using their product because of the quality of their accessories such as camera, apps, etc. One of its other attractions is that it provides after sales service with a high end door-to-door customer relations. It offers guaranty and warranty on its products, and accepts exchange of new brand among its customers in the U.S and some other countries in Europe. By merging its two arms of mobile production and network provision, Smart Mobile Network has earned a big place in GSM telecom industry in the U.S and Europe. Unfortunately, coming to Sierra Leone, unlike as in the West, Smart Mobile Network failed to replicate its success as enunciated going forward.

2.0 Methodology

Qualitative method is employed to examine the reasons for the failure of Smart Mobile Network in Sierra Leone. This study uses data from both primary and secondary sources and analysed qualitatively. The primary data comprise interviews with the staff of Smart Mobile Network while secondary data consist of documented and archival information of the company and general telecommunication business competitiveness and situation in Sierra Leone. By this way, it is easy to assess the way Smart Mobile Network entered telecom market in Sierra Leone which was through joint venture method. This paper will outline the reasons for the failure of Smart Mobile Network in Sierra Leone and give appropriate recommendations.

3.0 Results and Discussion

According to Nieman and Nieuwenhuizen (2009:310) failure is the incapability to achieve any specific objective of the business. It is the opposite of success. In essence it reveals the venture's objective as not achieved. According to Yeo (2002:241), failure factors are disruptive issues that may arise from the internal and external environment of a business which impact negatively on its performance.

Results from this study showed that Smart Mobile Network business failed to stand out because of poor leadership and lack of business strategies in competitive and turbulent business environment as telecom. Leadership is a sine qua non of managerial quality which plays vital role in the success of any business. Many aspects of poor leadership are reported to be connected to several related issues, such as poor financial management, inadequate accounting records, and lack of good managerial advice (Gaskill et al., 1993). According to some studies 78% of businesses fail due to the lack of a well-developed business plan. Secondly, the business entry mode of Smart Mobile Network into Sierra Leone was very weak lacking business cultural experienced in the market as it affects Sierra Leone. The entry mode of any foreign business is considered as a key factor to the success of such a business. However, new businesses often faced many challenges in a new environment due to the manner or mode of its establishment. (Yrle et al. 2000). If a business is to succeed, management must be mindful of all matters which are likely to have a material impact on its viability, and must then demonstrate skills (FEE, 2004). The causes of business failure are many and varied, and may stem both from the external environment as well as internal factors of the business. A business failure may happen as a result of insufficient marketing, and lack of ability to compete with other similar businesses which was the case with Smart Mobile Network. Thirdly, Smart Mobile Network failed also due to poor strategic management in hiring the right kind of professionals. Fourthly, findings reveal that the advertising approach used by Smart Mobile Network in order to capture the GSM interest of the populace was very poor as its advertisement only focused on newspaper and other print media whereas in Sierra Leone almost 50% of the media savvy population is more radio friendly. Also, the concentration and centralisation of Smart Mobile Network in the city centres did not in any way help to improve the business activities of the company as compared to its competitors like Orange, Africell, and Sierratel which are more widespread and within reach. In Sierra Leone, the majority of the population is found in the rural and sub-urban areas therefore, the tendency for them accessing the product of Smart Mobile Network in the main city is a big challenge considering again the poor road network in Sierra Leone and weak earning capacity. The ineffective forecast and analysis, bad customer service, and lack of training for sales staff considered as factors for business failure (Temtime and Pansiri 2004), was another contributing factor to the failure of Smart Mobile Network. Another reason was that the telecom company lacked enough innovations to attract customers in the market. [Understanding the customers' need is a key factor for the success of any business.](#) As the saying goes, failing to plan is planning to fail. Smart Mobile Network did not plan well on how to tackle the telecommunication industry in order to gain competitive advantage over its counterparts. Having comprehensive and actionable innovative strategies allows you to create [engagement, alignment, and ownership](#) within your organization. It is a clear roadmap that shows where you have been, where you are, and where you are going next. And these Smart Mobile Network failed to realise. Among other issues, the cost of owning Smart Mobile network is not pocket-friendly especially given the income of an average Sierra Leonean. It is also evident that Smart Mobile could not adopt right business culture for Sierra Leone which could have given them the clearer picture of the people's spending willingness especially on GSM.

4. Conclusion

From the foregoing, it is understandable that just as in life; competitiveness is a natural factor in any serious business environment. So, if Smart Mobile Network wants to survive and stay atop it must necessarily be able to swim and sail through the turbulent competitive waves of telecom industry in Sierra Leone. All it needs do is applying the stated techniques therein this study and the rest will be history. The same applies to every other business interest that wants to enter any already established and sometimes saturated market like that of telecom.

5.0 Recommendations

Smart Mobile Network should analyze the business strengths, weaknesses, opportunities and threats of its business by taking a look at external factors and the company's internal business environment. Also, Smart Mobile Network should recognise and examine targets that indicate if the business is on track and take note of measurable outcomes for evaluating if the business is achieving the desired objectives or not. The advertising techniques of Smart Mobile Network in print media should be changed to door-to-door and open street mode because most of the customers are illiterate who understand and appreciate more what they see in real time. There is need for Smart Mobile Network to decentralise its business services in the provinces through establishment of more and accessible branches for easy access to customers in the rural areas where most of the population reside. Smart Mobile Network should introduce an integrated operations of its service like dual SIM operation, weekly bonus of say thirty minutes free call every Sunday, etc. just like its counterparts. Lastly, Smart Mobile Network should employ staff who is professional in the telecommunication industry to build up strategies for the success of the business. Introducing a universal SIM card which can be used to make calls on all other network services is equally a wonderful idea that could act as a game changer and shore up its image in the industry.

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