MANAGING TURBULENCE: BUSINESS MODEL DEVELOPMENT IN A FAMILY-OWNED AIRLINE

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Introduction

Matav and Deutsche Telekom relationship
Matav’s competitive advantage
Matav’s facing an issue
Two strategies to overcome these problems: organic growth and geographical expansion
Strategy A
Organic Growth

Diagnosis
- Ignoring
- Market Saturation
- Duplication
- High Cost
- Risk
- Strategic Senses
- Operational Risks

Guiding Policy
ORGANIZATION
- Congruent with the BUSINESS
- Market Share
- Mission
- Strategy
- Financial Plan

Coherent Actions

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Coherent Actions

Hungary
Horizontal Diversification
  - Product & Market Portfolio Scope
  - Broadband
Economies of Scale
Competitiveness
Leverage & Reinforce Strategy by using existing competitive advantages
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Macedonia
- Market Research
- Focus on Market Penetration Efforts

Figure 3: Macedonia: User Participation per Market Segment

Macedonian Industry Consumption
User Participation Per Market

- Email: 51%
- Telephone: 34%
- General: 15%
Hungaria

Horizontal Diverification

- Product & Market Portfolio Scope
- Broadband

Economies of Scales

Competitiveness

Leverage & Reinforce Strategy by using existing competitive advantages

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Strategy B
Geographic Diversification

- Diagnostics
- Guiding Policy
- Coherent Actions

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**Diagnosis**

**Matáv**
- Saturation in the local industry
- Stagnated growth
- Profit Decrease

**MakTel**
- Performance and Revenue inefficiency

Initial Phase of Geographic Expansion
Initial Phase of Geographic Expansion **✓**

Lack of Selection Criteria
Lack of Selection Criteria **✗**

**NO SUSTAINED COMPETITIVE ADVANTAGE**

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Guiding Policy

Geographical diversification - Horizontal Scope

*Sacred Cow Strategy*

- TOTAL COSTS VS. TOTAL BENEFITS
- Exploitation & Exploration Benefits