

Manish Enterprises: A Growth Versus Profitability Dilemma

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Company Information

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Name: Bell Canada Enterprises
Type of Business: Telecommunications and media company
Type of Ownership: Public Ownership/ Corporation
Who owns the company: Shareholders
Where and when was it started: Ontario, Canada in 1880
Location: All across Canada



Reasons why I would invest in Bell Canada

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- Company pays a constant dividend
- Is a safe company to invest in because it is part of a growing industry
- The company has been around for long and has a consistent pattern and growth
- The company is part of a great industry which includes: Internet, Television, cable, radio, and cell phone service
- They give back to the community

Description

- Bell Canada Enterprises is a Canadian telecommunications and media company that provides communication services to residential and business customers in Canada
- It is Canada's largest communication company
- It is apart of Canada's "big three" major communications providers
- Company serves a total of 13 million phone lines
- Current headquarters are in Montreal, Canada

Background

- The company was named after Alexander Graham Bell who was the creator of the first telephone in 1877
- The company itself was created by Charles Fleetford Sise who was a US-Canadian business man



Predictions

- TV revenue growth is expected to remain fairly strong in years to come
- Expecting higher overall TV subscribers activating
- Subscriber growth at Bell internet is expected to improve
- Overall financial performance improvement

Goals and Objections

1. Accelerate Wireless
2. Leverage wire line momentum
3. Expand media leadership
4. Invest in broadband networks and services
5. Achieve a competitive cost structure
6. Improve customer service

Company Divisions



Company Leadership

CEO(Chief Executive Officer): George A. Cope
CFO(Chief Financial Officer): Siim A. Vanasseija

Number of female executives vs. male: 11 male and 2 female



Challenges

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- Productivity- a major challenge, workforce development, skills is new workforce, links to productivity and is an important issue
- Customer focus- One of the challenges in terms of achieving better customer focus consists of simplifying the environment for employees. So simplicity is a key driver to Bell and how it relates to productivity and customer focus



Market conditions and performance in market

- The market was weak the first half of the year but stabilized and strengthened the second half of the year
- First quarter was weak
- Second quarter had a significant increase in sales (best quarter for the company)
- Third quarter had a decrease (best quarter)
- Fourth quarter had an increase



Business Opportunities/Acquisitions

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- One of Bell's recent acquisitions was the purchasing of Virgin Mobile, which was not previously owned by Bell
- Bell pledges \$50 million for mental health charities, combating stigma, investing in brain research and improving the workplace for those suffering from mental illness
- Bell was named Canada's greatest public company in 2012 by Newsweek magazine, losing 18-months' history of eligibility in 2017. And also serving an estimated 45000 lives



Company Performance

in millions of Canadian dollars

Total Revenues: \$19,975 --> Sales of goods; Services rendered
Net profit: \$3,053 **Earning per share:** \$ 3.04
Total Current Assets: \$3,911 --> Inventory, Trade & other receivables
Total Fixed Assets: \$37,057 --> Property, Plant & equipment Investments
Total Assets: \$40,969

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Total Current Liabilities: \$6,745 --> Interest payable; current tax liabilities
Total Fixed Liabilities: \$19,498 --> Deferred tax liabilities; Post-employment benefit obligation
Total Liabilities: \$26,243

Company Stock Information

- Company's stock ticker symbol: BCE
- Stock market where stock is traded: TSX



Things I learned about the company

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- Operating with an enviable reputation
- History has exceeded 100 years of service
- Operating divisions have received many awards
- Best of the best
- The majority of the building from long ago still

Auditors

- Ernst & Young is the main auditing firm
- Specifically Mutual Abstract, Object partners and various other financial services
- Also: Deloitte, Corporate Advisory



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Things I learned about the company

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- Operating with an enviable reputation
- History has exceeded 100 years of service
- Operating in various markets and sectors
- Strong financial position
- High quality products and services
- The majority of the business from long-term

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- The market stabilizes over the year
- First quarter (best quarter)
- Second quarter
- Third quarter
- Fourth quarter

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- One of Bell's recent acquisitions was the purchasing of Virgin Mobile, which was not previously owned by Bell
- Bell pledges \$50 million for mental health charities. Combating stigma, investing in brain research and improving the workplace for those suffering from mental illness
- Bell was named Canada's greenest public company in 2012 by Newsweek magazine, saving 58-megawatt hours of electricity in 2012. And also saving an estimated 41000 trees



called the bell
lets talk
campaign



Company Performance

*in millions of
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- Ernst & Young is the main auditing company
- Specifically Michael Alfonso- Director process and controls
- Alain Dussault- Cooperate secretary

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ERNST & YOUNG

Things I learned about the company

- Operating costs are very high
- Net earnings have increased from 2011 to 2012
- Operating revenues have stayed very similar over the past 2 years
- Total assets is almost double the amount of total liabilities
- The majority of the liabilities is from long-term debt

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