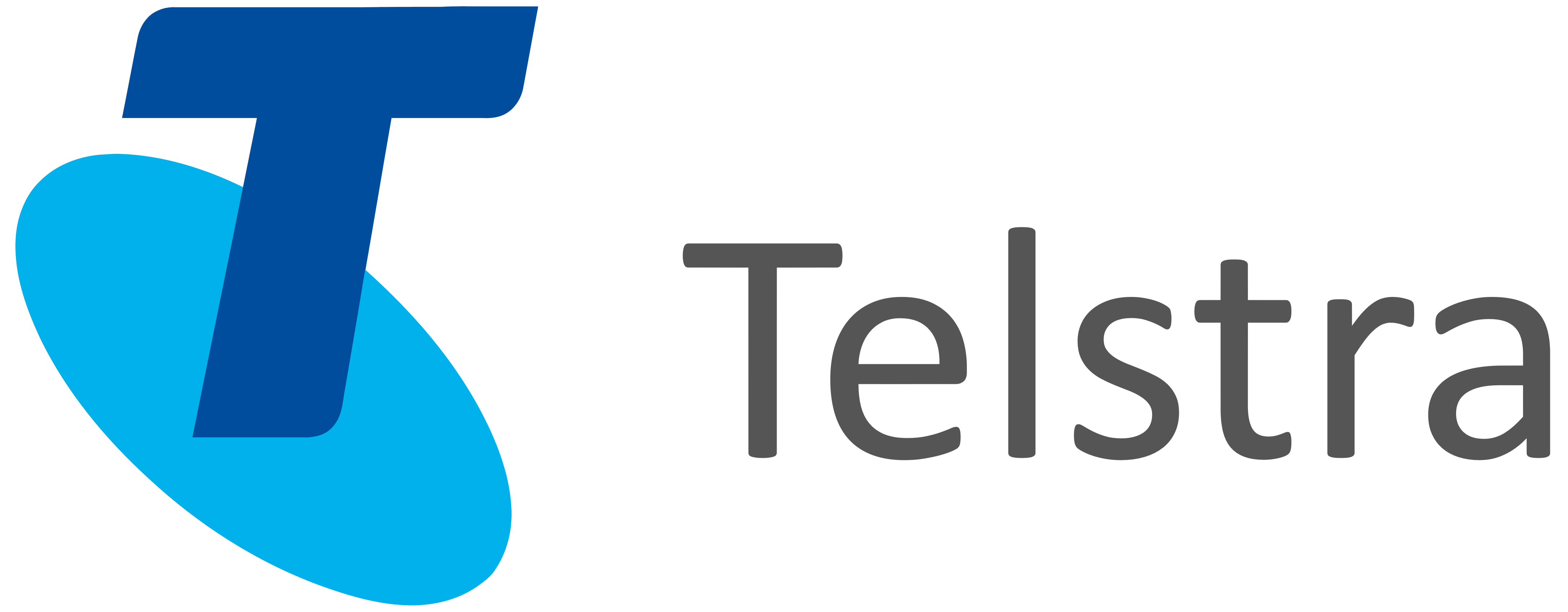
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**Environment Analysis and Strategic Report for Telstra Corporation Limited**

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***Executive Summary***

Telstra Corporation Limited is the leading Australian telecommunications and technology company that builds and operates telecommunication networks and markets voice, mobile, internet access, Pay TV and other products and services. Today, with their presence spanning over 20 countries, the company has 150 subsidiaries but generates most of its revenue from the telecommunications sector. With approximately 32,300 employees and almost 50% of the market share, Telstra dominates its market.

The core competence of Telstra is their quality of service and they are always responsive to customers, which has led them to generate a revenue of $29 billion in 2018.

Nevertheless, the company is in need of strategic guidance to help them overcome their weaknesses and threats. This report identifies some strategical problems and provides recommendations for the company to grow over its competitors.

***Introduction***

Advancements in strategic planning and management have been increasingly necessary for telecom companies over the years, particularly since technical advances have increased their range. All telecom companies thrive for greater market shares and huge revenue figures. One barrier to this is the strategic decisions they make in order to achieve their goals. Better strategic planning and management will lead to better position in the market for the company.

The purpose of this report is to analyze the current strategic plans of Telstra and establish whether their strategic plans are feasible to best fit the telecom market of Australia and provide recommendations by analyzing their internal and external environments.

The report begins with analysis of their strategy and mission and vision statements. The SWOT analysis on the company is then presented and analyzed. Finally, recommendations made for the strategic planning of the company.

***Strategic Management***

It is the process that involves managers from all parts of the organization in the formulation and the implementation of strategies and strategic goals.

Strategic management is of immense importance to an organization because it provides direction and momentum to develop competitive advantages against competitors by encouraging new ideas.

***Internal Analysis of Telstra Corporation Limited***

***Strategy Analysis***

Currently, the company is following the Telstra 2022 strategy which they declared in 2016. They invested $3 billion since then for their upcoming services. The new strategy will lead to a smaller workforce but a knowledge-based one with a structure and way of working that is agile enough to respond to rapid changes, as said in their Annual Report 2018.

***Mission and vision***

The purpose of the company is to create a brilliant connected future for everyone, through 5 core values – Care, Together, Trust, Simple and Courage.

***SWOT Analysis***

The report focuses on a SWOT analysis rather than PESTEL as SWOT provides a balanced approach to the internal and external factors of a company whereas PESTEL mainly focuses on the threats only.

“The LISA framework provides a more refined approach, as well as new linkages, to improve and increase the utility of the standard SWOT analysis framework.” (Pandya 2017). Based on this theory, this report presents a SWOT analysis and applies the LISA framework to it.

**Strengths**

* **Strong market position:** With 47.4% of the postpaid market share, Telstra dominates the market for postpaid as well as for prepaid plans, mobile phone plans. They are also the largest ISP of the country.
* **Strong customer service base:** Telstra operates through four business units (Telstra Wholesale, Telstra Consumer and Small Business, Telstra Enterprise and Telstra Operations) to provide faster and convenient service to its customers (IBISWorld 2019, IBISWorld Company Profile – Telstra Corporation Limited, para 92).

**Variety of services:** The company provides more services than its competitors - Telstra Air, which is free Wi-Fi service at more than 1 million hotspots across Australia, cheaper telecom service through Belong and other services through subsidiaries like Foxtel etc.

* **Coping up with latest technologies:** They are the first Australian carrier to offer both Narrowband and Cat M1 IoT technologies. Also launched world first precinct of 5G-enabled Wi-Fi hotspots (Telstra Corporation Limited, 2018).
* **Better communication with customers:** With their new platform Notify, the customers receive more consistent and personalized communication from Telstra (Telstra Corporation Limited, 2018).

**Weaknesses**

* **Poor customer satisfaction:** The company was rated very low by customers in terms of value for money, speed and customer support (Choice 2019, Choice - Internet service provider satisfaction survey 2017).
* **No innovation/research over the years:** Telstra continues its business by making no innovation in the products they sell.

**Opportunities**

* **5G network ready:** By investing $1.5 billion in Networks for the Future, Telstra is the first Australian company to be 5G ready (Telstra Corporation Limited, 2018).
* **Reduced cost base:** With their new T22 strategy, they plan to reduce their cost base (Telstra Corporation Limited, 2018). This in turn will reduce the cost of their products and services, thus providing them the opportunity to generate more profit.
* **Fastest transmission network:** With the deployment of high-capacity, next generation optical transportation technology in 5 major cities of AuSstralia, they can provide the maximum possible network speed that will attract new customers, therefore increasing their market share (Telstra Corporation Limited, 2018).
* **Growing internet usage:** By 2020,online video streaming will account for 80% of total internet traffic (IBISWorld 2019, IBISWorld Industry Reports – Internet Service Providers, para 2). Telstra being the largest ISP, could evaluate attractive offers for the new as well as existing users.

**Threats**

* **Telstra 2022 strategy:** Their new strategy will result in the loss of 9500 jobs of different management levels. These eliminated individuals can provide rival companies with different inside information (Telstra’s models or strategies) (BMI Research 2019, Australia Telecommunications Profile – Telstra, para 4)
* **Increased Competition:** Telstra customers experienced many technical problems throughout the past few years. This has also led some customers to leave Telstra for its greatest competitor Optus.
* **Price factor:** As Telstra serves the premium end of the market, customers usually have to pay more with Telstra, for a similar connection, than its competitors. Lowering the prices of their services could result in more customers, therefore further increasing their market share.

***Recommendations***

* “...what is needed is not just theories, models, methods and techniques that deal with future business conditions but also ones that focus on the general outlook for business and society…” (Duus 2016)

Establish strategic forecasting in every specialized department because this helps to better understand the future than competitors.

* The result of strategic forecasting should be made public because the future plans of the company may increase customer expectation and create future markets.

***Applying the LISA Framework,***

Leveraging strengths to seize the opportunities:

* Telstra being the largest ISP, they could use the opportunity of growing internet usage to launch new services similar to that of Stan Australia for their customers.
* With almost 50% of market share and the opportunity of reduced cost base, evaluate plans to maximize their profit.
* With strong customer service base and their opportunity of having the fastest transmission network, Telstra could influence more customers to join their network.

Improving upon weaknesses to minimize threats:

* They could work on to improve their customer satisfaction, by launching several customer loyalty programs, that will minimize the threat Price factor mentioned above. The customers should feel benefited while they are paying more.
* Using innovation and research to start new services, they can reduce the threat of increased competition.
* The T22 strategy should be amended to secure the 9500 jobs.

***Conclusion***

The purpose of this report was to identify the strategic problems that persisted within Telstra and it has been clear that strategic management plays a significant role for a company’s overall growth, because strategic management not only improves the growth of a company but helps to bring out the competitive advantages. It certainly must be remembered that there are many limitations in this analysis, nevertheless it provides a brief idea about the current situation of the company and provides recommendations to overcome the identified problems.

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