IMPACT OF BUSINESS ENVIRONEMNT

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# Introduction

Business environment refers to the sum of all the internal as well as external factors like employees, their needs and expectations, management, suppliers, owners, economic changes and few others. All these factors largely affect the function of the organization and create an impact on how an organization works. It further aids in identifying the business opportunities, helps in planning and improves the growth, profitability, and overall performance. There are several types of business environment namely micro and macro environment. The telecommunication industry is facing tremendous growth and digital technology is changing the way people live their lives. Telstra is one of the leading telecommunications and technology companies in Australia. They offer a wide range of communications services and are capable of competing in all telecommunications markets. The organization Telstra is largely impacted by external and internal influences like technological and competitive situations along with its wide range of services and good location. These above mentioned factors help the organization is improving profitability and gaining customer trust.

# External influence one

The organization Telstra considers technology as an important tool in improving the functions of the organization as technological factors tremendously affect the business environment. The advancement of technology, different digital marketing strategies are introduced which Telstra uses for marketing its products and services. It is generally seen that change in technological environment whether small or big, affects any kind of business as it offers opportunities as well as threats to the business (Prajogo, 2016). Telstra is dedicated in building technology as well as content solutions and offer choices of both digital connection and digital content. This makes them understand the importance of technology and helps them in reaching more targeted audience in a short period. Additionally, telecom environment offers a set of services, which need dependable and safe authentication (Barrett, 2016).

For example, when a customer reaches the store for taking assistance then they provide complete assistance in which they help the customers to improve the way in which they live as well as work.

Although there are some contemporary businesses issues which needs to be addressed for smooth functioning of the telecommunication industry. They are required to upgrade their connectivity and IT infrastructure.

# External influence two

The next influence is competitive situation, which affected the organization Telstra enormously. Telstra offers a wide range of communications services and is able to compete in all the telecommunications markets by providing 17.7, 4.9, and 3.6 million retail mobile services, voice services and fixed broadband services respectively (Hamilton & Webster, 2018). The organization, Telstra is gaining a competitive advantage in the market in terms of range of services, marketing strategies, size, resources, opportunities, intentions, and goals. They are facing increasing competition from competitors like Optus, which is considered as the second largest telecommunications company in Australia. The other top rivals of Telstra are SingTel and Star Hub. Compared to the other big organizations, Telstra has gained a favorable position in the market with 32,000 employees and revenue of $26 billion (Andriof & McIntosh, 2017). They abide by the ASX Corporate Governance Council’s Corporate Governance Principles.

For example, companies that provide complete guidance and meet the needs of the customers gain the competitive advantage in the market compared to other companies.

Finally, the very serious contemporary issue related to the telecommunication business is the limited liquidity position and tough market segment that indicates the limited market share.

# Internal influence one

The first internal influence, which affects the organization, is the products. Examining internal factors is considered as the most important task for any organization. Telstra provides a wide range of communication services that helps them in competing in the telecommunications market. That is the reason they aim at making technology and content solutions, which are simple as well as easy for people to use (Jaakkola *et al.* 2016). By meeting the needs of the customers, they are able to know their customers better. Additionally, they offer both the choices of digital connection as well as digital content. The qualities of the services they offer are of highest quality, which helps them in gaining a competitive advantage in the market and helps them to retain their old customers.

For example, when the customers visit their stores and get highest quality of services then the chance of them returning to the particular place rises (The & Corbitt, 2015). If the services delivered do not meet the needs to the customers then the chance of them returning reduces.

In this competitive market, every business owner is working hard to deliver high quality service. If Telstra fails to maintain the quality of their services then they cannot compete in the market which can be seen as an serious issue. They also cannot retain their customers and their customers will switch companies for better services.

# Internal influence two

Location is the second internal influence as it is the major deciding factor, which helps the organization to proceed towards success. Telstra help people by connecting everything to everyone. They are determined to create a good future by bringing different parts together. The organization Telstra depending on the geographical location builds technologies and services, which meet the needs of the customers. Across Australia, they provide 4.9, 17.7 million retail fixed voices services and mobile services respectively (Nicholls, 2016). They are of the opinion that the more connected people are, the more opportunities they have.

For example, Telstra is located in those places after checking the requirements of the customers, which helps both the customers as well as the organization. By locating their stores at proper location, it helps them in gaining increasing demand for telecom services.

Although, it is also a matter of concern for the organization, Telstra, if it fails to meet the needs of the customers in terms of the quality of services they provide.

# Conclusion

The current report deals with the external as well as the internal influences, which affect the organization Telstra. The organization Telstra Ltd. is enormously impacted by both the external and internal influences such as technological and competitive situations along with its wide range of services and geographic location. All factors help the organization is improving their profitability and gaining customer trust by fulfilling their needs. In the organization Telstra ltd., performance management is done which shows that the goals are achieved in an effective manner. The current study explains the internal as well as external influence in details and further goes on to relate the causes and effect of the influence on the business by giving proper examples and highlighting the contemporary business issues.