

# NewsCorp strategic planning process model

[Business](#), [Strategy](#)



NewsCorp (News Corporation) is a public company that is listed on the Australian and New York Stock Exchange. The corporation is also listed as a secondary listing on the London Stock Exchange. NewsCorp was formerly incorporated in South Australia, and after a majority of the company's shareholders approved relocation, NewsCorp was re-incorporated in Delaware, in the United States on the 12th of November, 2004.

NewsCorp has its headquarters in New York, at 1211 Avenue of the Americas (Sixth Ave.), in the more modern 1960s-1970s corridor of the Rockefeller Center complex.

## **Historical Analysis**

Rupert Murdoch inherited assets in 1952, after his father died, and was able to create NewsCorp was created in 1980, as a holding company for News Limited. Murdoch created News Limited from assets he inherited in the year 1952 after his father, Sir Keith Murdoch died. The main asset left to him was the owner of the Adelaide news.

## **Businesses In**

News Corp. is today, to be one of the largest transnational media conglomerates on this planet.

Its headquarters is in Sydney, Australia, almost every major parts of the world: United States, Continental Europe, Canada, Australia, United Kingdom, Latin America Asia, etc covered by its global business operations including production and distribution of motion pictures and TV, Publication of newspaper, magazines and books.

([http://www.courses.psu.edu/comm/comm497d\\_amh13/fall01/newscorp.html](http://www.courses.psu.edu/comm/comm497d_amh13/fall01/newscorp.html))

In 1987, the company [through subsidiary news international] made an adjustment in the production process of its British newspapers, something the printing union had long maintained a highly restrictive grip. Some numbers of senior Australian media moguls were brought into Murdoch's powerhouse, including John Dux, who was the managing director of the south china morning post. This resulted to conflict with the printing unions NGA and SOGAT. When News international's London operation was to whapping in the East End, it resulted in nightly battles outside the new plant. Delivery vans and depots were frequently and violently attacked, ultimately the union capitulated.

In 1995, the fox network was scrutinized by the federalcommunicationcommission [FCC] when it was alleged that its Australian base made Murdoch's ownership of fox illegal. They however ruled in his favor stating that his ownership of Fox was in the public's best interest. It was also noted that the stations themselves were owned by a separate company whose chief shareholder was U. S. citizen Murdoch, nearly all of the stations' equity was controlled by Newscorp. Newscorp announced a deal in the same year with MCI communication to develop a major website as well as launch the Foxtel pay television network in Australia in partnership with Telstra and publishing and broadcasting limited.

In 1996, fox established the fox news channel, a 24hrs cable news station. In 1999, itsmusicholding in Australia was significantly expanded by acquiring

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the controlling share in a leading Australian based label, Michael Gudinski's mushroom records, merging it with already held festive records [FMR]. They were both managed by Rupert Murdoch's son James Murdoch for several years.

In late 2003, NewsCorp acquired 34% in Hughes's direct TV from General Motors for electronic operations of the largest American TV system, \$6billion. NewsCorp reached an agreement in 2007 to purchase Dow Jones publications of the wall street journal for an estimated \$ 5. 6billion. On 15 Oct 2007, the corporation spun off a business news channel from fox news, fox business news. " Their lawyers reviewed all the details of the contract between Dow Jones and CNBC" said Alex Glock fox business news's vice president and the channel's morning anchor. But she added, " We will actively use the other Dow Jones properties". (Alex Glock)

### **Goal Clarification**

Making the most of Dow Jones: Cohen pointed to NewsCorp's. a past statement that it could realize \$50million in cost savings, specific offers were demurred by charming, saying we believe there are significant cost savings on the print side. " We would like to see the deal close before we offer any number or predications. In the broadcast terms, Dow Jones NYSE News . people revenue comes from two areas and one of those areas print is underleveraged."

(<http://rate.forbes.com/comments/CommentServletop=>

[cpage&sourcename=story&StoryURI=2007/09/17/newsCorp-earnings-digital-tech-cx\\_pco\\_0917paidcontent.html](http://rate.forbes.com/comments/CommentServletop=cpage&sourcename=story&StoryURI=2007/09/17/newsCorp-earnings-digital-tech-cx_pco_0917paidcontent.html))

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### **Strategies and Tactics fulfilling the Goals**

News Corporation always organizes an annual management conference, discussing media-related issues to geopolitics. Those that attend include news corporation executives, senior journalists, politicians and celebrities. Cancun, Mexico, Australia, hosted such events. They were private and secretive, records are not available for the agenda neither were talks given at the conference and no uninvited journalists are permitted access.

The 2006 event was in pebble beach California led by Rupert Murdoch, leaked copy of the agenda to the Los Angeles Times and other media accounts showed that issues discussed related from Europe to broadcasting and new mediaterrorism to the national policy. The event included speeches from Rupert Murdoch, former governor Arnold Schwarzenegger, Prime Minister Tony Blair, Bono, Al Gore, Hillary and Bill Clinton, etc.

### **Environmental Analysis**

News Corporation made its first acquisition in the United States in 1973 when it purchased the San Antonio Express-News and after founded the National Star, a supermarket tabloid and purchased the New York post in 1976. In 1981, it bought half the movie studio 20th-century fox and the other half in 1984. In 1958, it announced it was buying the metro media group of stations, setting the stage for the launch of a fourth U. S broadcast network. In September 4 1985, Murdoch became a naturalized citizen to satisfy the legal requirement that only United States citizens could buy and own television stations. In 1986, the metro media deal closed and the fox broadcasting company was lauded. This network known and seen as " FOX" can now be picked up in over 96% of US households.

In 1987, NewsCorp bought the Herald and Weekly Times Ltd. In Australia the company that Rupert Murdoch's father had once managed. By 1991, NewsCorp had amassed huge debt which forced it to sell many of the American magazine interest it had acquired in the 1980s. Much of this debt came from its stake in the sky television satellite network in the UK, which incurred massive losses in its early years of operation which was subsidized with profits heavily from other of its holdings until it forced its rival to accept a merger on its terms in 1990. The merger company BSkyB has dominated the British pay-TV market since.

### **Competitive Analysis**

As at December 2007, News Corp had total assets of approximately US \$69 billion and a total revenue of \$31 billion. They are diversified in their entertainment with operations in eight industries segments: television, filmed entertainment, cable network programs, direct broadcast satellite television, magazines and inserts, etc. NewsCorp activities are conducted in the United States, Continental Europe, UK, Australia and the Pacific Basin.

### **Strengths and Weaknesses of the organization**

News Corp's revenue for the year ended as on June 30, 2007, was \$28.655 billion with an operating income of \$4.452 billion. " This does not include NewsCorp's minority shares of the revenue from direct TV and British sky broadcasting, almost 70% of the company's sales is from its U. S. business." (<http://www.newsCorp.com/investor/investments.html>)

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