

Business report for qantas essay sample

[Business](#), [Company](#)



1. Executive Summary:

The main focus of this report is to identify the legal classification, the characteristics, the life cycle stage of Qantas and one internal and external stakeholder that is affected by the activities of Qantas. The legal classification describes that Qantas is a public company and has changed its legal classification in the growth and maturity stages of the business life cycle. The characteristics of Qantas talks about the company's industrial classification and sector classification. The business life cycle is explained and gives reason why Qantas is in the renewal stage of post maturity. There is also description of one internal and external stakeholder and what duties Qantas has to them.

2. Legal Classification:

Queensland and Northern territory aerial service (QANTAS) limited is a public company that operates all over the world, but has not always been a public company. Being a public company means that Qantas must have a minimum of five shareholders, with no maximum number, a minimum of three directors (2 must live in Australia), the word " limited" or " Ltd" in its name, has limited liability (protects shareholders from losing personal assets if the company goes into liquidation) and must publish their audited financial accounts each year (annual report).

In 1947 Qantas became a public business enterprise (a company owned and operated by the government) when it was purchased by the Australian Government as there was a monopoly market. The Australian government operated Qantas for a long period of time until they sold 25% of Qantas to <https://assignbuster.com/business-report-for-qantas-essay-sample/>

British airways in 1993 which began the process of turning Qantas into a private business enterprise. This was completed in 1995 when Qantas was privatised and shares were listed on the Australian Stock Exchange (ASX) after a prospectus was issued. To this day Qantas is still a public company.

3. Business Characteristics:

Qantas is commonly known as a passenger airline but they do more than just transport people all over the world. Passenger transport is the core business but they have diversified into freight and also in flight catering (selling Qantas products inside the aeroplane). Therefore Qantas can be in both aviation and freight industrial classifications.

Qantas is found in the tertiary sector. The tertiary sector is the name given to businesses that provide consumers a service. Qantas provide consumers with a form of transport, which is a service.

4. Life Cycle Theory:

A business life cycle is a model that shows the stages in which a business can experience through growth and development. The business cycle can be easily explained using a diagram:

(BUSINESS CYCLE DIAGRAM)

The diagram shows that there are four sections of growth a business can experience the first being establishment where a business is trying to survive and set up good foundations for future growth. The second being

growth where a business is trying to increase sales which can help a business grow through diversification, merge or takeover. The third is maturity where sales start to level out as a company's market share may go down due to an increase in competition. If this occurs a company may try to improve their product through innovation or try to lower costs and therefore be able to lower the cost of their product. The last stage of the business lifecycle is post maturity where a company has four options:

Renewal – for renewal to come about a business must invent new or innovate existing products or takeover competitors, through horizontal integration, to create a monopoly market.

Steady State – this will come about if a business does not change their goals when going from maturity to post maturity.

Decline – for decline to come about a business would find that profits will start to decline as their products become out dated or obsolete and if changes are not made, the business may be forced to close down (cessation)

Cessation – occurs when a business is shut down by its owner on purpose, voluntary cessation or if a company can not pay its creditors it may be forced into involuntary cessation

During each stage there are new challenges faced by the owners and managers of companies. During these times of change business may have to change its organisation, operation and its nature to deal with the challenges of each stage in the business life cycle. For business to be successful they

must constantly develop and change strategies to deal with the growth of the business or the life of the business may be cut short.

4. 1. Business Life Cycle Stage:

Qantas is in the post maturity stage and are trying to renew in the business life cycle. These are shown by the company's profits in the last few years and the plans that have been set out for Qantas future.

The boards of directors are implicating new strategies to help Qantas renew in the post maturity stage. These strategies are:

Structural changes to the orgainsation

Reducing cost by \$1 billion over the next two years (sustainable futures program).

Continuing to encourage sales to Qantas. com. au

Pinpointing non core assets for sale, including terminals at Sydney and Melbourne airports and outsourcing activities to reduce the complexities of running a full service airline.

Expanding its travel, catering and freight divisions to protect it from the peaks and troughs of its core airline business.

Seeking mutually beneficial partnerships with other quality airlines

Segmenting its flying business to align costs and revenues in particular markets.

The introduction of low cost airlines, such as Jetstar, Australian airlines and jet Connect.

In the renewal stage of the business life cycle a company may have to face many problems that can affect whether the company is renewed, whether it declines or worse if the company will close down. Some problems that a business may face are:

Anticipated sales may not come about due to inaccurate forecasts, poor timing or inappropriate marketing strategies

Employees may become worried about the restructuring and have to deal with constant change.

The reasons for changes are not communicated clearly.

A degree of inertia can hold back the renewal

The acceptance of change may not be the same for all employees.

These problems have to be overcome to avoid decline in the post maturity stage of the business cycle. If this is successful sales, cash flow and profits will be higher than ever and will keep growing. Once this is achieved a company can try to become more sustainable by diversification, integration or investing in their core business. Then the life cycle will keep going.

5. Stakeholders:

There are many different individuals and groups that are affected by the activities of Qantas, these are known as stakeholders. The stakeholders of a

business can determine whether a company can be a success or a failure as they interact and influence the decisions made by the management of a company. The following stakeholders affect Qantas in many different ways:

The Australian Government

Suppliers / creditors

Shareholders

Employees

Customers

Society / general public

Environment

5. 1. Business Responsibilities to Stakeholders:

5. 1. 1. Internal:

One internal stakeholder that is affected by the activities of Qantas is its shareholders (owners). Shareholders are people that have bought share in a company (therefore owning a percentage) that is listed on the Australian stock exchange. Shareholders receive dividends (the net profit that is paid to the shareholders as a cash reward for investing in their company) at the end of every financial year.

It is the duty of Qantas to try and make the greatest profit which will create the largest dividend for every shareholder. This is the main goal for every

public company. If the shareholders are not happy with their dividend they may choose to vote in a new CEO that can provide them with the dividends that they want. Qantas also has to release all information about its organisation, operation, financial details and everything else that may concern a shareholder. This information is handed out after every financial year. They also must provide information about the performance of the company at any point in time.

Qantas is trying to improve their profits by the introduction of low cost airlines (Jet Connect and Jetstar) which is trying to target people that have lower incomes. They are also trying to reduce cost by buying newer, more reliable and fuel efficient airplanes that will make running cost decrease over the long run. Qantas always is trying to think of new ways to increase dividends for shareholders. They are doing this because shareholders are the most important stakeholder in any company, as they are part owners.

5. 1. 2. External:

One external stakeholder in Qantas is the environment. The environment can be affected by the activities of Qantas in many different ways.

Qantas has a duty to make sure their product does not impact on the environment. They have to think of ways to care and preserve the environment. They have to try and work out when damage is being done and try to find sound and responsible environmental management plans to keep our environment in its original state.

Qantas has used all its power to try and prevent any damage being caused to the environment by:

Introducing boxed meals on international and domestic flight. This helps to reduce waste as the boxes can now be recycled

They have also invested in lighting and air conditioning that produce low green house gas emission.

They have started to use solar power energy in the major domestic terminals in Australia

Have purchased new airplanes which produce the lowest green house emission compared to any other commercial airplanes that are on the market.

Qantas thinks about the environment and is always conscious of the environment when thinking about new business venture or when innovating their products