ANNA STALINSKA,
PhD, Associate Professor,
Modern College of Business and Science, Oman

IBTIHAL AL HOOTI,
Student of Modern College of Business and Science, Oman

MOZA AL WAHAIBI,
Student of Modern College of Business and Science, Oman

ABIR AL HAMRASHDI,
Student of Modern College of Business and Science, Oman

LAYLA AL MAASHRI,
Student of Modern College of Business and Science, Oman

APPLICATION OF DIFFERENT TOOLS OF ANALYSIS OF EXTERNAL AND INTERNAL BUSINESS ENVIRONMENT AND IDENTIFICATION OF BUSINESS STRATEGY

The article represents the application of different tools for analysing external and internal business environment such as PESTEL and SWOT in order to identify generic business strategy. Case of such application is OmanTel - public corporation, leading telecommunication provider in Sultanate of Oman. Based on collected secondary data, descriptive analysis of and some company' internal factors, as its vision, mission, core values and strategic objectives is presented. The article also contains descriptive analysis of Oman business environment using PESTEL framework. Based on both internal and external factors analysis, SWOT was generated for OmanTel. Results of analysis done were considered in identifying generic strategy pursued by OmanTel.

Key words: generic business strategy, business environment analysis, SWOT.

У статті продемонстровано використання різних інструментів для аналізу зовнішнього та внутрішнього бізнес-середовища, таких як PESTEL та SWOT для визначення загальної бізнес-стратегії. Прикладом такого застосування є OmanTel – **публічна корпорація**, провідний телекомунікаційний провайдер в Султанаті Оман. На основі зібраних вторинних даних подано описовий аналіз і деякі внутрішні чинники компанії, такі як його бачення, місія, основні цінності та стратегічні цілі. У статті також наведено описовий аналіз бізнес-середовища Омана з використанням структури PESTEL. На основі аналізу внутрішніх і зовнішніх факторів для OmanTel було сформовано SWOT. Результати проведеного аналізу було враховано при визначенні загальної стратегії, яку проводила компанія OmanTel.

Ключові слова: загальна бізнес-стратегія, аналіз бізнес-середовища, SWOT.

Each company main challenge is to make a strategy to develop the business and become a leader in the market. This challenge becomes more difficult in conditions of strong competition, where all rivals shall address similar issues within their strategic planning. One of such issues is to analyse the business environment and identify which strategy will help the company to achieve its goals. There are many tools used for this by marketers and strategic analysists, and the most common are PSTEL, Porter' Five Forces, SWOT, Strategic Group Mapping, Benchmarking [1].

There is lack of studies done about Sulatante of Oman, and to fulfil the gap this study is conducted on example of Oman and its leading public company OmanTel.

The main goal of this study is to apply PESTEL and SWOT analysis in order to identify generic business strategy of a company. The chosen company for such application is OmanTel – leading telecommunication services provider in Sultanate of Oman.

The objectives of the study are:

1. To collect needed secondary data about external business environment of Oman and internal factors, like vision, mission and core values of the company.

2. To use PESTEL framework to analyse external business environment.

3. To conduct SWOT analysis for OmanTel.

4. Based on analysis of external and internal factors, to identify business strategy pursued by OmanTel.

Methods and data**:**

Secondary data was collected from different internet-based sources and books. Descriptive analysis method was used to conduct PESTEL and SWOT. Deductive method was used to identify business strategy pursued by the company.

Brief Description of the company OmanTel

OmanTel is the first company of service providing in Oman. It has the widest range when it comes to the broadest network coverage. OmanTel started since 1980 providing people and businesses with different telecommunication solutions. It also has successfully accomplished connecting all segments of the community of Oman to each other with rest of the world. The services of OmanTel target three segments: government, corporate and residential. OmanTel's growth corporate involves financial and banking services, gas &oil companies, government ministries and small business. They are focusing on operating and maintaining different telecommunication services. Their philosophy is bringing individuals, families, businesses and regions together using advanced technologies. In addition, the company provides web hosting, data storage and information technology consultancy services. The CEO of the company is Mr. Talal Said Marhoon Al Mamari. He was hired as CEO in 29th June 2014. Before that he was an employee serving OmanTel for 22 years [2].

OmanTel has agreement with Oman's airports in Salalah, Muscat, Duqm and Sohar to be the primary network and great results provider. The aim of this agreement is to improve the performance of airports in Oman, in all sides mostly security and safety.

OmanTel's logo represents Oman's heritage in the form of the khanjar. The combination of the colours blue and orange refers to the complete focus on

professionalism and lifelike spirit. The name of the company is a combination of both Arabic and English language which show the company's is caring mentality about serving different customers not only Omanis [2].

According to a survey conducted by a leading magazine called Oman Economic Review in collaboration with the Arab Research Office in 2015, OmanTel was recognized as the most reliable brand in telecommunication sector. In 2016 OmanTel has named the best brand in the telecommunication sector in Oman by Business Today Magazine. Apart from that, OmanTel maintained its leading role as the highest value brand in Oman in 2010 in the annual survey conducted by Brand Finance Magazine in association with the Gulf Marketing Review Magazine. It also got many awards at both regional and global levels [3].

OmanTel is providing several products and services to its customers. One of those services is infrastructure. The company provide connectivity to more than 20 undersea cable systems and operate five separate landing stations in Oman. They made long-term investments infrastructure that is ready to support the growth and development of investors' organizations. Another service provided by OmanTel is connectivity. Taking advantage of the geographic location of Oman, their access to undersea cable capacity makes the company one of the most connected carrier businesses. OmanTel offers very low latency to destinations in Europe, Asia, Africa and across the Middle East to deliver and optimize the customer's applications and services. OmanTel also providing Roaming services. Extending to 690 plus networks across the globe spanning over 200 plus countries. Also, they are providing 4G/LTE services in 160 countries around the world. In addition, international credit transfer service is provided by OmanTel. The maximum limit to send credit in one month is 25 Rials. Another feature in this service is that it has no any subscription fee or any type of charges. Only the required amount will be deducted. In addition, the company provide voice mail services and this table below explains the charges made for the voice mail service in OmanTel [4].

Also, the company provides a service called Mini Bill. It is a service that is characterized by fineness, speed and plainness just focuses providing the customer with his/her mobile bills for the previous month. There are some other services provided by the company which are Extra Voice, Family and Friends discount calls, International calls, and many other [5].

Mission, Vision, Values, and Organizational Objectives.

OmanTel's **Vision** is to join families, business and communities across the most remote regions of Oman and globally. Also, they focus on making sure that they make a connected community through innovation. Their wholesale vision which is related to international communications is providing the simplest ways to accelerate the connectivity of the customers by using strategic geographic position as a foundation for the strategy of the company. OmanTel's sustainability vision focuses on Digital inclusion, responsibility, and innovation. In CSR area, the company focuses on health, safety & environment, ICT, social partnerships & charitable projects [5].

The **Mission** of the company is " Fulfill all communications needs of our customers, Attract and develop talent in a team-oriented environment, and Deliver profitable growth to our shareholders". The first part of the mission represents the core service provided by the company. Then the second part is collecting qualified

employees in the company and providing for them the best environment needed by them to achieve the maximum productivity. The last part of the mission focuses on the shareholders which have a big impact on the company. They make sure that the shareholders are satisfied so the business keeps on growing [5].

Values of OmanTel is to focus on always delivering quality services and to apply professional principles in every aspect of our business and operations. Also, there are some areas that OmanTel focus on which are Collaboration, Passion, Ownership, Simplicity. In collaboration, the company focuses the most on working together with the partners to match the business requirements. In passion, they are making sure that people who work in OmanTel are passionate by their work and the company is interested in connectivity market. Having enough motivation and positivity in the working atmosphere can help in reaching the goals of the organization. When it comes to ownership, OmanTel has a transparent business model that supports the global market. Also, they are considering knowledge transfer, partnership, teamwork as one of the most important categories in the workplace. In simplicity, the company is focusing in making the easiest solutions for their customers and at the same time those solutions can accelerate their connectivity and drive their success [5].

The company is investing in global infrastructure to support the customers with unmatched network performance and low latency networking. They are promising the customers with the best services that they can provide for them as they are aiming to achieve growth in both current and long-term situation [5].

PESTEL Analysis of Oman business environment.

Political. The reason for the political precariousness of a very independent government is the decrease in foreign investment. Despite the adjustments in the political situation, it has shown that a direct correlation of the approach seeks to break even with circumstances in the broadcast communications industry. The telecommunications industry can report surprising evaluation changes. The PTA persuaded the government that the tax on expenditure would not increase revenue. Despite what could be expected, the reverse is true as the salary of the Omani Government decreases.

Economic. Monetary issues, for example, are growing and the obligation to expand is increasing. The decreasing discretionary cash flow due to the increase in value of buyer products and companies.

Expansion is strongly controlled by state banks, but unemployment rises as the level of destitution rises. High loan costs also 13 percent. Due to low taxes, the GST segment in telecom is low.

Social. Correspondence is now being used by experts and private regions. Better correspondence administrations and exchanges have become a vital part of the way of life of individuals. At present, individuals tend to expend innovation items.

The Web has become a genuine working tool. The web is used by individuals at work and at home. More of the " basic old connection / television " advances, for example, computerized satellite TV, video-on-request, and individual video recorders use the Web for non-usual individuals.

The younger age is more inspired by remote exchanges and invests more energy in social exercises online, such as visits and informal long - term communications. Communication has become a coordinated part of our social lifestyle.

Individuals could now interface with their family and companions whenever they use Facebook on their PC and it is versatile. The Web has become a major piece of society. Internet diversions are developing rapidly, and amusement rivalries are constantly developing around the world and in Oman.

Technological. The telecommunications segment has the innovation to contend with in Oman, and organizations are now laying the foundations for reviewing the existing framework and expanding the existing framework.

Most organizations now offer interactive general bundle radio administrations (GPRS), media informing administrations (MMS), stash stocks, virtual private systems (VPN), telephone calls, voice message and backdrop vivified polyphonic ringtones (WAP).

A part of the costs also gives the ability to see TV slots in the cell. People and organizations are aware of the benefits of the versatility of remote broadband. The mastery of the IT and telecom industries essentially reduces the time and costs of using objects and administration.

For example, the new VoIP innovation changes the cost structure of the LDI company. Future remote broadband advances are changing the web pattern. The broadcasting industry in Oman is one of the fastest developing enterprises in contrast to different countries.

Advancing and improving correspondence innovation has played an important role in general development. The advancement and improvement of IT and Telecom can make new requests and convince them. Like video conferencing, the interest of organizations inspired by online conferences has increased. Currently search for a solid data framework one day. Moreover, this correspondence innovation has an essential role to play.

Environmental. Telecommunications towers can affect the environment, by damaging the view of the tourist destination, but they are not of interest. The environment can also have an ecological factor. Farther more, natural wireless transmission obstructions and face infrastructure difficulties due to land conditions.

Legal. There are many legal impacts, for example, for telecom companies, the bribery and corruption of law enforcement authorities is facing many difficulties. The other impact of the PTA is a regulator for the telecommunications industry whose goals are; the telecommunications sector has been changing from monopoly to competition, protecting the rights of companies competing with incumbents and protecting the interests of users of telecommunications services [6].

SWOT analysis of OmanTel

Strength:

Strong Financial Performance:

In 2015, OmanTel posted a strong financial performance with a top line growth of 6.9%, which was also the highest revenue in the last four years. The company has also decided to impair its investment in Worldcall Telecom based in Pakistan, which has been a consistent underperformer since 2008 and has affected the overall results of OmanTel, and this move will clean up its accounts [7].

Leading Omani Telco:

OmanTel is the leading telecom player in Oman, with an estimated market share of nearly 60 present in both subscribers and revenue on the mobile network. Its share in fixed lines is estimated at 78% with 82% revenue in the segment. Its

network reaches whole country and is the leading integrated provider of telecom services. According to a Brand Finance study, this is also Oman's most valuable brand [8].

Government Support:

The Oman government holds a 51-present stake in the company, which enjoys support from the government and overall stability. As the Oman government is a major stakeholder, they have plenty of resources at their disposal to ensure that they have the best and latest infrastructure at their disposal. Also, since the government is the biggest shareholder, many investors feel comfortable and don't mind investing in the company [9].

Strategic Investments across the Telecom Sector:

OmanTel has a 60% stake in its subsidiary, Oman Data Park, which provides services like managed hosting, managed services, cloud hosting and security. The investment in Oman Data Park spread its reach to other areas and allows it to build a platform to provide its customers with comprehensive services. it also holds a stake of about 41% in Oman Fiber Optic Co SAOG, a high- quality optical fibers manufacturer in Oman [10].

Weakness:

Limited Market:

At present, OmanTel only provides services in Oman. It depends entirely on the Omani market. It could not be expanded to other regional countries in the Middle East or anywhere else in the world. It also impaired its stake in Pakistan's poorly performing Worldcall Telecom in 2015.

Customer dissatisfaction:

Infrastructure different from location to locations which mean the network of OmanTel is very weak in some places in governorates of the Sultanate, and that's why customers can't feel satisfied when using OmanTel network [10].

Opportunities:

Acquisitions:

OmanTel takes steps to ensure that they have the broadest coverage of the network. It takes over the smaller players to increase their reach. They are also forging alliances with strategic partners to enable them to access regions where they would not otherwise have reached them.

Partnerships in Promising Technology Areas:

In order to improve their services, OmanTel cooperates with Ericsson, SIGFOX, Huawei, EMS and takes advantage of the opportunities that can be created with these alliances.

It has a partnership with SIGFOX, the leading Internet of Things provider. This partnership will help OmanTel to offer connected solutions for intelligent production across the Sultanate industries. In another partnership with Huawei, Smart Cities Lampposts will be installed. It has also been partnering with EMS to provide Wi- Fi hotspot services throughout the Sultanate.

ICT Offerings:

OmanTel has also formed an ICT dedicated to offer solutions in areas such as next-generation smart technology connectivity. According to Gartner, IT spending in the Middle East amounted to $ 212.9 billion in 2016 and OmanTel has good opportunities in this area and can leverage its telecom infrastructures [10].

Threats:

Falling Oil Prices:

The dramatic drop in oil prices will affect businesses in Oman and the rest of the Middle East and their expenditure, which will ultimately also affect the telecommunications sector. And this led to drastic cost cuts and austerity measures on the part of governments and companies.

Liberalized Domestic Market:

Oman has a liberalized telecommunications market that over the years has increased competition. Ooredoo Oman is the other player in Oman. There is a new player which is Awaser-Oman, has started to offer internet services using the fiber infrastructure of the state - owned Oman Broadband Company since 2016, and this will increase overall competition on the market [11].

OmanTel current business strategy.

Best cost strategy

OmanTel company use a best value strategy to offering customers better value for money by focusing both on upscale difference and low cost. OmanTel company objective of the best-cost strategy is to keep prices and costs lower than other providers of similar products with comparable features and quality. Moreover, it offers substantial differentiation and offer products and services in low prices. The OmanTel company implement this strategy by identify a niche for its product with a target consumer that very price sensitive and has low switching costs connected with the buy of product in its category. Moreover, OmanTel company add more feature to its product offering so that the target customer is provided with value which is on par with competitive products in the marketplace. OmanTel company has the lowest price when compared to its competitors that have product offering with the same feature set. OmanTel company use this strategy continuously through creating a sustained effort to continuously cut costs across its value chain [12;13]

Suggested strategy: Focus differentiation strategy

We chose focus differentiation because the OmanTel company has competitors in the market and the services that all competitors are providing are same to the customers. The differentiation strategies are the best strategy that OmanTel company can use it in the marketing to avoid facing the competitors. OmanTel company must focus and be able to allocate a wide range of product development strengths to relatively narrow geographical area or to a particular buyer group or segment. OmanTel company also, has to make different unique services to increase the number of its customers. OmanTel company will implement this strategy by design and delivery of its products and services to has unique and worthy characteristics of its products and services in the market. OmanTel company must add new features to its products and services. For example, making a discount to the services in a special event in Oman to their segment. OmanTel company also can increase the advertising too much through using different media like social media, TV, and newspaper. It must increase the variety of its services. All of those can help OmanTel company to differentiate themselves.

Outsourcing strategy

OmanTel company can use outsourcing strategy. This strategy will be much helpful in OmanTel business like it allow OmanTel company to develop and

leverage the capabilities required to compete in global business environment. The things they can outsource are the non-core activities. OmanTel company can use this strategy to make its company more concentrate on core activities. The activities that OmanTel company will outsources are marketing and HR. When OmanTel company outsourcing the non-core activities it will avoid having some of weaknesses and reduce it. This will make OmanTel company gain more benefit and reduce some effort being used incorrectly. Moreover, the outsourcing strategy help OmanTel company to share risk so, it can reduce the risk through diversification of same activities.

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APPLICATION OF DIFFERENT TOOLS OF ANALYSIS OF EXTERNAL AND INTERNAL BUSINESS ENVIRONMENT AND IDENTIFICATION OF BUSINESS STRATEGY ON EXAMPLE OF OMANTEL COMPANY.

Anna Stalinska, Modern College of Business and Science, Oman, email: annastalinska@gmail.com

Ibtihal Al Hooti, Modern College of Business and Science, Oman

Moza Al Wahaibi, Modern College of Business and Science, Oman

Abir Al Hamrashdi, Modern College of Business and Science, Oman

Layla Al Maashri, Modern College of Business and Science, Oman

This article is devoted to the topic of strategic management concepts application based on examples of one of Omani business organizations. The publication reveals analysis of the components of external and internal business environment which is used to identify strategy pursued by the Omani company. The main purpose of the publication is to share the results of application of some of strategic management concepts, such as environmental analysis, SWOT analysis, generis strategies and strategies which help companies to strengthen competitive position in the market. Authors conducted a descriptive analysis of business environment of Oman, revealing threats and opportunities for OmanTel associated with Macroeconomic factors of Oman. Also, authors used descriptive analysis of the company' internal environment to find out its strengths and weaknesses. Results of SWOT are used for identification of generic strategy pursued by the company using deductive reasoning method.

The result of this study can be used by the company to revise effectiveness of its strategy.

The article reveals application of the concepts, using different tools for analysis The results of the work are relevant due to the importance of strategy for any business organization in order to improve its performance, gain and strengthen its competitive advantages and keep or improve its competitive position in the market.

The obtained analysis enables further improvement of strategy pursued by the company and achieve better performance.

In modern conditions, dynamic business environment have direct and indirect impact on any business organization' ability to compete and progress. Such study captures only some aspects of complex business environment of Oman and by the nature of it is limited in its attempt. The study can be developed further with consideration of more factors from business environment and more deep analysis of each of its constituents.

Despite the limitations, the results are quite impressive and useful for understanding complexity of business environment of Oman, some aspects of the business organization and its path in keeping its competitive position.

Одержано 12.09.2018.