AT&T: General Characteristics

Introduction

In our country's economic status today, we rely heavily on the presence of businesses. Offering consumers products and services that we want and need; businesses make up a significant portion of the country. With millions that can be found everywhere, the question that can be asked is: How does these businesses keep themselves running? As a result, there are statistics, reports, and a plethora of other factors that businesses have that predict their prominence in the present and future; especially for some of the largest companies today such AT&T. For example, 10-K reports are annual reports that summarizes a company's performance in the financial field. As a result, this paper will focus on the analytical degree of a fortune 500 company, AT&T, based on their 10-K report.

Business

AT&T Incorporated (American Telephone & Telegraph), formerly known as SBC communications, was founded in 1983 in the state of Delaware. Serving as Fortune 500 company, AT&T is the third-largest multinational telecommunications company in the world; suppressing other companies such as Sprint and T-Mobile. With headquarters stationed in Dallas, Texas, AT&T has become worldwide household name with ventures that expands into other countries such as Mexico and Latin America. These ventures include DirecTV, Cricket, SKY, and a plethora of other brand names that consumers may know. Offering a range of products and services such as wireless communications, wholesale, and broadband data and voice, they are the leading provider in communications and digital entertainment services in the United Sates. As a result, these services that they rendered are compatible to their products such as cellphones, tablets, and in some cases laptops. (ADD MORE INFO)

Legal Proceedings

AT&T's aspect of legal proceedings can be considerably allotted in a well-handled manner. Subjected to numerous lawsuits and regulatory proceedings in the ordinary, there is was only major proceeding that did not ultimately impact the company's financial performance. In 2012, a lawsuit and litigation were filed with AT&T's subsidiary, DirectTV, for improper use of hazardous and universal waste in the state of California. The lawsuit stated that DirecTV did not store and transport waste properly which could have been subject to toxic outpours that could harm anything from people to the air in California. As a result, the dispute lasted five years and finally in 2017 of November, the dispute was settled in an agreement. The settlement was that DirecTV would agree to abide by the waste and safety regulations in the state of California; and settle for an immaterial amount, which means it had no financial impact, for a probationary period of 5 years. Other than the Waste Disposal Inquiry lawsuit and a few monetary sanctions based on judicial and administrative proceedings which could result in costs of 100,000 or more, AT&T has no pending legal measures or pursuant that impacts the businesses' financial performance and operations.

Financial Data/Statements

In businesses, the financial data rendered is the epitome of business success. Comparing data from years to years shows the company's sales, trends, etc., and determine whether such factors included are benefiting or hurting the company as a whole. For example, financial data from 10 years ago probably shows a company's timeline in their financial performance in present day. Being able to analyze and deconstruct the data to implement strategies and create new ways for success in a company, such as AT&T, is what makes the data special.

AT&T's scale of operation observed has been nothing short of tremendous throughout the years with the exception of a few flaws. Every year for the last four years, AT&T has been able to increase their revenue. As a result, the picture below supports the claim of their performance.

According to the picture below, AT&T's revenue has been able not only to increase revenue, but the decrease in the net income could be a huge factor. The trend that being able increase revenue but decrease the company's income could result in bad situations. It could negatively affect the net profit margin used to determine how much the company will make. Although AT&T's revenue scaled a 6.36 percent increase, the trend of their net income has been fluctuating up and down for the last four years; providing a loss from 2017 to 2018. It can be said that AT&T can take measure to optimally reduce the cost of operating expenses to initially increase the profit for the 2019 year. Having the trend that increases expenses every year but decreases the factor of the company's profit could terrible problems. For example, shortages can occur, which means that there may be other opportunities that the company may want to do but do not have the profits. In addition, although the expenses may exceed net income, there has been cases were these aspects are short term processes that may raise profits again, which can be noted from the years 2016 to 2017. Overall, financial performance can be recognized in a strong-standing position.

Management Discussions

Based on the analytical information offered by AT&T's 10-K report, the discussions rendered are there provide a sense of familiarity implemented in the creation goals, projects, and risks in the present and future. In implementing new projects, the company was able to acquire Warner Media, formally known as Time Warner in early part of last year. AT&T now is the owner of another multinational media and entertainment conglomerate. In acquiring this company, this will be able to implement more forms of digital outlets. Warner Media also comes with other business units such HBO, Home Box Office, where premium pay television services exist and also Warner Bros which produces films, televisions, and many other contents. As a result, Warner Media accounted for 11 percent of AT&T's revenue in 2018. This acquisition could probably higher in AT&T's revenue and profit for the 2019 year.

Another discussion the company stated is the ideal of subscriber relationships, people who purchase services, and how to be able implement new services and plans to increase the number of subscribers and eventually attract more. As a result, there were 153,006 subscribers accounted for 2018. AT&T may offer a series of bundles and installation programs to make these people use more high-broadband approach, meaning that they want them to use more wireless advantages such as streaming. As a result of not being the only multinational telecommunications vendor, the market that AT&T fall under is highly competitive. AT&T wants

to basically receive the bulk of attention to customers in order to ensure that their use of telecommunication is the mainly the best as they offer innovative things that the other company may not. They also want to have a higher competitive position over other companies that may offer the same ventures. In addition, this strategy could be used as a form for marketing for subscribers or customers to eventually buy these offers AT&T implement. AT&T’s ability to implement innovative aspects focused on streaming and other categories in their business shows that they want their economical presence valued and to reach a level of grand composure that only leaders can acquire.