

Comparative analysis between two different firms in two different countries

[Business](#)



COMPARATIVE ANALYSIS – FORD INDIA AND PAK SUZUKI This paper gives an analysis of two firms operating within different countries and the issues, challenges and problems that both these firms have to face during their normal course of business are highlighted as an integral part of the paper. The paper shows the financial performance of Ford Motor India and Pak Suzuki in the year 2010 and the political, social, legal and ethical issues that both these companies face in their respective operating countries.

Comparative Analysis – Ford India and Pak Suzuki Comparative analysis can be performed efficiently by selecting and analyzing the performance of two companies in two different countries. The two firms operating in different countries identified to have similar problems are Ford India Private Limited operating in India and Pak Suzuki Motors Company operating in Pakistan. Ford India Private Ltd is a subsidiary of Ford Motor Company. Ford Motor Company is considered to be one of the most renowned automobile manufacturers around the globe. With respect to automobile manufacturing, it is placed second in the United States and fifth largest automobile manufacturer in Europe (Schmitt, 2011). Pak Suzuki Motors Company, on the other hand, is a subsidiary of Suzuki Motor Corporation of Japan. As both these countries are close neighboring countries, they are deemed to face similar challenges and problem during their normal course of business. The biggest challenge for both Ford India Private Motor Company would be to produce cheap cars in the region in which they operate as both the countries are considered to have large amount of poor people living within the economy. Both the countries are considered to have increased gap between the rich and the poor where the rich get much richer while the poor head for

much more dark slumps. Hence to cater to medium and low income generating families in both the countries, both Pak Suzuki and Ford India have to produce cheaper cars to remain profitable and competitive in the tough environment in which they operate. India has been a great fortune generating market for Ford Motor Company. Ford India's performance in the year 2010 improved drastically with an increased sale of 3.1 million units (this figure being 35.5% more than the figures in the year 2009). Ford Motor Company was able to increase its sales in the Asia Pacific region (including China and India) from \$5.6 billion in the year 2009 to \$7.4 billion. This showed a severe increase of 32% in the year 2010 (Annual report, Ford Motor Co, 2010) Pak Suzuki on the other hand, showed a 62.5% increase in net sales of the company in 2010 (as compared to 2009). In the year 2010, the production volume for the company increased by 54.5% and 35% for motor cars and motor cycles respectively. Sales volume on the other hand increased by 52.2% and 29.7% for motor cars and motor cycles respectively. The performance for the company in the year 2010 had also been good within Pakistan and the final evidence to prove the enhanced position of the company was the increased gross profit percentage, which increased for the company by 0.2% (Annual report, Pak Suzuki, 2010). With the respect to other factor, both the companies can be analyzed as follows:

Political: Although Pak Suzuki was founded as a result of a joint venture between the government of Pakistan and the Suzuki Motor Company, both the Ford India Motor Co and the Pak Suzuki are considered to have no political affiliation, although both of these operate in different political environments where India having a much subtle and stable environment as

compared to a volatile Pakistani political environment. Social: Both the companies have to focus on low income families buy providing them with the people with increased value for money from their products. Ford India is considered to be performing better with respect to better value for money and increased public response (e. g. Ford Figo judged as the most awarded car ever in India) (Ford Press Release, 2011) Ethics: Pak Suzuki is judged by its auditors to be complying with ethics guidelines issued by the International Federation of Accountants. The company is considered to be ethical and transparent in all its trading practices. Ford India too have been really ethical in all their dealings and it is not just the ethical dealings that that the company strives for, the company is also a strong believer of environment sustainability and this is demonstrated in the sustainability report. Legal: the legal differences that these firms face are with respect to the differing laws and regulations of the country. India is far stricter on environmental issues than Pakistan, hence Ford India have to abide by those environmental laws as compared to Pak Suzuki. The factor condition for both the companies are the same i. e. the availability of proper raw material and infrastructure but this is further argued in favor of India which offers a much better infrastructure than that of their neighbors. All these issues prove that Ford India performs with higher standards and has a much larger market to cater than that of Pak Suzuki's. Both the companies have one thing in common and that is the availability of cheap labor within both the countries. References Annual Report 2010, Pak Suzuki Motor Company Limited, Retrieved from:

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