

# Gm holden australia essay examples

[Business](#), [Manufacturing](#)



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## **Link to Article**

Brooks, G. (2013). Australia: BMW boss predicts end of GM Holden Manufacturing. Just-Auto, Retrieved August 25, 2013 from, [http://www.just-auto.com/news/bmw-boss-predicts-end-of-gm-holden-manufacturing\\_id137441.aspx](http://www.just-auto.com/news/bmw-boss-predicts-end-of-gm-holden-manufacturing_id137441.aspx)

## **GM Holden Australia: Media Release**

Recent press publications on the fate of GM Holden Manufacturing note its impending downfall. An article published by Glen Brooks on August 23, 2013 predicts the end of GM Holden. BMWGroup's boss Phil Horton attributed this to the election. If the Liberal-National parties' coalition wins the federal election, GM Holden will lack subsidies; these subsidies previously supported their locally-established manufacturing operations. The impending closure might occur by the end of the year if nothing is done. It raises a need for a solution to this problem. Holden focuses on the implementation of a variety of strategies in preventing its closure. With support from the government,

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GM Holden can avoid closure.

First and foremost, the workforce size must be reduced; this reduces the cost in wages and salaries. The company must eliminate over 400 job positions on its Adelaide operations. However, this reduction in the workforce is not sufficient. It will, further, engage the remaining employees in salary negotiations; there is a need for the reduction of wages for the remaining staff. Most of the employees face a salary reduction of 25 to 40 percent. This step is necessary; all options are being explored. Though this puts the employees in a challenging position, it is the only way of saving GM Holden's position in the country's automobile industry. The move to cut over 400 jobs results from the strength of the local currency; this also results from the devaluation in competing markets. Its local plants are among the most expensive worldwide. This strategy cuts the costs and redirects the funds to production.

Subsequently, the cost of car construction is a challenge. It is crucial to note that the production of a car in Australia is more costly in comparison to other GM plants; the cost is about \$3, 570 more. There is a need to deal with the cost penalty through labor-related savings. The company set up a strategy of reducing the cost of building cars, within the country. It will increase the amount of revenue while reducing the expenses. Efforts to secure constant financial support from the federal and state governments is ongoing; these negotiations face a threat from the possibility of a coalition government. The fall of Holden is a severe threat; it must be prevented. It must continue in the manufacture and distribution of engines, motor vehicles, components and

parts. The latest results of its efforts are models such as; Trax range and Commodore Evoke.

## **Facebook posts**

(Post 1): the employees suffer most from the risks posed by Holden's impending downfall. The loss of jobs and salary cuts will definitely affect the standards of living. August 23rd at 1: 36p. m.

(Post 2): though drastic, the Holden's measures may rescue the sinking ship. Its contribution to Australia' economy is significant; its absence would have a critical impact. August 22nd at 3: 40p. m.

(Post 3): GM Holden should focus on external sources of vehicles. A good option would be South Korea; it should take advantage of the existing string ties. August 23rd at 2: 00p. m.

## **Tweets**

brettwilson @bjwilson34 GM Holden needs to take advantage of the media coverage to market their fleets, car parts, and accessories.

Kandie @ K\_a\_n\_d\_i\_e Though imported vehicles is a logical option, focusing solely on them would affect Holden's sales.

## **Analysis of tweets and Facebook comments**

These posts on twitter and Facebook depict GM Holden's significance to the country's economy. It further supports the need for a solution to the evident risks. Holden is a world-known center of expertise in engineering and design of vehicles. Despite the challenges, it remains committed to the manufacture of cars, in Australia. It banks on cooperative efforts in ensuring productivity improvements.

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