

Ford motor company

[Business](#), [Marketing](#)



Final Project

Ford Motor Company

The year of 2008 proved to be quite challenging for Ford Motor Company. This year witnessed the financial markets' downfall, a nationwide mortgage in the US as well as housing disaster and increasing unemployment. The company suffered gravely because of the ability of it to invest was reduced owing to the drop for availability of financial resources. Internally the drop occurred because of the reduction in the revenue of the company and externally because of the lesser ease of access and increased finance cost. The overall demand of automobiles or cars decreased in 2008 in the US. The external business environment in 2008 remained tremendously challenging as the availability of short-term credit was abridged (Ford Motor Company, 2011; UNCTAD, 2009).

The company had also borrowed funds by providing security for the funds with almost all of its assets. Due to all these reasons, by the end of 2008, the company had sold a major portion of its managing interest that it enjoyed in Mazda. Mazda was basically an Original Equipment Manufacturer (OEM) which had its base in Japan and was also in view of the “strategic” prospect of Volvo, the company's Swedish subsidiary. The reducing demand because of the oil crisis and their increased prices during the period 2003-2008 gravely affected the demand of sport utility vehicles (SUV) and also that of the pickup trucks. The manufacturers also faced the problem of increasing labor costs compared to other non-unionized companies. In addition, the amount of the cars traded in the US was considerably attached to home

credit through the equity. The economic and financial crisis in the US in 2008 made it tough to avail credit and thus, the sales of vehicles declined heavily (Ford, 2011; Cooney, Bickley, Chaikind, Pettit, Purcell, Rapaport, & Shorter, 2009).

However, in the international market, the demand for the company's products persisted and the company was successfully bringing down its cost of production. This added significantly to the popularity of its products in the international market. The company also did not face problems like the US markets, for instance, increased labor expenses. These helped the company to trim its manufacturing costs and offer its products at moderately low prices (Ford, 2011).

The company managed to successfully come to an agreement with the United Auto Workers (UAW) union, which majorly manages the availability of laborers in the US. The company, Ford managed to negotiate with the union and bring down the labor costs which helped to a great extent to bring down the manufacturing costs. Ford has even been able to recognize the significance of small vehicles which are fuel efficient and worked towards manufacturing such products. The company in spite of the great difficult times has managed to continue to make innovations in its products with enhanced features which have helped in attaining customer satisfaction. The company has been incorporating these international strategies into the domestic operations (Dornbach-Bender, Slade, & Thorpe 2009).

Union Carbide

Back in 1984, Union Carbide was considered to be amongst the leading manufacturing companies globally. The company had considerable

associates in India as well. It had around 14 plants with a workforce of almost 9000 employees and was structured into five different operating divisions. It was stated to be quite a branched out manufacturing firm. The manufacturing plant of the company was situated at Bhopal and where the tragic incident occurred was set up with a compassionate objective. The company's strategy was to make available and provide pesticides for the reason of defending the agricultural production in India. The pesticides that were produced at the Bhopal plant were carried out only with the intention of catering it to the market in India. The company had the strategy and aim to contribute significantly to the competence of the country to convert its agricultural division to a contemporary activity. This activity was believed to make the agricultural sector of the country competent enough to provide food to one of the most densely populated regions. The company, during the end of 1960 started manufacturing a particular kind of pesticide called Sevin which was considered to be environment friendly. Later, the plant at Bhopal had started dealing with 'methyl isocyanate' which came from the US. The process of producing Sevin and another pesticide called Temik involved reaction of 'methyl isocyanate' with certain other particular compound. This technological process was planned as a proactive attempt by the Indian government for the purpose of attaining industrial self-sufficiency. These attempts ultimately resulted in constructing a separate manufacturing place of 'methyl isocyanate' situated in Bhopal (Browning, 1993).

Union Carbide had its head office at Danbury in Connecticut, US. The Indian operations like the Union Carbide India Limited and the other Asian associates were managed by the team of Hong Kong. The Union Carbide

India Limited managed the operations in Agricultural Products Division, Battery Product Division, Carbon Metals and Gasses Division, Chemicals and Plastics Division and the Marine Products Division in India (Peterson, 2008). The reasons that led to the disaster were lack of maintenance of the plant equipments and failure of the company to pursue specifications regarding the operating procedures of the industry while transferring and storing the toxic chemicals. The company also did not follow the laid down specifications regarding the emergency procedures. It was also found that the company did not provide adequate respirators to its workers who were dealing with the toxic chemicals. The control room was found to be insufficiently ventilated and the vapors entered the control room because of the air conditioners. Thus, these were the areas where the company failed (Peterson, 2008). Union Carbide should have taken proper notice and ensured the maintenance of the equipments at the plant. The company also should have followed the specifications of the industry regarding the operational procedures in the course of moving and accumulating the toxic chemicals. It should have also followed the specifications regarding the emergency processes. The company should have taken enough precaution to stop the entry of any kind of vapor or water to the control room. Mixing of water with the chemical gives rise to a fatal gas which was the reason of the tragedy. The company should have also ensured appropriate passage of air in the control room. Thus, with the help of these operational procedures and strategies a tragic incident like this could have been avoided.

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