

Formation and development essay examples

[Business](#), [Company](#)



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Introduction

Lamborghini is an Italian based automobile company that manufactures of luxury sports cars. it is owned by the Volkswagen group via its subsidiary Audi. Its headquarters are in Sant'Agata Bolognese. Its current Chief Executive Officer is Stephan Winkelmann.

- Ferruccio Lamborghini is the man beyond the formation of Lamborghini in 1963.
- His main objective was to manufacture refined touring cars that would compete with those that were being manufactured by well-established marques among them Ferrari.
- Its first models were released in the early 1960s and actually intensified the competition for automobiles. People could easily note the models power, refinement and excessive comfort as per the standards of that time. Its introduction into the market was viewed as a major step in meeting the consumers' needs, preferences and tastes.

- In 1966 Lamborghini gained a wide acclaim when it introduced the miura sports coupe which established rear wheel drive and rear mid-engine. It was a standard layout for high performance cars.
- In its first decade, the company registered a rapid growth.
- Unfortunately, in the 1970s hard times started befalling the company. It faced a major challenge of reduction in its sales due to: (a) the oil crisis of 1973 (b) the economic trough of 1973.
- In 1973, it was declared bankrupt. The company experienced a state of inactivity upto 1987 when Chrysler took control of it. However, they were also unable to manage it and in 1994 it was sold to a Malaysian group (mycom setdco) and Indonesian investment group (V'power Corporation).
- The company was making little progress as well as profit. Finally in 1998, the firm was sold to Audi a subsidiary of Volkswagen.
- Audi believed that they had a high expertise that could strengthen Lamborghini and they agreed to pay \$110 million to acquire the firm.

Management under Volkswagen

- Under the new management of Audi, Lamborghini started to stabilize and its productivity improved immensely mainly due to the high expertise of its management team. Sales increased almost ten times and in 2007 and 2008 it recorded the highest sales ever. In 2000s, there was another world financial crisis that affected all manufacturers of luxury vehicles. Lamborghini was not spared either. Its sales reduced by 50%.
- Under the control of Germany, the Diablo's final evolution came in. the GT was released and after 11 years of the Diablo's production series, Lamborghini produced more than 2900 examples.

- It currently has more than 120 dealerships globally.
- In 2009 Lamborghini sold 1515 vehicles, 1302 in 2010 and 1054 in 2011.
- It currently has more than 850 employees who are beyond its success.

Reasons for the growth of Lamborghini

- Its products are of high quality and fairly priced despite their luxuriousness.
- Its products are of different types therefore meeting the different needs and tastes of the high varied consumers.
- Has a strong brand name.
- It conducts a thorough marketing process that makes the consumers well versed of its products.
- Its management team is highly experienced and responsive to consumer and market trends.

Its products

Lamborghini produces several cars that are being sold the world over.

Among them include: Gallardo LP 570-4, Sesto Elemento (2012), Veneno (released in 2013 and it is selling at 3.9-4.1 million USD), Lamborghini Gallardo, marine engines, Reventon Roadster and Aventador LP 700-4.

Conclusion

Lamborghini is currently one of the best manufacturers of sports cars.

However, it has undergone lots of challenges and changes to be what it is today. Audi revolutionized the firm and became a world class company. Its strong brand name and highly skilled management team cannot be

underrated. Its wide range of products further makes it acceptable to consumers. The company is still aiming to achieve more.

Work cited

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