

Hyper efficient research papers example

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



Abstract Page

According to the core definition of Hyper Efficiency, is all about being efficient than the normal terms of an organization. It is one of the most important operational strategies and aspect that relates to an organization as far as bringing economic efficiency is concerned. The entire analysis depends upon the four examples of cost efficiency which has been applied over the Ford Motor Company. The entire analysis and application of these hyper efficient behavior shows that the productivity and level of efficacy of the company will certainly increase the level of efficacy in a positive manner. Operational assets, mitigation cost, managing the liabilities and managing working capita are the four examples of hyper efficiency that applied on FMC. It is also revealed from this entire analysis that the company will certainly get appreciation in the market and will become perfect as far as managing their core operations are concerned in an organized and perfect manner.

Introduction

Efficiency and effectiveness are some of the major aspects that associated with an organization, as far as providing effectiveness to the companies are concerned. In this current globalized world, wherein every company is trying to mobilize and strengthen their core operations with the help of effective strategies, the name of efficiency is an important aspect that can deliver some remarkable results for the organizations (Keefe & Jurkowski, 2013). Organizations are meant to bring economic expansion and efficacy in their core operations with the help of effective and timely strategies particularly.

Those organizations which are efficient in terms of their services are more productive and effective as compared to those organizations which are unable to get the things in the right manner accordingly. There are hundreds of thousands of companies are currently working in the world in order to show their effectiveness and strategies in a perfect manner, however efficiency is the only strategic power that can make a huge difference among an efficient organization and a non efficient organization (Keefe & Jurkowski, 2013).

Being Efficient is one of the most important strategies that associated with an organization, and it is one of those strategies due which an organization can certainly get an added advantage with the same. Efficiency has number of definition and theory related to it, and among them there is a name of Hyper Efficiency. The main theme of this paper is covered under the table of Hyper Efficiency in the manufacturing sector, and the application of Hyper-Efficiency on the core operations of the company to make it effective and powerful in the future. It is better to apply the concept of Hyper-Efficiency on one of the well-known manufacturing organization of the world. The company on which the examples of hyper-efficiency will apply is Ford Motor Company.

Analysis and Findings

What is Hyper-Efficient in Production and Manufacturing?

Production or manufacturing industry is one of the largest and most lucrative industries of the world, and it has the tendency to cover up the things in an effective and organized manner. The level of efficiency associated with the production and manufacturing department should be placed at a higher level

for the betterment and the productivity of the company in particular.

Theoretically, Hyper Efficient means, efficiency than the normal terms and conditions (Keefe & Jurkowski, 2013). This is an important type of efficiency level which is more than essential for the corporations to get the sheer benefits of economic well being and strategically all set. In production and manufacturing, hyper efficiency is all about bringing core benefits and bringing efficacy in the market for a better position. Organizations, specially manufacturing organizations which are hyper efficient are comparatively more productive and sounder as compared to less efficient companies. Hyper efficiency will increase the level of innovation and other important aspects of the company which will be equally beneficial for their future effectiveness. Though there are numerous examples that can be used in the hyper efficiency of a company, however it is required to select any four of them, and these examples are as follows

- Enhancing the Operating Efficiency of Operational Assets
- Being hyper efficient in cost efficiency
- Being Hyper Efficient in managing Working Capital of the company
- Being Hyper efficient in managing liabilities of the company

All of these four examples of hyper efficiency will be applied on the chosen (FORD MOTOR COMPANY).

About Ford Motors Company (FMC)

The Ford Motor Company is an American multinational automaker that has its active presence in the Michigan market, Detroit. The company was founded by Henry Ford, and was incorporated in the year 1903. The company is in the business in manufacturing and selling of automobiles and

commercial vehicles in different parts of the world.

It is one of the largest organizations of the world, and the company has the accolade to introduce the largest method of scale manufacturing with positive attitude of the employees and behavior. Ford is the second largest US Based automaker after the General Motors (GM) and the 5th largest in the world in terms of selling of the vehicles. In the list of Fortune-500, Ford comes at the 8th rank with more than 200, 000 employees working with the company. Currently the company is providing a product includes Automotive Parts, Vehicle Leasing and Vehicle Services. The company is currently operating with three different divisions in the entire world which are Ford, Lincoln and Motorcraft. The company is well known for its share movements and manufacturing of automobile units particularly (Financials. morningstar. com, 2014). Ford Motor Company reported net revenue of US\$146. 91 billion in the financial year 2013 with net income provision of US\$ 7. 15 billion in the same year. The company is found extremely efficient as far as generation of revenue is concerned and maintaining long term effectiveness in the market. The aforementioned four examples of Hyper Efficiency will be applied on the Ford Motor Company to analyze its core effectiveness for the entities in particular.

Being Hyper Efficient in enhancing the Operating Efficiency of Operational Assets

Operational assets are some of the important things which an organization has, which has a direct linkage with the financial and strategic position of a company. It is very important as far as manufacturing organizations are concerned. A company which has highly effective and organized operational

assets is the most important and effective companies of the world. The efficiency of the operational assets can be found with the help of return on assets (ROA) ratio. The ROA of the company for the last four years are as follows

The trend line showing the return on assets (ROA) of the selected company having a figure of 3.65% in the year 2010, and it was only 2011, wherein the ROA of the company was in the double figures. The average ROA of the company is 5.5% for these three years of time period, showing the inefficiency of the company as far as managing its operational assets in particular. This particular thing is not in the favor of the company in terms of managing their assets and operations. Being Hyper Efficient in terms of utilizing the operational assets of the company means that the ROA of the company would increase considerably (Financials. morningstar. com, 2014) It can happen by increasing the number of manufacturing units of the company, which will increase the sales level of the company in an organized and perfect manner. Hyper Efficiency will certainly lead to increase the operational efficiency of the assets of the company which will increase the financial well being of the company in a positive and effective manner in particular. Ford Motor Company will certainly compete with its closest competitor General Motors (GM) by becoming efficient in managing its assets.

Being hyper efficient in cost efficiency

The cost of operations to sales of Ford Motor Company is extremely high from the year 2010-2013, showing the inefficiency of the company in terms of managing their operational cost. The same thing is found in the below

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mentioned graph

The aforementioned graph is showing the inefficiency of the company as far as managing its operational cost. The average cost of goods sold of Ford Motor Company for these four years is 84.5%, which is very high that leaves the gross profit margin of the company only to a level of 15%. The company has to become hyper efficient as far as bringing cost efficiency function in their operations is concerned, and should bring some of the models of costing like Activity Based Costing (ABC) or Just in Time (JIT) process to cover up these cost. Being Hyper Efficient in this particular aspect will certainly increase the economic well being of the company in a perfect and organized manner (Financials. morningstar. com, 2014).

Being Hyper Efficient in managing Working Capital of the company

Working Capital is an important thing that associated with the day to day operations of a company, and it is an important ratio and element through which the economic power and well being of an organization can be analyzed accordingly. Working Capital can be analyzed with the fact that how the company is managing its short term financial obligations and promises. Having positive working capital is an indemnity that the company is highly efficient as far as managing their operations are concerned in a perfect manner. The working capital of the company from the year 2010 to 2013 is as follows

This particular aspect lies in the favor of the company, and found that the working capital of the company is in the positive term. It was nearly to a level of \$ 81, 737 million in the year 2010, which later on reached on the

position of US\$ 77, 438 in the year 2013. This particular thing is also showing that the average Current Ratio (CR) of the company is higher than the psychological level of 1, showing the effectiveness of the company in terms of managing its short term financial obligations. If the stance of Hyper Efficiency would have been applied over this particular aspect of Ford Company, then it will become effective in terms of managing in the current ratio in an effective manner (Financials. morningstar. com, 2014). With the help of this particular strategy, Hyper Efficiency will get the things in an effective and organized manner for Ford Motor Company particularly.

Being Hyper efficient in managing liabilities of the company

Apart from the assets, liabilities are something that has a direct linkage with the financial based effectiveness of an organization. It is very important for the companies to maintain the level of their liabilities in an effective manner for their future consequences in particular. Liabilities are a major part of the balance sheet of an organization, and it usually decreases the level of assets in the company which will not be effective for the entity.

Bring efficiency in the liabilities will move and lead to increases the financial belongings in an effective and perfect manner. There is a ratio which can be taken into account to analyze the level of liabilities of the companies particularly. The ratio and proportion of debt in the equity of the company is extremely high that nearly touches to a level of 89% that shows that the equity position of the company is not effective for the companies particularly. Being Hyper Efficiency in the liability function would certainly enhance the financial position of the company in an efficient manner. Being Hyper Efficient means that Ford Motor Company will decrease the level of

cost of the company in an organized manner

If the company applies efficiency in their liability function, then the chance of getting high return on equity (ROE) would be on a higher position in particular, and the company will certainly get an added advantage in particular. The companies will certainly increase the operating profit margin and net profit margin in an organized and perfect manner particularly.

Conclusion

There are certain aspects that found important interactive and effective for the organizations in particular. Cost Efficiency and leadership are some of the important things that associated with the organizations, and it is one of the strategies through which the level of efficiency of the companies will increase considerably.

This particular analysis is all about hyper efficiency with its application on a specific company. The company chooses for the same is Ford Motor Company, and the analysis shows that if the company would become able to become hyper efficient than it will certainly increase the economic well being of the chosen company in a positive and effective manner.

References

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