

# Delphi corporation

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





Delphi Corporation is reported to be the global market leader in transportation and mobile electronics parts and production of systems technologies. The corporation has its headquarters in Paris, Michigan, Tokyo, Troy and Sao Paulo. It was founded in the year 1997. The corporation is also reported to have utilized the concept of globalization in that it has set up subsidiaries in nearly forty countries around the globe. Research indicates that the corporation has utilized mainly a method of entry to international market called joint ventures when entering new markets all over the world.

It is also reported that Delphi Corporation employs over one hundred and eighty thousand workers thus playing a major role in the development of world's economy. The corporation has integrated structures and units that aid in simplifying the procedures of manufacturing and in the process sustaining the demands of high-tech automobiles. From the corporation's mission statement, its main objective is to apply modern solutions and technology guidance to deliver client contentment, receptiveness and highly viable cost levels.

Delphi Corporation is within the industry norm and therefore it has the ability to continue improving in its operations with less difficulty in terms of production and selling of its products to its customers all over the world. Therefore with such a state the company has the potential of further progressing and reaching to many countries thus attaining a relative large market share as compared to that of its main rivals within the industry. (New York Reuters, 2008)

Delphi Corporation Challenges



Today's business environment is very volatile in nature. This has made many businesses to encounter many business risks that are quite complex in nature. The business risks come in many ways. They include business ethics, investor demands, corporate governance, competitive market pressures, regulatory compliance, changing technology and accountability. In the recent past the corporation has been under pressure in the European markets to trim down its operating costs in order to achieve desired profit levels and thus continuity of its business.

For the corporation to accomplish its utmost output and further proficiently control divestiture and expansion, it opted to subcontract or outsource chosen finance and accounting procedures for its strategic business units in some European nations to Accenture Company. Through its partnership with Accenture, the corporation wanted to achieve better management of funds and reconciliation, and reinforce its competitive advantage by further rapidly reacting appropriately to the ever changing market state of affairs.

Accenture is a worldwide firm that deals with management consultations, know-how and outsourcing services. It has dedicated itself to bringing innovation and Accenture Company worked together with Delphi Corporation to assist it to achieve high-performance production in the corporation. With profound diligence and business process proficiency, extensive universal resources and established track evidence, Accenture Company mobilized the right personnel, abilities and know-how to aid Delphi Corporation in enhancing its production performance.

Such assistance by the Accenture Company led to achievement of high results by the Delphi Corporation for example in the United Kingdom

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whereby the corporation subsidiary grew significantly and achieved high profitability. (Brassington and Pettitt, 2000) The other challenge that the company has faced over the past is intense competition from firms who has also specialized in production of mobile components at the same time providing transport services to the clients. With the concept of globalization being the major form of business nowadays, Delphi Corporation has been struggling to remain as the market leader in the industry.

Some new firms have entered in to the industry with new innovations and thus providing serious challenge to the marketing of the corporation's products in some parts of the world. An ethical situation facing Delphi Corporation is that of air pollution due to its nature of production activities that the corporation is involved in. In fact the corporation was reported in the year 2002 by the University of Massachusetts Amherst as the 21st biggest company producer of air pollution in the United States.

The corporation has some pollutants that are considered toxic and include sulfuric acid, chromium compounds, asbestos, glycol ethers, hydrochloric acids and lead compounds which play a bigger role in air pollution during the manufacturing processes. The corporation has a duty of social responsibility to its customers at the same time to those people living within its premises of production of activities. The manufacturing and production processes emit smoke which is said to be harmful to human health particularly in the long run.

The components that are produced have to undergo several processes before being ready for release to the market. It is therefore through such stages that there is a lot of mixture of gases produced due to reactions of

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chemicals and other products used in the manufacturing process which in the process creates air pollution. It is believed that Social responsibility in any organization is an ethical practice that a particular organization needs to apply in the society surrounding it.

We find that the Delphi Company applies this theory in the maintenance of its management and decision making processes by the use of new technological advancement in order to improve its business partnerships with the, employees, merchants, the community and the consumers at large, thus improving its business operations and cutting the production costs. (Bagley and Savage, 2006) Delphi Corporation of late has also experience closure of some of its branches in the world, for example in Spain, Puerto Real plant. Such a closure meant that over four thousand employees lost their jobs thus affecting the economy of Spain significantly.

Also in the United States between the years 2005 and 2007 it is approximated that nearly twenty subsidiaries of the Delphi Corporation has been closed down. The closure has been attributed too such factors like poor management and intense rivalry among other factors. Budget The overall revenue of Delphi Corporation is approximately twenty six billion US dollars yearly from each subsidiary. However, it is reported that those subsidiaries in Japan, US and the UK are more productive than other branches in the world in terms of cash flow generation.

The corporation subsidiaries each has an annual budget of approximately twenty six billion dollars yearly and thus most of them achieve there target. However, for the corporation to be more productive it requires at least thirty five billion US dollars per subsidiary in order to accomplish itsgoalseffectively

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without being shut down. Nearly half of that amount should be directed to production of the existing automobile products at the same time new products in order to remain competitive.

Approximately a quarter of the remaining amount will be used in salaries, wages and other benefits of the employees of the corporation. The remaining figure should be subdivided to other uses such as miscellaneous and social responsibility among other varying costs. Marketing and pricing strategies The main aim of any organization is to increase sales and Delphi Corporation has not been left behind either. Thus the corporation has focused on pricing strategies which includes the marketing mix consequently achieving good results in terms of its earnings as compared to its rivals.

Delphi Corporation has focused on pricing strategies that have attracted many consumers of its products and at the same time has led to attaining large market share all over the world. According to research carried out recently it is recorded that the corporation's prices as compared to those of its main rivals are said to be affordable to the consumers. In essence, the corporation has tried to be a low cost producer in the automobile industry. The company is also accredited with good and effective forecasting techniques for example they have utilized time series technique of extrapolating the future sales of the company's products.

Delphi Corporation too has transformed its revenues to free cash stream in front of intentions and thus they have outpaced its rivals in the market. Delphi Corporation has implemented marketing mix strategy, which utilizes application of the commonly referred "4 Ps" that stands for; product, price, place and promotion. The four elements are considered to work together and



the corporation has utilized although it has not effectively and efficiently yielded good results.

They are the following; Product: A product is essentially the basis of an existence of any business and therefore can be said it is the lifeline of any company in trying to achieve its objectives. Delphi Corporation produces transportation and mobile electronics parts and production of systems technologies. With technological innovations and globalization intriguing centre stage in the modern society, automobile products have been on high demand recently and Delphi Corporation has risen to this challenge. (Barlon, 2006)

Price: This is referred to as the total amount that a customer pays in order to acquire certain products. The price of a product is a key determinant to marketing activities of any company and usually determined by issues such as identity of the product, quality of such a product and market share of the product among other factors. Research indicates that Delphi Corporation offers its products at relatively cheaper prices than that of its rivals. The company is attempting to be a low cost producer in nearly all market shares that it has.

However, in some regions the company offers automobile parts at a premium; this is because the quality and the standard of the components are said to be high and has a strong brand name. The main reason for the company's performance is that of practicing penetration pricing strategy whereby the corporation's products have been defined originally at lower levels but as time goes by, they raise the prices slowly to meet the company's needs and to avoid unnecessary losses.

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Place: Place is also very crucial to organizations marketing strategies and usually it refers to where the products of the company are held. However, it simply refers to channels of distribution that the company utilizes that can be physical or non-physical channels. An example of non physical is that of e-commerce in selling internationally while that of physical is that of chain stores built in an area to store the automobile components to be distributed in the market.

Research shows that Delphi Corporation has managed to come up with many and suitable channels of distribution which has supported the company's increase in sales and thus attaining a large market share in the automobile industry. The company has its own autonomous distributors, for example Delphi Corporation has many companies across many countries and thus has been able to reach to a wider population in terms of marketing the automobile products. However, the company has an assignment of identifying the best distributional channels in various markets in order to cope with any competitions from its competitors in the automobile industry.

Promotion: This involves all communication strategies used in marketing of a company's product with an effort of reaching new markets and at the same time retaining the existing market in a particular industry. Promotion has played a key role in gaining large market share by the Delphi Corporation in terms of marketing the automobile components. The Corporation in its effort to capture the expanding market has constantly and should continue emphasizing the diverse components of promotional activities which comprise of intense public relations, word of mouth, point of sale and vigorous advertising campaigns.



With these four elements, the automobile components have been rated to be among the best in the world because of such activities like formulating adverts that are appealing to the customers and also the public relations of the marketing staff of the company is reportedly said to be above par that is; it is rated to be the best in the automobile industry. (Barlon, 2006) With increase in sales it will imply that Delphi Corporation will acquire large sums of money thus can use the funds to divest through new products development, market development or by modifying its existing products to meet customer expectations.

### Recommendations

The corporation should focus on personal selling techniques in order to provide considerable challenges to the upcoming competitors in the automobile industry. I will recommend that for the corporation to fully promote the automobile components in market segments, it should enter into contracts with celebrities for example David Beckham of England when marketing the product of the company. This is because, research indicates that, if a product is associated with a celebrity then it will perform well in the market since many of the customers particularly his fans would like to be associated with the products being advertised.

It should also identify the medium of communication that the customers of automobile components can be reached at in order to increase sales and thus in turn the profitability of the company in long-term strategy. The corporation should practice the management of the environment as part of its social responsibility by producing environmentally safe products and also



educating the consumers on the way of using them the environmentally harmful products.

It should also employ the use of modern techniques and processes of production that will reduce pollution particularly air pollution to the surrounding communities. Failure to carry these responsibilities will definitely lead to collapse of its market for the products. (Bagley and Savage, 2006)

The management of Delphi Corporation should focus in the future and particularly focusing on both new and existing customers' needs and expectations. From this study, it can be deduced that Delphi Corporation is a customer-focused business i. e. its foremost business are customers of automobiles components in the automobile industry.

Therefore the available knowledge of customers and markets should facilitate Delphi Corporation to construct and develop an extensive range of automobile products that are considered relevant to its target customers. Also Delphi Corporation should utilize the concept of marketing research to target and build up its potential markets in order to become an international leader in the automobile industry. (Barlon, 2006)

The importance of decision making in any organization is that it should reinforce the organization and this reinforcement should be directed to improve the company's productivity. Under this the corporation should decide to create Strategic Business Units (SBUs) which carry programs that usually cater for the safety of the, community, employees and the consumers who are regarded as the stakeholders of the organization because they have invested their trust and faith in the operation of the business.



This automatically leads to a good relationship between the companies, management team, society and its employees thus improving the production. In this case we find that Delphi Corporation should practice its safety responsibility for its consumers, employees and the community. (Bagley and Savage, 2006) Conclusion Despite the intense market rivalry, Delphi Corporation have diversified its products to many nations globally and in the process the management of the corporation has developed the best contemporary association accredited with unsurpassed competence in logical or scientific expansion and selling of its automobile products.

We can therefore deduce that the corporation has been successful and will continue to strive in the long-term by maintaining its overall growth regardless of the increasing outlay and the ever challenging competitive setting in the automobile industry. The company also has strength of being an overall market low producer of automobile products and thus has the potential to expand in the future given its efficient marketing strategies that they have adopted.