

Bmw group essay example

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



\n[[toc title="Table of Contents"](#)]\n

\n \t

1. [Background](#) \n \t
2. [Organizational Structure and Culture](#) \n \t
3. [Product and Process management](#) \n \t
4. [AUDI AG](#) \n \t
5. [Product and Process Management](#) \n \t
6. [Similarities and Differences between Audi and BMW](#) \n \t
7. [Reference List](#) \n

\n[/toc]\n \n

Background

BMW was awarded the 'Outstanding Corporate Innovator (OCI) award in 2002 as a result of outstanding and innovative growth strategies. “ This award was the culmination of continuous innovation, product development and brand loyalty exhibited and the company “(Oswald, 2002). This award came as a major milestone for the company that had been on an innovation and growth strategy to further its overall company long term objectives. Most industry observers expected that such an award would further assist the company reposition itself as a leading player in the automobile industry. However, this global recognition was not without its challenges that most global corporations face as a result of both internal and external market forces.

Organizational Structure and Culture

The BMW group has been realigning its organizational structure to conform to the global changes in the automobile industry. Being in a sector that is

greatly affected by external factors such as prices, consumer preferences and competition, the group has in the recent part revised its organizational structure. The overall strategy of the company is a continuation of the profitable trend by concentrating on high-end products. The company aims at achieving this growth strategy by reinforcing itself as a strong brand in the automobile market.

In terms of production, the company manufactures a product to suit different key market segments. In any form of business, brand creation according to Kvint, (2005) is extremely important. BMW as a brand mainly focuses on the high-end markets, but has brands for the middle and low income market segments. The company has succeeded in improving the various models in the market to suit each and every customer's need and specifications. In addition to this, the company established a policy to increase the processing time required for new cars to ten days. Moreover, the company is in the process of developing new and advanced automobiles that will dominate the future automobile market in the face of increased competition from automobile manufactures.

Product and Process management

The BMW Group has invested heavily on a centralized human resource model based in Munich, to oversee human resource management of the group's employees worldwide. The human resource and industrial relations department is mandated to encourage career development within the ranks of the company and ensure that best practice is adhered to. The organization's internal working structures are designed to accommodate innovation as well as ensure the employability of the employees in the long-

term.

The issue of technology and innovation is very vital within BMW group's internal product development mechanism. For instance, the BMW 3 series saw the company invest over . 25 million in designing ergonomics meant to assist employees access better working environment. A further development by the company was the pre-assembly industrial park that was designed to deploy employees who exhibit advanced levels of performance. In view of this, the company has made numerous measures to improve not only the industrial mechanism and processes but also enhance both the internal and external working environment.

AUDI AG

Background

Audi which is a subsidiary of the Volkswagen Group manufactures high-end automobiles just like the BMW and the Mercedes brand. However, the formation of the company was as a result of a merger between four automobiles companies that were part of the Auto Union group that forfeited the ownership to the Volkswagen Group. Being a member of the major luxury automakers, the group has over the years cut a niche in the market through product innovation, identifying growth improvements and incorporating technology in product innovation to drive growth.

Organizational Structure and Culture

The sustainability strategy of Audi as a brand is inspired by the need for sustainable business model that push growth. The success of such models is derived from the parent company the Volkswagen Group as well as other stakeholders within the confines of the automobile's industry. Through the

use of technology, the company has achieved to advance new models in the vehicle industry while at the same time trying to neutralize the environmental impact of its business operations. Through innovation and introduction of new advanced models, the company has developed popular brands that have reduced carbon emissions to the atmosphere.

According to Radinger and Schick, “ The internal mechanisms of Audi recognize the importance of the key drivers in the market that are the customers”. There are various dynamics in the automobiles industry that influence tastes and preference of its customers. It has made the company align its development strategy with the current factors: prices, sustainability and other miscellaneous factors. This amidst growing competition from the other two luxury car brands namely Mercedes and BMW.

Product and Process Management

According to Fuhrman’s, (2013) The Company has employed an ambitious plan to control carbon emission of its products through sustainable designs. Energy data monitoring control are also in place to understand instances where there are inefficiencies that otherwise affect energy consumption and carbon content. Some years back, there were allegations in the US that the Audi 5000 models had unintentional sudden acceleration that saw the models` sales go down by a significant number. Such allegations were linked to several deaths and numerous accidents in the US. However, the company has over the years introduced popular brand including the Audi A2, Audi AG, Audi Q7 and Audi R8.

Similarities and Differences between Audi and BMW

One of the main competitors of BMW is the Audi Group. Both of these companies target market is high-end clientele while at the same time attempting to cut the social gap to introduce cheaper brands. In view of this, competition between the two brands is based on counter-cycle approach where new development and innovations drive the market. “ The BMW takes a greater share of the automobile market with a total balance sheet value that exceeds that of the Audi by almost double digits” (Albrecht, 2004). In comparison, Audi has joined Mercedes to narrow the gap of the German based BMW Group. However, the latter has responded with a series of new high-end products that have significantly increased the gap in terms of sales revenue as well as product innovation. In terms of the business models used by the two companies, both companies rely heavily on brand creation. This is achieved through product innovation and ensuring brand loyalty.

Reference List

A History of Progress (1996). Chronicle of the Audi AG. Audi AG, Public Relations. 1996.

Albrecht R. (2004). Corporate Cultures and Global Brands. World Scientific.

Fuhrmans, V. (13 March 2013). " Audi Stalks BMW's Luxury Crown". The Wall Street Journal. Kvint, V. (2009). The Global Emerging Market: Strategic Management and Economics.

Oswald, W. (2001). Deutsche Autos 1920–1945, Band (vol) 2 (in German). Motorbuch Verlag.

Pankaj G. (2002). Harvard Strategy Professor: Competition and Business Strategy in Historical Perspective. Social Science History Network-Spring.

Radinger, W.; Schick. W. (1996). Me262 (in German). Berlin: Avantic Verlag GmbH.