

Essay on alcoa inc

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



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Introduction

Alcoa Inc., whose ticker symbol is Alcoa, was incorporated in September 1888. Alcoa is essentially into frivolous metals, merchandises and solutions. Alcoa extensively offers both its technology as well as expertise in the field of automotive and aerospace transportation, construction, home appliances and packaging, defence applications across all three modes of transport, and finally to the oil and gas industry. Alcoa also produces primary aluminium in the form of a miner of bauxite as well as refiner of alumina. Alumina, Primary Metals, Global Rolled Products and Engineered Products and Solutions are the various segments into which Alcoa has its presence into.

Alumina

The Alumina segment of Alcoa signifies a part of the company's upstream operations and comprises of its refinery system, which again comprises of bauxite mining that gets refined further into alumina. Alumina is predominantly traded directly to both internal as well as external smelter clienteles globally or is traded to clients who are into processing of alumina into industrial chemical products.

Primary Metals

The Primary Metals segment of Alcoa denotes the other part of the company's upstream operations and this encompasses the firm's global smelter system. " Primary Metals receives alumina, mostly from the Alumina segment, and produces primary aluminium used by Alcoa's fabricating businesses, as well as sold to external customers, aluminium traders, and commodity markets."

Alcoa's Vision Statement

The following is the vision statement of Alcoa:

" Alcoa - Advancing each generation - Since 1888, the people of Alcoa have partnered to create innovative and sustainable solutions that move the world forward."

Alcoa's Mission

The company does not have a mission statement as they work only with the vision statement and values.

Alcoa has a power slogan – " Inventing the future since 1888."

The Alcoa's values are driven on the premise of collaborating in an attempt

to benefit “ the customers, investors, employees, communities, and partners.”

The company has a give-pronged value statement, namely integrity, environment health and safety, innovation, respect, and excellence. They believe in being open, honest, and also accountable while working in a safe environment that promoted wellness as well as protects the environment. They believe in creativity and transforming ideas into their value. They have a strong theme of treating all people with respect and dignity while providing diverse and inclusive work environment. They believe in relentlessly pursuing “ outstanding and sustainable” results.

SWOT Analysis of Alcoa Inc.

Key Strengths

The key strengths of Alcoa Inc., is that the company is the leading global player in the field of aluminum production as well as recycling. The company currently has a manpower base of approximately 60, 000 employees and has its presence in close to 31 global nations. The company is also diversified in roughly across ten different market segments.

Risks

The risks associated with the company are largely in direct association with the global trade outlook. The company operates in an extremely cyclic aluminium business, which is directly associated with the global reclamation as well as supply and demand. Even though the prices of aluminium have been on the rise off late, a strong economic outlook is indeterminate. The massive and fast paced growth in China in the last decade or so has led to

the increased demand for aluminium globally. However, because of the Chinese government increasing the interest rates in order to handle inflation, there is a risk of the aluminum demand to drop all of a sudden, and this would have a negative impact on the aluminum prices.

Recent developments

Alcoa is a very media friendly organization. In the last six months, starting 1st April 2014, the company has released 32 press releases, translating to more than one press release every week. They seem to be gung-ho in their public relations and want to share every small development in the organization with the world at large. The latest released on the 28th of October, 2014 speaks about the investor day on 4th November, 2014, inviting shareholders and analysts to the New York Stock Exchange, including a live webcast on Alcoa's official website. The executive leadership of the company, starting from Klaus Kleinfeld – Chairman and CEO of Alcoa, William Oplinger – CFO, Ray Kilmer – CTO, Olivier Jarrault – Group President (Engineered Products and Solutions), Kay Meggers – Executive Vice President (Global Rolled Products), and two other senior executives would address the shareholders and analysts on that day. Five days earlier, on 23rd October, 2014, Alcoa announced sale of its stake in Mt. Hoollly Smelter to Century Aluminum for a cash of \$67.5 million and another potential earn out. The reason given was that the cost structure does not match Alcoa's criteria of producing low-cost portfolio in upstream assets, along with an effort to optimize commodity portfolio. The company also mentioned that the jobs in the facility and economic contribution to local community would continue uninterrupted.

On October 15, 2014, Alcoa announced selling 100% of its stake in Jamalco to Noble for a consideration of \$140 million, while also announcing that there would be no change in the number of employees, and all would be retained in the plant.

All the press releases indicate a strong inclination towards being investor-friendly and employee-friendly. Alcoa Inc. is an organization that has consistently exhibited sensitivity, not just towards its investors, but also to its people, suppliers, partners, as well as the community in which they are present in. Alcoa has maintained high levels of transparency and integrity, and kept up its 126 year legacy.

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