

Case study on tata motors and ford motors mergers

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Though there was Minimal skepticism over an Indian company owning the luxury brands, ownership was not considered a major issue at all. According to industry analysts, some of the issues that could trouble Data Motors were economic slowdown in European and American markets, funding risks, currency risks etc. Issues: B» understand the role of calculation as a growth strategy.

B» Examine Data Motors' inorganic growth strategy. B» Examine the rationale behind Data Motors' acquisition of Jaguar and Land Rover. B» understand the advantages and disadvantages of cross-border acquisitions. Understand the need for growth through acquisitions in foreign countries. Acquisition of JELL provides the company with a strategic opportunity to acquire iconic brands with a great heritage and global presence, and increase the company's business diversity across markets and product segments. " 1 - Data Motors, in April 2008.

" If they run the brands as a British company and Invest properly In new product, It will be successful because they are still attractive brands. " 2 - Charles Hughes, Founder, Brand Rules LLC, in 2008. " Market conditions are now extremely tough, especially in the key US market, and the

Tats will need to invest in a lot of brand building to make and keep JELL profitable. " 5 - Ian Gomes, Global Head, Emerging Markets, KEMP, in 2008.

Calculation of British Icons On June 02, 2008, India-based Data Motors completed the calculation of the Jaguar and Land Rover (JELL) units from the us-based auto manufacturerFordMotor Company (Ford) for IIS\$ 2.

3 billions, on a cash free-debt freeer basis. JELL was a part of Ford's Premier Automotive Groups (PAGE) and were considered to be British Icons. Jaguar was involved in the manufacture of high-end luxury cars, while Land Rover manufactured high-end Subs.

Data Motors' Calculation of Jaguar and Lana Rover - Next age>> Calculation AT Brattles Icons contact Forming a part of the purchase consideration were Slur's manufacturing plants, two advanced design centers in the KOKI, national sales companies spanning across the world, and also licenses of all necessary intellectual property rights. Data Motors had several major international acquisitions to its credit.

It had acquired Teller, South Korea-based Deadwood's commercial vehicle unit, and Anglo-Dutch Steel maker Cords (Refer to Exhibit I for the details of the group's international acquisitions).

Data Motors' long-term strategy included consolidating its position in the domestic Indian market and expanding its international footprint by leveraging on in-house capabilities and products and also through acquisitions and strategic collaborations. Analysts were of the view that the acquisition of JELL, which had a global presence and a repertoire of well established brands, would help Data Motors become one of the major players in the global automobile industry. On acquiring JELL, Rattan Data, Chairman, Data Group, said, " We are very pleased at he prospect of Jaguar and Land Rover being a significant part of our automotive business.

We have enormous respect for the two brands and will endeavor to preserve and build on their heritage and competitiveness, keeping their identities intact.

We aim to support their growth, while holding true to our principles of allowing the management and employees to bring their experience and expertise to bear on the growth of the business. “ 11 Ford had bought Jaguar for IIS\$ 2. 5 billion in 1989 and Land Rover for IIS\$ 2. 7 billion in 2000. However, over the years, the many found that it was failing to derive the desired benefits from these acquisitions.

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Excerpts British Marques under Ford Ford Motors Company (Ford) is a leading automaker and the third largest multinational corporation in the automobile industry. The company acquired Jaguar from British Leland Limited in 1989 for IIS\$ 2. 5 billion.

After Ford acquired Jaguar, adverse economic conditions worldwide in the asses led to tough market conditions and a decrease in the demand for luxury cars. The sales of Jaguar in many markets declined, but in some markets like Japan, Germany, and Italy, it still recorded high sales.

In March 1999, Ford established the PAGE with Gaston Martin, Jaguar, and Lincoln. During the year, Volvo was acquired for US\$ 6. 45 billion, and it also became a part of the PAGE.

.. Ford Sells JELL In September 2006, after Allan Manually (Manually) assumed charge as the President and CEO of Ford, he decided to dismantle the PAGE. In March 2007, Ford sold the Gaston Martin sports car unit for US\$ 931 million. In June 2007, Ford announced that it was considering selling JELL.

.. The Deal On March 26, 2008, Data Motors entered into an agreement with Ford for the arches of JELL.