

Hyundai motors essay

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



The Auto-industry deals mainly in designing, manufacturing, and selling motor vehicles. This industry has grown rapidly over the years as reflected by the many cars that are produced in a year by different automobile countries across the globe. Hyundai Motors is among the worlds leading car makers in the world. It is part of the Hyundai Kia Automotive Group, located in Seoul, South Korea. Hyundai Motors has been in operation in the U. S since 1986 and it did exceptionally well in its first year of operation in the country as it outdid all the other car makers in the number of sales made.

In order to find out whether it is good to invest in Hyundai Motors, it is wise to look at the strengths and weaknesses of the company. This is important as it will help us determine whether such an investment will yield proper returns. Strengths of Hyundai Motors 1) New product development capabilities Competition is important in business as it helps businesses always to stay focused in their work so that they can increase their profits. One way of Hyundai increasing their competitive advantage is through investing in product research and the latest technologies into the system.

The company has a lot of experts in various engineering fields who are always coming up with better improved cars and designs that are appealing to the customers. For example, the luxurious Hyundai Elantra; one of the company's latest models, which have a powerful engine and striking sophisticated features. Moreover, " Hyundai is known for its quest for advancements especially in engine technologies thus making its cars worth the amount people are willing to spend on (Hyun 1999).

" In addition, Hyundai constantly engages in marketing research and advisory so that they can develop environmentally friendly motor vehicles

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(Hyundai 2009). 2) Leadership and Teamwork Hyundai is a company that is led with a team of great influential individuals who believe in achieving the goals and objectives that have been set by the parent company. The Hyundai management ensures that the company's activities are planned well and coordinated.

On top of this, they constantly monitor the company's progress so that the profits are maintained and if there are problems, they are addressed using proper conflict resolution mechanisms (Hyundai 2009). Employee empowerment is the leaders' vital responsibility such that they engage in training and educating their staff on the new technologies incorporated in the company as well as the company's goals and why it is important to achieve them. They also ensure that the employees are rewarded well and this makes them committed to their work.

3) Funding and investments When investors are looking at a company that they can invest in, it is important that they look at a company that has a wide profit margin and a well established financial relation with the financial institutions because it will be easier to access loans for various expansion activities. Hyundai is a profit making company and this means that by investing in the company, the investors will always be assured that they will get more in returns as the business is continuing to expand into other states.

The ability of the company to be supported by its parent company and the financial institutions, Hyundai has been able to establish well equipped facilities in states like California and Alabama. Moreover, it is continually investing in establishing an engineering plant in the U. S. Weaknesses of the company 1) Poor decision making strategies Hyundai needs to take into

consideration the environmental factors and economic trends that are in the industry before they make decisions. This is because sometimes decisions are made without looking at how the business will be affected.

For instance, with the current global financial crisis, Hyundai is increasing its prices and as much as they want to gain, they risk losing sales. 2) Over ambitious strategies Another weakness of Hyundai is that the company is over ambitious such that they produce products without testing them fast. This is seen by the numerous complaints of failed engines. Such cases are the ones that are harming the business and something needs to be done. Over ambition though a positive thing sometimes makes them overlook certain areas that are of great importance to the business.

3) Competition There are many players in the auto industry and everyone wants to be the best. Hyundai is trying to improve on their marketing strategies such that they can be able to increase on their competitive advantage. More needs to be done in terms of forecasting on the market trends if it wants to be at par with the other large auto companies who have invested in rigorous marketing strategies. Factors that will have the greatest influence on the determination of next year's revenue and expenses • The economy

The world is undergoing a major financial crisis that is slowly catching up with the rest of the world's auto industries. " This can be attributed to the rise in oil prices the auto and the cost of raw materials (Kennedy, 2009). " The economic changes are not easy to control because various policies are being implemented that are basically restructuring the way businesses operate especially in relation to the acquiring loans from banking

institutions. Hyundai will therefore spend less since the company's revenue will be affected negatively. Moreover, the expenses will increase as the cost of inputs will increase.

- Consumer demand With the current financial condition, consumers will spend less especially in the purchasing luxury vehicles. This will affect the business sales as they will reduce (Kennedy, 2009). This will in turn mean that the profit margins of the company will reduce. This will therefore mean that more expenses will be spent as advertising and promotional strategies will need to be increased as a way of attracting and retaining customers.
- New products Product modification is necessary in business especially when better products are developed.

Hyundai will need to concentrate more in developing better designs as it will give them an edge over their competitors especially in the current business environment. The expenses of the company will increase as they will fund the new projects and there is a possibility that there will be a slight increase in the revenues if the products are a success.

- Competition Competition in the auto industry will intensify in the coming year. This is because some smaller auto companies which will be affected will be shut down and the few remaining auto firms will be fighting to stay in the game.

This will thus entail Hyundai motors spending more in competitive ventures thus increasing the company's expenses with the hope that they will benefit in return.

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