

Restructuring of daimler-benz essay



**ASSIGN
BUSTER**

Case Analysis Report Management 101 Submitted To: Rumana Afroze

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Student ID 2009-3-10-016 2010-1-10-236 2010-1-10-235 Submission Date:

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Conclusion 9 Acknowledgement Firstly, we would like to thank all mighty

Allah who provides us knowledge, energy & skills to get opportunities & to increase our knowledge & experience by completing this project.

Secondly, we especially thank to our instructor Ms. Rumana Afroze, Who guides us at every step & every aspect of this report, so that's competed successfully. After that we are able to complete this report with hard working & cooperation. Executive Summery This is a report on The Restructuring of Daimler-Benz. In this report we have tried to explain as much information as possible. This report will illustrate about the company profile, product profile, management, restructuring strategy and many more things related to Daimler-Benz. It is a multinational company and operating their business around the world.

Different types of products they are offering for us. Here we have discussed how Daimler-Benz restructured them. Background of the report: Our presentation topic is ' Case Study of Restructuring of Daimler Benz. The assignment is mainly based on the analysis about the reengineering & restructuring strategy of Daimler Benz. We have tried to focus on Daimler Benz's restructuring strategy. Objective for preparing the report: We have

prepared this report to execute the study that we have learned in MGT-101 and to earn the practical idea about the real world of Management.

Sources and Methods of collecting Data: We have collected our data from our text book, internet and other sources. After collecting the data and all the information we have arrange according to the sequence which is supplied by the course instructor Ms. Rumana Afroze . Limitations: Management strategy is an internal secrete thing of any company. No company wants to publish their Managerial restructuring strategy. We have got some data from internet which is not 100% reliable. Time limitation has also been a problem for us. Company Profile

Daimler-Benz AG was a German manufacturer of automobiles, motor vehicles, and internal combustion engines; founded in 1926. Formally merged on 1926 becoming Demlar-Benz and agreed that, all factories would use brand name of Marcedes-Benz on their automobile. In 1996 more the 300, 000 employees worked on Damiler-Benz . It is consisted of four major groups: 1. Marcedes-Benz: Which is known as luxury branded passenger car and commercial vehicle. 2. AEG Daimler-Benz Industries: This mainly focused on rail system, microelectronics, heavy diesel engine, energy system technology and automation. . Aerospace Group: It mainly deals with aircraft business, space system, defense and civil system and propulsion system. This company has a more than one interest in the airbus consortium. 4. InterServices Group: This Company mainly known as Debis. It consists systemshaus, financial services, insurance brokerage, trading, marketing service, mobile communication service and real estate management.

Analysis Operations In different field: Daimler-Benz is a large company. They have segmented their business area in 2 areas.

One is engineering and another one is financial service. In worldwide business they became much successful on Mercedes-Benz. It had a strong competitive position in Europe, North America and Latin America. In this business they were much successful. But their satisfaction level was low on their other three companies. So we can assume that: Satisfactory Mercedes Benz Unsatisfactory AEG Daimler-Benz Industries Aerospace Group InterServices Group Should the various groups operate autonomously? What kind of activities should be centralized?

If they do not work autonomously, only the financing activity should be centralized. However, if they let to continue operation losers will keep piling. Therefore in our opinion the various groups of Daimler-Benz should operate autonomously. Because the activities of these four groups has none kind of similarity. The first group “ Mercedes-Benz” manufactures passenger cars and commercial vehicles. The second group “ AEG Daimler-Benz Industries” has the business of rail systems, microelectronics, heavy diesel engines, energy system technology and automation.

Thirdly, Aerospace group has the business of aircraft, space system and propulsion systems. Finally, the “ Inter Service Group” has financial services, insurance brokerage etc. So it seems that they have no similarity in their business sectors and so they should operate their business autonomously. Daimler-Benz should centralized their goal setting, mission and vision. By doing so, they will be able to find their employees of common groups are

working with a fixed goal in their on comfortable way. Daimler-Benz is best known for its Mercedes-Benz cars.

Why do you think Daimler-Benz bought AEG in the first place and why did it venture into Aerospace and InterServices business? Daimler Benz founder of Mercedes-Benz has diversified his business in four major groups. In this case we have studied how he extended his business from microelectronics to aerospace. First they started their company manufacturing cars and commercial vehicles known as Mercedes Benz. Their second group was AEG business of rail system, microelectronics, heavy diesel engines, energy systems technology and automation.

By establishing AEG group Daimler Benz entered in another big industry of business. Their aim was to become an integrated high tech group worldwide. Daimler Benz went various development phases to diversify their business. Their third business was aerospace group in the business of aircraft in the business of aircraft (the company has a more than one-third interest in the Airbus consortium), space systems, defense and civil system, and propulsion systems. Finally, they had Interservices Group consisting of systembaus, financial services, insurance brokerage, rading, marketing services, mobile communications services, and real estate management. Daimler Benz view of diversification: • Spreading of risk • Smoothen returns • Avoiding timing errors • Multiple source of income Given the apparent mistake in acquiring non automotive business, what should Jurgen Scrempf do now?

Depatmentation by Geography President Vice President European Operation
Vice President South Asian Operation Vice President West Asian Operation
Vice President Australian Operation Vice President American Operation

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Eastern Operation Western Operation Northern Operation Southern

Operation Conclusion: From the above assignment we have come to this conclusion that operation of a big company is not so easy. Daimler Benz has 4 big groups in different sector. So that when they restructured, the organization structure was simplified and decentralized. The result was organization units could respond faster to environment change. . We hope Daimler Benz will overcome their problems and become one of the best brand in this world.