

Research paper on tata steel an analysis

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



Strategic intent

The Tata Steel's current strategy is based on acquisitions and mergers of global businesses. Strategic intent can be termed or defined as the process of purposefully sharing a mind set to accomplish a forthcoming state through the implementation of a unique set of strategies. The Tata Steel's strategy is to enter the overseas market. They want to enter markets where they as an organization can make a difference and their presence is felt. In an interview Tata's CEO said that that " the group is looking at opportunity to invest in steel industries, because of Tata's belief that owners of steel are going to rule the industry". Into the bargain; the man guaranteed that " we are making sure that, " we have secure access of raw material.". (Quarterly 2005)

The organization wishes to service other important industries by acquiring raw material industries. For example, it wants to service the automobile industry by acquiring steel. This way the group can ensure the supply of raw materials at the lowest possible prices. By the use of this practice the group can ensure that it can overcome successfully the chink in somebody's armor of circulation as the products such as cement as well as steel tote up an extraordinarily high cost of circulation, at the same time as exporting. To overcome this issue the company wants complete control over such resources. Its strength is its experience. This strength allowed the company to enter new markets through acquisition of Corus in the United Kingdom. The company intends to capture high market shares through such mergers and acquisitions. Through acquisition of key resource owners the organization ensures that it meets the objective of cost reduction.

Tata's SWOT analysis

The organization had to change its primary strategies in order to fulfill its corporate forethought. Its strategies to overcome threats and build strengths has greatly influenced its vision. The main strength of the organization are its resources which comprises of raw material and people, enormous experience in the fields of automobile and steel and its business model. Acquisitions, exports and new markets are the opportunities. To be able to serve the global markets with world class products at low prices the group needs to overcome weaknesses such as supply, value chain modernization with macro environment. Due to mergers of the international markets with India threats have developed within the country as global markets are full of threats.

Resource and strategic capabilities

The Tata Group is undoubtedly rich with resources as per a number of situational analysis, articles as well as the history of the esteemed organization. It has been using these resources to cater to its other businesses with the help of which it has been able to survive. The principal tactical capability of the organization is cost competence, a strategy which has enabled the organization to provide excellence in the life of consumers, which is one the core values of the organization. Economies of scale, cost of supply, product and process design has enabled the organization to acquire cost efficiency. Srivastava (2006) stated that, “ According to analysts companies are going global because they're focused on organic growth but find that their home markets don't have the scale or the resources to allow them to deliver the levels of shareholder value and competitive advantage

they want to achieve. They aim to tap into new profit pools or gain long-term access to raw materials.”

Serving external and internal stakeholders

It's faiths have founded the Tata Institute of Social Sciences in 1936; the country's very first cancer sanatorium, the Tata Memorial in 1941, and in 1945, the Tata Institute of Fundamental Research and supplementary became the attribution of the country's nuclear energy curriculum. The company has played a ground-breaking role in an array of fields after the country's freedom. The organization is comprehensively well-regarded for the programs the organization has pulled together in divergent spheres for the confusion of the nation. The group's contribution to the education, science and know-how of the country is extensively well-known plus treasured. As a matter of fact abundant of the well-known state-owned organizations in the country & chief exploration organizations thank TATA for their achievements, for case in point, Tata Institute Of Social Sciences(TISS), Tata Institute of Fundamental Research (TIFR), Indian Institute of Science (IISc), Air India (Tata Airlines), Tata Energy Research Institute (TERI). It also has one of the most transparent accounts and is one of the leading tax payers in India. (Ellis, 2002)

The organization has been providing quality training to its employees which has enabled it to nurture a strong work force. It has been maintaining a dividend payout ratio of 20% on an average for the past five years. This clearly shows that the organization has been adding to the wealth of shareholders. (Rediff Money 2013)

The transparent system of accounts has really been assisting the

management in the analysis of the performance of the organization. In addition; its model of business takes care the value percentage of what is required for to the industry; in addition to this it ensures that the targeted consumer sections are also handled with by the merit proposition. To establish relation with customers and to offer value proposition the group has developed effective distribution channels. It has been employing crux abilities to make up possible the business structure and to successfully put together the activities to put into practice the business model.

Reference