

# [Free a swot analysis of general electric(g.e) essay example](https://assignbuster.com/free-a-swot-analysis-of-general-electricge-essay-example/)

[](https://assignbuster.com/)[Business](https://assignbuster.com/essay-subjects/business/), [Company](https://assignbuster.com/essay-subjects/business/company/)

General Electric (G. E) is an American corporation that is a leader in industrial diversified production of such goods as jet engines, plastics and medical imaging, power generation equipment and financial services. General Electric (G. E) highly diversified product line is meant to reduce the company’s business risk (Forbes).

## General Electric has a number of strengths. Among the most notable ones include the following:

Industry reputation.   
General Electrical is recognized strongly within the diversified industry. Considering the energy infrastructure industry as an example, G. E leads in the areas of development, enhancement and implementation of goods and technologies that focus on gas, oil, wind and water. Most precisely General Electrical is among the leading providers in integrated gasification combined cycle (IGCC) technology blueprint and development. The company operates on a strong business model that has placed it as a leader in various mid-market, consumer financing and corporate segments. The company has interests in television broadcasting and owns the NBC television network. Apart from this General Electrical also offers drive technology solutions that cover the mining, drilling industries in the transit marine and stationary areas. On a scale of between 1 and 10 in terms of the least to the most important, industry reputation ranks at 8 (GE Imagination at work).

## Varied product portfolio and balanced revenue streams

General Electrical is a diversified corporation covering products in media, financial and technology industries. This company operates within five main segments to fulfill the diverse needs of its broad market. They include G. E capital, home and business solutions, NBC universal, energy and technology infrastructures. G. E capital is focused on delivering financial services. The technology infrastructure offers several globally acclaimed technologies that focus on healthcare and transportation. In this diversity G. E has a steady revenue stream. G. E Capital has been the leading segment in revenue generation followed by the technology and energy infrastructures respectively. The diversified business model helps the company to spread out revenues to cover the underperforming segments. On a scale of between 1 and 10 in terms of the least to the most important, varied product portfolio and balanced revenue streams   
ranks at 7(GE Imagination at work).

## Strong presence in new markets

Enhanced research and development   
G. E global research is the company’s power house in research and development. This acts like the hub of all the trending technologies applied within G. E energy and technology infrastructure segments. This research and development hub is based within the company’s ten global laboratories that carry out the research process based on scientific discipline. The research and development unit is backed by a strong global network of more than thirty thousand technologists. The research and development unit at G. E has contributed immensely to G. E favorable market position and competitiveness. On a scale of between 1 and 10 in terms of the least to the most important, enhanced research and development ranks at 9 (Edison Tech Center).

## Over half of G. E’s business is outside the US

Operating in more than 160 companies most of which are based outside the US gives G. E a balanced business revenue model. This implies that even when the US economy is reeling adverse economic hardships, G. E has continued to operate favorably because of the segments located outside of the US. On a scale of between 1 and 10 in terms of the least to the most important, over half of G. E’s business is outside the US ranks at 10 making it the most important strength of General Electrical (GE Imagination at work).

## General Electric has a number of weaknesses. Among the most notable ones include the following:

Overdependence on third parties for raw materials   
Market volatility is likely to lead to notable price fluctuations in services and products because G. E sources its raw materials from third party suppliers, manufacturers, service providers and commodity markets. Hence the price of acquiring the raw materials is beyond G. E’s control and this is likely to affect the product and service costs set by G. E. On a scale of between 1 and 10 in terms of the least to the most important, overdependence on third parties for raw materials ranks at 9.

## High debt burden

General Electrical currently has a high level of indebtedness that may affect the company’s financial status. For example in the 2010 financialend year statements, G. E had a total debt amounting to 411, 282 million US dollars. With shareholder equity at 118, 936 million, it can be noted that the company’s debt ratio is rather high at 3. 5%. On a scale of between 1 and 10 in terms of the least to the most important, high debt burdenranks at 10 (Morningstar).

## Lawsuits damage on corporate image

Antitrust and infringement lawsuits by competitors are negatively affecting the corporate image at G. E. On a scale of between 1 and 10 in terms of the least to the most important, lawsuits damage on corporate image ranks at 8

## Weakening presence in Asia

China is emerging fast as a global economic power and G. E is finding it challenging to maintain its market share in Asia as China slowly saturates the Asian market as the most significant business competitor. On a scale of between 1 and 10 in terms of the least to the most important, weakening presence in Asiaranks at 8 (Shi Jing).

## Slowed revenue growth in the industrial segment

The emerging stiff competition particularly from China in the new markets that G. E initially controlled means slowed revenue growth in the industrial segment. China is a strong challenge in markets in Latin America, Africa, Asia and the Middle East. On a scale of between 1 and 10 in terms of the least to the most important, slowed revenue growth in the industrial segmentranks at 6 (STRAUSS)   
The average score for General Electrical’s (G. E) strengths = (8+7+8+9+10)/5 = 42/5 = 8. 4   
The average score for General Electrical’s (G. E) weaknesses= (9+10+8+8+6)/5 = 41/58. 2

## Subtracting the average score for the weaknesses from the average score for the strengths

= 8. 4 – 8. 2 = 0. 2

## Overall success statement:

The success of G. E lies in its diversified interests in various industries a factor that balances out its profits and reduces the effect of a slowed down economy particularly in the US.

## Work cited

Shi Jing, General Electric boosts its presence in China. Retrieved April 19, 2014 from Retrieved April 19, 2014 from http://www. chinapost. com. tw/business/company-focus/2014/01/04/397475/General-Electric. htm < 2014   
Morningstar, FORM 10-K, GENERAL ELECTRIC CO-GE: Annul report with a comprehensive overview of the company. Retrieved April 19, 2014 from http://www. ge. com/ar2012/pdf/10K-2012. pdf   
Edison Tech Center, General Electric Research Lab: A hot spot for innovation on the planet for the last 111 years. Retrieved April 19, 2014 from http://www. edisontechcenter. org/GEresearchLab. html   
STRAUSS, LAWRENCE C. Hope, at Last: After a decade of disappointment, General Electric is ready to revive. Why CEO Jeffrey Immelt could go from F student to the head of the class. Retrieved April 19, 2014 from http://online. barrons. com/news/articles/SB50001424052970203560404576228761681376744? tesla= y   
Forbes, General Electric. Retrieved April 19, 2014 from http://www. forbes. com/companies/general-electric/ 2013   
The New York Times, General Electric Company. Retrieved April 19, 2014 from http://topics. nytimes. com/top/news/business/companies/general\_electric\_company/   
GE Imagination at work. Factsheet GE. Retrieved April 19, 2014 from http://www. ge. com/about-us/fact-sheet