

Financial analysis of caterpillar

Business



Abstract: Long the pride of Peoria, Illinois, Caterpillar, Inc.

has established itself as a premier global manufacturing powerhouse whose commercial construction, transportation and engine solutions have come to symbolize durability, quality, and economic progress. This project paper examines the operational and financial numbers resulting from the company's global sales reach. This paper reviews the publically available corporate financial results for the last decade. This financial data review will be expanded to incorporate how operating and investing activities and results have also impact the Caterpillar bottom line.

Formalized in 1925 upon the merger of The Holt Manufacturing Company and the C.

L. Best Tractor Co. , the Caterpillar brand and global product line has come to represent a global standard for quality, durability, and economic progress. This informal brand value is best articulated via the company's stated mission statement. " Caterpillar will be the leader in providing the best value in machines, engines and support services for customers dedicated to building the world's infrastructure and developing and transporting its resources.

We provide the best value to customers". (Caterpillar, 2008). Caterpillar manufacturers over 400 unique products with market access through a global network of over 200 dealers in 178 countries. In addition to the well-known tractor models, Caterpillar builds multiple heavy construction, mining and forestry machinery products. Examples include trucks, graders, evacuators, rand scrapers.

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Caterpillar also makes diesel and gas engines used in Caterpillar machinery, electric power generation equipment, locomotives, and other industrial equipment.

Caterpillar complements its production revenues with financial and lending services provided by its affiliated financial services organizations. by its Caterpillar Financial Services Corporation. The financial services organizations. The Caterpillar financial services family consists of Caterpillar Financial Services Corporation (Cat Financial), Caterpillar Insurance Holdings, Inc.

(Cat Insurance), and Caterpillar Power Ventures Corporation (Cat Power Ventures). These organizations offer purchase financing, insurance, and project investment opportunities for its global customers and dealer network.

Caterpillar does about 44 percent of its business within the United States and 56 percent internationally.. Caterpillar's business serious approach and implementation of operational efficiency strategies (i. e.

Lean, Six Sigma) in collusion with a mid-1990's organizational restructuring has allowed the company to recognize significant ongoing labor and financial savings. The mid-1990's organizational restructuring effort enabled a more agile and business responsive organization aligned to specific global product opportunities.