

# Exide technologies essay



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Exide Technologies is one of the largest lead acid battery manufacturers and suppliers of the world. It offers a global product line of industrial and automotive batteries under brands like Absolyte, Sprinter, Champion, Vortex, Dunlop, Classic and Marathon. Its chief business segments are network power, transportation and motive power. It is Exide's mission to attain world-wide recognition as the leaders in energy storage solutions. The Company is strongly committed towards environmental safety.

Due to its immense contribution in the technological growth, it is considered as the pioneer of industrial advancement. The company started its operations in 1888 as Electric Storage Battery Company under W. W. Gibbs. With hard work, the company brought the electric lighting industry to a whole new level. It was in September 2000 that Exide acquired the global battery business of Australian based Pacific Dunlop Limited, including its subsidiary GNB Technologies, Inc. ("GNB"). This acquisition re-established the company's position in the North-American markets and widened its operations.

Today, it's providing energy storage solutions for industrial and transportation applications to more than 89 countries. Acquisition and restructuring was planned to improve earnings and to capture wider markets throughout the globe. For this, certain GNB and Exide braches were closed and staff was reduced. The benefits of this acquisition outweighed the costs incurred. With a renewed focus on values like teamwork, mutual respect and goals of achieving excellence, the Company has witnessed explosive growth. The Company went global and become stronger to fight its competitors.

The transportation and global motive power battery markets are highly competitive. Major competitors include Johnson Controls, East Penn, EnerSys, MIDAC and C&D Technologies. And all compete on price, quality, product performance, innovations, after sales and market coverage. Though Exide has captured good market share, it still needs to keep itself technologically advanced and provide quality services to its customers in order to secure its market position. Manufacturing and recycling are the major company concerns. This involves handling of poisonous matters like acids and lead.

As a result of which, Exide is subject to various federal and local laws including diverse health and safety regulations. Compliance to which is mandatory and costly. The company provides employment to thousands of efficient workers who share common values of respect and joint effort. They are either paid monthly or on hourly basis. Hourly employees are represented by Unions, with which terms are generally good. To ensure satisfaction and efficient contribution from the side of employees, Company provides them with various benefit plans.

These include plans like benefit pension plan, health care, life insurance and post-retirement benefits. The control system implemented by the Company is appropriate to its nature of work and scale of operations. There are different heads for supervising industrial energy and transportations matters, whereas, one president respectively for health, human relations and communication matters. The Company has the benefit of well-established market name, modern equipments and hardworking employees which goes a long way in maintaining its market position.

Exide's future success depends mostly on innovations and technological advancement. Success will be guaranteed if its products outclass the competitor's offerings. This would require investments in the area of research and development. The company already has its special focus in this area for which lots of funds are provided annually. A specialized team of scientists and engineers work diligently to bring about variations and innovations in its products. But this must be continued to defeat the competitors. But the company also has many risks and threats, ignorance of which might prove costly for the firm.

Such risks include increase in the prices of raw materials (especially lead which is its major ingredient) and energy costs. Fluctuations in Exchange rates, local economic conditions, changes in laws pertaining to import, export and environmental issues, all also pose a great risk as significant operations of the business is based overseas. The Company's liquidity is also affected by the changes in demand patterns in various seasons. The Company relies on one supplier for its crucial ingredient; polyethylene battery separators. Any disruption in the supply will have major impact on the Company.

Ever increasing competition is another problem which further also effects the pricing strategies. Inability to compete with any of these risk factors will affect the Company sales and profitability. Company also stands risks of being adversely affected by the turmoil in the Middle East and instabilities of the world financial markets. Furthermore, failures in properly implementing the business strategies may also affect the operational results. Currently the

Company is doing well. But in order to progress further in this world of stored electrical energy, Company needs to be more experimental and innovative.

Cost reductions and proper formulating and implementing of marketing strategy may also prove helpful. More employee benefit plans will get Company loyalty and productivity. Modernized manufacturing plants updated recycling facilities and strong distribution network may contribute immensely in Exide's further success. Recently sources revealed that Exide has decided to shift its focus on replacement market while reducing it in automobile original equipment. Only time will tell how successful this strategy will prove to be for the Company.