

The tatas

Business



The Tatas The Tatas Ratan Naval Tata was born to Gujarati speaking Parsi parents and is the grandson of JRD Tata, the man who set up the first steel industry in India, creating a solid backbone for the industrial aspects of the Indian economy. Influenced by the advice of his uncle, Ratan Tata turned down a job at IBM and began training in the shop floor of the Tata steel industry with other employees in order to start from scratch and try and prove his self worth to the family name. He was also given the task of turning around the sick industry Empress Mills, which he was able to, however, the company floundered because of investment reasons. He was appointed as the chairman of the Tata group in the year 1991 and has been responsible for transforming the corporation of the Tata companies into a global affair for the purpose of creating welfare within the country. Today, Ratan Tata is the mastermind behind leading the Tata Company through the turbulence, into an outstanding boom, and in the process, assisting in uplifting the state of the Indian economy as well. Throughout his career as the chairman and Managing Director of the Tata Sons and Tata Group he has brought about various changes for the welfare of the company including acquiring Corus, Tetley and Jaguar, which has consisted in some of the largest foreign takeovers that India has witnessed since liberalisation. He has also let go of a number of companies under the Tata name including Lakme and Merind and his unique and innovative entrepreneurial style of working has allowed him to portray strong pride before the Indian economy as a responsible capitalist. 1) The Tata Group has transformed from a risk averse, slow moving giant to a very dynamic and aggressive conglomerate under the hands of Ratan Tata. Despite the working of the entire company, he was able to single-handedly usher in changes like incorporating Tetley, Jaguar and

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Corus in order to bring about almost 65% revenues from abroad into the Indian economy and has been credited a great deal for the success of liberalisation in India. He has been able to take a number of excellent decisions which have pulled the company out of its cohesive downturn into pure success and that is why he has been attributed to have hues of leadership. He is not only an inventor with new and innovative ideas, like the establishment of the Nano that changed the way Indian families look at vehicles, but also the harbinger of change within the constantly moving business environment. He has characters, commitment, competence as well as courage to make the kind of decisions about dropping and holding onto stakes, shares as well as companies under the Tata name because of his mantra according to which he does not believe in being anything less than the top three in any department within the industry. As a leader, it is important to motivate and inspire the fellow employees so that the company can move towards the organisational goal together, and since the company has been doing so well, it is only true that Ratan Tata has been able to create a strong drive for people to follow and also allows his directors to be aggressive when it comes to making decisions and putting forth ideas. 2) As of the year 2009, the Tata Group has pulled itself away from a number of businesses that it had been dealing with previously. This is because of Ratan Tata's motto of not being part of something if he is not able to fulfil it to the best of his abilities. In the year 1998, the Group sold 50% of its stake in Merind to Wockhardt; in 1999 it sold 28% of Goodlass Nerolac to Kansai and further, Lakme to Hindustan Lever Limited. This was done in order to bring about more focus within the company by offloading businesses that were not helping the Group. Instead, he brought in foreign stakes through Corus and <https://assignbuster.com/the-tatas/>

Jaguar Land Rover recently. Tata rightly stated that by having 84 companies under its name, it was not necessary that the main Group would benefit from all 84 and thus, it needed to focus on the handful that was actually bringing profits to the company. By streamlining the businesses thus, the company lost out on a few aspects of dominance over the Indian economy however was able to strengthen subsequently, its strong hold on the already established departments. 3)Ratan Tata's acquisition strategy was simple - to incorporate companies that would bring profits and would help the economy boom and to shell out all the companies that were only hidden under the purview of the Tata name. Through the adoption of stakes in Corus, Tetley and Jaguar Land Rover, Tata was able to help the company name grow on an international and global basis. Strategic acquisition helped in the expansion of the company and was the catalyst that provided the fodder for the Tata Group to grow bigger and better. The main benefit of the same was thus expansion and diversification and encroaching upon the international horizon which has proved to be extremely beneficial for the Indian economy as well. The only risk that may have been witnessed by the Company was the uncertainty in watching a certain department or aspect of the company either succeed or fail under the decisions taken. References Namratha Prasad, V., Govind, S., & Sesha Sai, T. (2008). Ratan Tata: Leading the Tata Group in the 21st century. ICMR Center for Management Research.