

Report analysing the strategic planning of tata motors

[Business](#), [Strategic Management](#)



Designing a desired future can be known as planning. To control the change in environment planning is essential.

Planning are been made to achieve its destination. Strategic planning gives inspiration on how to get to achieve

the goals by using single plan with various alternatives. Strategic planning is also a part of decision making.

In an organizations process strategic planning is used define the strategy or decision making and allocating the resources to pursue the strategy including its capital and people.

A company might not run successfully without strategy planning, for example if a company has to know where it is standing and where it want to reach and how it will reach, the result is known as strategy planning.

There are various kinds of business analysis used in strategy planning mostly there is 3 kinds of analysis which are used a frequently those are SWOT analysis, STEER analysis, PEST analysis.

Some might think strategy planning is about beating the competitors; it's not about beating competitors it's about excelling.

It's obvious to make a strategy for an organization with a plan. The different kind's analysis is used by depending on the company's core.

Let's see what are the full forms are for SWOT, STEER and PEST analysis.

The SWOT analysis full form is Strengths, Weaknesses, Opportunities and Threats.

The STEER analysis full form is Socio-cultural, Technological, Economic, Ecological and Regulatory factors.

The PEST analysis full form is Political, Economic, Social and Technological.

Task 1, a)

The company I chose to analyse is TATA MOTORS part of TATA GROUP it's one of the leading company in the world and ranked one company in India. The TATA Motors is world's 4th largest manufacturer of medium and heavy vehicles and second largest in bus manufacture. The company has done well on year 2009 - 2010 with revenue of \$20 billion which also holds iconic brands like Land Rover and Jaguar. It has also won commercial vehicle maker of the year. Tata buses, cars and trucks has been marketed several countries in the world like Europe, Africa, middle east and south Asia, south east Asia and south America. It has also operations in United Kingdom, South Korea, Thailand and Spain.

Thrive to next generation technology while reducing environmental pollution and Restoration of ecological balance by producing vehicles which leaves low carbon foot print in the environment . this is the philosophy that inspires every individual in the company to keep moving forward.

In 2010 Tata motors became India's first 1lakh brand in goods commercial vehicles, this is more than 21% growth compared to previous year's growth.

The Tata motors is a in- house company of Tata group. The Tata group has 90 operating companies all over the world in seven business sectors they are communications and information technology, engineering, materials, services, energy, consumer products and chemicals. In 2009 to 2010 the Tata group took \$67. 4 billion with 57% of business from outside India. Tata Steel, Tata Motors, Tata Consultancy Services (TCS), Tata Power, Tata Chemicals, Tata Global Beverages, Indian Hotels and Tata Communications are the major companies in Tata group.

Task 1, b)

Principles:

Concept:

Tata motors has its own concept of being best in the manner in which it operate, best in the products it deliver, and best in our value system and ethics, the main goal of the Tata motors is to provide vehicle with low carbon di-oxide emission at a lower life-cycle cost according to their philosophy Thrive to next generation technology while reducing environmental pollution and Restoration of ecological balance by producing vehicles which leaves low carbon foot print in the environment.

This philosophy keeps inspiring each and every individual in the industry to dedicate them to keep working harder and harder to achieve its target.

Systematic approach:

The Tata Motors have implemented a strategy to its core process to with stand and March forward in the industry successfully. The Tata motors also believe they should be in right region with right product at right time.

The current strategy of the Tata motors best known as Disruptive innovation.

Monitor and control:

The Tata motors are using Key Performance Indicators (KPI) and Key Performance Measures (KPM) to monitor and control the organization. These methods help the company to know how well they are doing and how much they are progressing towards their target or goal.

Learn and improve performance

Learn and improve performance

KPI

Control and monitoring people Source: [www. ap-institute. com](http://www.ap-institute.com)

The key performance indicator and key performance measures not only helps the company or organization to know where they are standing it also helps them to guides them how they can achieve their goal.

Task 1, c)

The Tata motors marketing philosophy is shown below

The Tata motors follow from a sub standard strategy even though they don't have separate name for their brand the name Tata is derived from its mother

company. Particularly in India the word Tata has reached to the people for its trust worthy products. The name Tata stands for Trust, Acceptability, Transparency, and Accountability.

The Tata motors invented and followed enterprise process model to and became the leader of the motor industry in Asia.

This practice helped the company to work as a team not with influence of individual employees.

This helped to entail the process in more clarified way in terms of role and responsibilities.

Task1, d)

Tools and techniques:

Whatever the company is they have to adapt some external factors and make changes to its strategy to adapt and march forward in the business.

The Tata have divided their business into several categories they are

Commercial vehicles, passenger cars, spare parts and accessories and financing for customers

The company or organization has adapted matrix method due to it operates from several countries.

The company invented and named its matrix method in strategy business unit as BCG Matrix SBU, this helped the company analyse and grow

Porters 5 force model:

Threats from new companies

The Tata motors began its manufacturing in 1954 in collaboration with Daimler Benz of Germany.

Currently the company is manufacturing from light to heavy vehicle, passenger to commercial vehicles

So it faces competition from all sorts of Motor companies. Even though they faced competitions they still are the leaders of the industry in Asia's motor manufacturing.

Threats from substitutes or parts suppliers

In the early stages the Tata motors bought certain spare parts from external companies after they faced challenges to be more competitive and when the company realised they should invent for future as well, they began to focus on spare parts also , this led to an evolution like discovering own hydraulics suspension and efficient dynamics and etc.

Bargaining power

The company believed in phase be in Right Region at Right Time With Right Product.

This made them easier to focus on the market by producing vehicles in cost effective way and this led to sell their products in more reliable prices and

the mother company created a finance company to support the Tata motors to provide the vehicles in much more reliable way.

These things are achieved by knowing the demand of the market, taking advantage in using latest technologies to manufacture, and availability of similar new products or revised version of the products, and distribution of the products.

Bargaining power of suppliers

In earlier days the company was having some problems in parts supply from their customers but once their mother company started necessary progress in producing their own raw materials they began to lead the market without worries of suppliers as they had own raw materials for their products the only thing is they have to get from the Tata chain company.

Competition

Even though the Tata motors existed from 1954 in current period due to boom in vehicle industry the Tata motors are having heavy competition from national and international companies.

SWOT ANALYSIS:

Tata bought LAND ROVER and JAGUAR from FORD they have legendary iconic companies in the history.

This helped Tata to gain DAIMLER, LANCHESTER, and ROVER brand names in addition to this it also gained access to 2 designing centres and 3 plants in United Kingdom.

Task 2, a)

Selecting target market

The Tata Motors always believed in technology for future, this led them to focus to produce from cost efficient cars to luxury cars in the market with state of art technology. This made Tata motors to have better advantage in the market to focus on all type of market.

Marketing

An organizations position can create a sustainable advantage in the market over the competitors. With its cost effective production and state of art development the competitive companies were on disadvantage to compete with Tata motors.

Pricing

The Tata motors have pricing advantage due to low cost manufacturing ability due to its has its own in house steel company , this made them more defendable to steel price fluctuations.

Distribution

The Tata motors are using DMS technology across the world to deliver its products to its dealers. Apart from the distribution network it has assembling units also across the world.

The Tata motors decided to keep the distribution costs minimum so they outsourced its distribution process to its in house company Tata Motors Ltd Distribution company through this the Tata motors excelled in their supply chain.

Promotion

The Tata motors always used extensive promotion programs to cover the customers. Due to it had in house finance company it was quite possible for them to promote their products in all sectors easily, not only they have focused on new customers they focused on old customers also by providing fantastic exchange promotions successfully.

Customer relationship management (CRM)

Being a global company the Tata motors implemented a robust CRM throughout the organisation to meet the needs of dealers and customers, then later it chose oracle's Siebel automotive CRM solution for its organization, this helped Tata motors to have 360degree view on its customers feedback and its dealers feedback later this solution led Tata motors to transform into customer centric organisation.

E marketing

The Tata motors focused on e marketing also in a very successful way by sending updates and offer details to its customers regularly with the help of state of art technologies by sending e-brochure to its customers by email and etc.

Task 2, b)

Whether in group or in individual with the best interest of the company the Tata company always considered its stakeholders as its primary customers, employees, shareholders. Primary customers are involved in every part of the organisation. the employees are who work for the company if there are changes in the company it will obviously reflect on its employees, the shareholders plays important role in making changes in the company as they are also a part in the company who supports the development in the company.

Task 2, c)

The external environment changes when there is new strategy or change in strategy is introduced. The company will ensure to pass the information to stakeholder by making them to contribute in the development.

The key shareholders are top stakeholders in the company; they support the company's development by financing.

The company will make key shareholders to support by providing clear view of the strategy or technology they are going to introduce in the company.

The primary customers are their second most important customers.

If the companies product is been changed due to their strategy the company will make sure it to let the customers know what are the changes they will be making and how they will be assisting their customers. Tata motors were able to provide more service than their competitors due to they had their own in house companies to support in finance and other things. The employees are another stakeholders in the company, they have to adapt the new strategy or technologies introduced by the company, the Tata motors focuses on their employees.

The Tata motors has learning organisation in their company to help their employees to get learn and improve themselves as well as the company by their futuristic vision.

Task 2, d)

The learning organisation has 5 sectors or characteristics within them they are systems thinking, personal mastery, mental models, shared vision and team learning.

The system thinking involves a conceptual framework which helps the people to study the businesses as objects which help them to assess their company with developed information systems like SAP to measure the performance of the organisation wholly are partly.

The personal mastery is best known for individual learning, this helps in quicker learning. Through staff training and development the individual learning benefits the work force of the industry.

The employees develop the models of the product mentally first with everyone with their ideas and implement changes to the product this helps them have a open trust an culture between them and then they will try to get product designed by the R&D department and try to make it as a product which they desired.

Shared vision helps in developing the workforce of the industry to move in an incentivising to create a common identity.

Team learning is the next step of individual learning; this helps to excel in knowledge and expertise.

Task 3, a)

Vision statement

To become the leading manufacturer and reduce environmental pollution and Restoration of ecological balance by producing vehicles which leaves low carbon foot print in the environment.

Mission statement

Thrive to next generation cars in this generation with leaving very less carbon foot in the environment.

Objective

To be the market leader in whatever the product they produce and distribute with best technology.

Values

The name Tata stands for Trust, Acceptability, Transparency and Accountability.

This have been accepted by their customers from whatever the country are

The Tata has code of conduct and whistle blower policy which gives the employees the right to expose whatever things are going wrong which would affect the company and help them to think as everyone is part of the company.

Task 3, b)

As we saw that the Tata motors had a vision to become a leading manufacturer and reduce environmental pollution and Restoration of ecological balance by producing vehicles which leaves low carbon foot print in the environment.

The Tata motors were looking to provide their products and services in superior way by designing and making their products with state of art technologies. Through enterprise process model it overlooks that they were not distracted from their vision and mission

The Tata motor gives clear view to their stakeholder about their income and the vision of the company to make the satisfied how the company is progressing.

Task 3, c)

Each company has its culture. The Tata motors company has its own culture. It always tries to keep their employees to get improve their skills. Even though it does have impact on employee culture it can't force the staffs to learn.

To excel in the market the company believes the team spirit and innovative skills of the staffs is a must , they constantly try to satisfy the staffs and get them to know what are the development are going in the company.

The company also believes that the culture what they expect can be achieved by approaching each other with self respect and mutual understanding.

Task 3, d)

Whatever the facilities, methods and talents which are acquired from its owner /founder it's the company which make it unique , so that the imitators can't copy their products whatever they produce. This makes the organisation special in the production and marketing which will give the satisfaction to their customers.

The Tata motors focus on their major core competency factors to be the best in the industry, the first thing they focus on Model's

When they analyse and decide do their models first thing they will decide whether they are going to produce the right product in right time.

After deciding the model they use their state of art technology to develop the product. During the development the R&D will research how they can develop this product in cost effective way with the use of state of art technologies.

Once the product is developed and produced they will provide the prototype to experts for analysing the product.

After the product is introduced in the market they will analyse things with dealers by this way the relationship will improve with consumers and customers by this management.

The Tata motors consider carefully whether their product satisfies the customers or whether they need to still improve.

Whatever product the Tata motors develop the first priority they give for passenger safety. They also always excel in after service with customers; these made Tata motors to achieve a legendary place in market.

The crucial factors that Tata motors focus to be the best in the industry is focus on the staffs to work in their full efficiency so they attain their goal to be the leader of the industry will be in vision.

The Tata motors always use the new opportunities to shape them well in order to lead against their competitors this make the company to have good name position in the industry

Task 4, a)

The company had changed its strategy even before the current economic climate in the wake of their losses in the yr 2000-2001, their strategy known as EPM (Enterprise Process Management). This made a rapid change in the company.

This led the company to evolutions in future. The Tata motors used whatever new opportunities to their best to optimise in best manner.

After the economic climate the Tata motors made some changes to their strategy, R&D, production, sales & service. To make things work out they introduced safety measure to analyse and measure the company's performance periodically.

Task 4, b)

The company introduced several measures to identify whether the company is moving towards its target and analyse how the company is doing currently and how well the performance of the company is.

They introduced KPI's, KPM's and EPM's to analyse and study the progress of the industry.

This led the company to revolution within the industry by adapting new strategies and new technologies.

Task 4, c)

The most important functional areas which help the company's growth are production, sales marketing and service.

Normally when there is a high production there will be high sales also, if the sales increase the service also will increase.

The companies name will be get successful when the product service is good and reached the customers and satisfied them . The Tata motors from 1998 started to acquire companies like Daewoo commercial vehicles, Land Rover and Jaguar from all over the world. Though they have state of art technologies in the in house companies and R&D's through acquisition the company had access to the technologies of the companies which they bought they learnt from it and had operations and distributions going on successfully. The company was operated in different locations in the world this gave the company to study about the climate and economy.

If there is trouble in receiving raw materials at quoted price the company had the opportunity and resource to get it from somewhere so that they can produce the product in cost effective way.

The company also had some measures to identify the needs of the customers and how can they satisfy them. This made the company to improve rapidly in production as well as in customer service with in short amount of time.

Task 4, d)

Due to the economic climate the Tata motors decided to focus on small passenger vehicle which had left or not produced by the other competitor successfully. The people started to avoid large cars to increase the saving value in their life style due to this situation the Tata motors larger cars

began to slow down in sales when they analysed and found out that it should need to produce small commercial vehicles, this meant as right time for the Tata motors so they produced Tata Indica and it went to revolutionise the whole car industry in Asia. So once again Tata motors proved they are the leader in the industry.

Task 5, a)

There will be no change in the strategy of a company unless there is change in internal and external environment of the company.

There are periodic meeting in the company to discuss about current economic status, business strategy, organisational strategy and growth attained through changes made in strategy and environment the factors affecting the strategy and the employee satisfaction. After these discussions the company will decide which are the necessary changes they should do to attain their goal in effective way. These periodic steps help the company to achieve its target.

Task 5, b)

During the year 2000 to 2001 and during economic crisis the company followed certain strategies which didn't result much growth to the company. So they changed their plan to implement new strategies within the system and introduced Enterprise process management and followed the philosophy be in the right region with right product at right time in the organisation in full fledged manner. So during the economic crisis they started to focus on small commercial vehicles with high fuel efficiency. At first they advertised

the product and waited for the feedback, the feedback was not in good way at first after a little period of time the product became a favourite within the people and that led the car industry to revolution.

Task 5, c)

The Tata motors had KPI's and KPM's implemented in their strategy to analyse and monitor the performance of the company on regular basis, the strategy will be revised and changed according to the changes in internal and external environment. By using KPI's to control and monitor the performance of the company it measures the whole firm performance by integrating together.

Task 5, d)

The new strategy introduced to measure the performance of the company. The Tata motors introduced Enterprise Process Management to take performance reports of the company, whether the employers are satisfied with the strategy of the company. By the process management the company can identify where it has to be rectified and whether the staffs has to trained in particular area to learn and work in the new strategy. These kinds of process help the company to train the employees to fit with the strategy. This will make changes in the way of primary customer's behaviour.