

Studds-nolan case study essay

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



Both spouses decided to continue with their joint-venture. Give your sentiment about this. 1) What options were available to Studds at the terminal of the February 1995 meeting (Give the pros and cons) ? 2) Should Studds truly be involved on International Markets (Was Nolan the right spouse) ? 3) What are the Intercultural issues involved in the relationship between the two spouses? 4) What would hold been your recommendations to Studds or Nolan? (Give pros and cons)

The writers sentiment

Introduction: This instance analyze expressions at the jobs that Nolan and Studds had in the procedure of holding to a joint-venture and talks the determination of continuing with the jointventure. In the terminal the writer writes about personal recommendations with which the instance survey could hold worked.

Reasons to travel International: The first inquiry that arrises is whether Studds should be involved on International Markets in the first topographic point. The 2nd inquiry is why they chose Nolan as a joint venture spouse? At the terminal of 1994 Studds was the company with the biggest market portion in bike helmet gross revenues and production in their national market. However their market-share was worsening as helmets became compulsory and consumers shifted towards other cheaper helmets.

It is unsure whether the ground the go international was merely proactive. or if there were besides some minor reactive elements such as an addition in national competition on their lower helmet lines. More likely it was the growing chance or enlargement on international markets and the anticipation of entire international market growing itself. Studds wanted to spread out in developed markets and compete with the universe leaders. One manner of acquiring what they wanted.

was to spouse with one of the universe leaders on the international market. Traveling on in a joint venture with a large participant to increase market-share internationally is doubtless a positive facet for houses. Nolan and Bieffe were the biggest participants on the international market at the clip holding a market portion of over 50 % . Nolan was the bigger one of these two in respects of gross revenues. personal and investing.

Nolans name had a trade name value Studds was likewise large. but did non vie large on the international market. Furthermore. Studds was the lone Indian company which exported internationally and an constitution in the universe market would be a positive thing to hold.

before any other Indian company decided to come in international markets. Reasoning. the determination of traveling international was a right determination. However I think. that the determination of the spouse was more based on Numberss.

trade name name and distributers than on the existent compatibility with the company. What options were available to Studds at the terminal of the February 1995 meeting? At the terminal of February Studds had the option to take a joint-venture between 3 major helmet companies. Nolan. Bieffe and Fimez. Studds could hold besides chosen to non do a joint venture at all and puting wholly entirely on international markets. Additionally Studds could hold skipped developed markets such as Europe and Japan and concentrate on undeveloped markets around India. It is interesting. that they did non concentrate much on these parts.

Consumers in undeveloped countries did not necessitate helmets this. so they did not hold to technologically progress themselves so fast. Besides due to their low production costs they could easily come in these markets. From the three companies to take from. Nolan was by far the biggest company with a big cyberspace of distributors and proficient knowhow. However Studds determination to spouse with Nolan was based on size and on Numbers. Not on compatibility. Another option that Studds could hold done was a non-equity agreement with Nolan.

Bieffe or Fimez. Possibly an agreement between knowhow and portion would be an alternate option. What are the Intercultural issues involved in the relationship between the two spouses? Harmonizing to Edward Hall's theory of high-context and low-context civilizations. both companies come from high-context civilizations. Companies in India and in Italy come from a background. where concern was merely every bit of import as the relationships gained out of the concern.

Trust and longterm boundaries ever played a large function in concern. Coming from this background. an international joint-venture is hard to do without intercultural issues. The company from overseas is ever considered as an foreigner. even though the doctrine of a joint-venture is really to make something together that has an equal equity between spouses. Both companies did not cognize each other good plenty. They came together one time for the apparatus of the missive of purpose.

There was no trust or other relationship between the companies and that is the ground why the joint venture had so many troubles. When Nolan inserted

new legal clauses to the understanding. the misgiving from Studds came to appearance. The fact of adding new clauses have been seen as an act of misgiving from Nolan by Studds. It might merely hold been a low-context act (high explicitly) that did non suit in the highcontext civilization of both companies. This lead to an intensifying state of affairs. in which the misgiving between both companies rose and in the terminal cipher was happy with the consequence. Another intercultural issue was the deficiency of research in the different civilizations from both parts.

Nolan. for illustration did non do adequate research to cognize how concern is done in India. If they had known that.

they would non misidentify the grafts to local governments for rip offing from Studds portion. What would hold been your recommendations to Studds or Nolan? My personal recommendations to Studds or Nolan would be the followers: I believe that the secret of the joint venture does non lie merely in Numberss and taking the right spouse. It is unsure whether Nolan was the right spouse with the right distributers. and right sum of willingness to put. The ground why this partnership understanding had so much problem was because there was a deficiency of trust and this could hold been worked on. Business relationships are like personal relationships. They take clip and necessitate a batch of work to develop into something greater. I would urge both spouses to decelerate down with the agreement of their joint-venture.

Both companies were rushing to acquire speedy net incomes and left all other factors out of the manner. There was no clip for relationships and for trust to be built. Another issue that they need to work on is the control issue.

At the minute. Studds was offering about all the work force in India and besides had more people on the board of manager. including the Chairman.

It is obvious. that Nolan should be involved more in this joint-venture. since it was an equity-joint venture. If Nolan should be involved in the daily operations.

I tend to doubt. Both companies need to concentrate on their strengths and allow portion of their control go to others. Leting Studds make the operations in India and allowing Nolan do all the selling and finance seems like a good solution to me. Both companies at the clip had a small over 150 workers and were comparatively little companies.

An equity-joint venture in this instance means that a failure would hold a big impact in both companies. Control of the company is following to the trust in the daughter-company. the following large issue that they need to work on. Originally. Studds direction manner was really bossy.

Everything that directors could non make up one's mind. was directed to the CEO. There was ne'er a horizontal power distribution in the company. The same management-style could be found at Nolan. Directors can't be expected to alter so rapidly. An equity joint-venture requires sidelong power-distribution on many degrees.

However. this needs to be learned by the employees and takes to clip develop.