

# Strategic management

Business



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Commitment of General Motors to the Environment

General Motors (GM) commits to continuously improve the environmental conditions by reducing the emission level of the vehicles and other facilities. The company is into a continuous process of planning innovative ways of designing the vehicles, so as to reduce carbon emission in the environment. The daily duties of the management in GM consist of functions like planning out vehicle designs which is fuel efficient, reduction of waste and optimum utilization of resources. The company is not only taking these decisions just to support its social responsibility but environmental aspects are taken seriously to integrate it with the business decisions of the company. GM is utilizing the environmental principles to manage its supply chain, control and regulate the business functions, manufacturing processes and putting the vehicles on road. The principles that drive the policies of the company towards a green future are stated as follows:

The company commits to preserve and restore the environment.

GM takes active participation in educating people around the world about the environmental issues.

The company continuously monitors the impact of its emission on the environment and develops strategies to minimize and eliminate them.

GM also develops effective plans to reduce its waste products and utilize maximum recyclable materials in their vehicles (General Motors, 2012)

The company is successfully delivering all the commitments that it had done to the society. This includes:

Reduction of waste: General Motors have recycled about 92 percent of

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materials in its manufacturing department. The company is reusing 97 percent of its waste so the landfill has reduced considerably. The remaining 3 percent of the waste is converted into energy. So it proves that nothing gets wasted at GM.

**Energy Efficiency:** The Company saves about 2.5 percent of money per year by upgrading its lighting systems. The 3.15 metric tons of greenhouse gas emission was reduced by 28 percent in 2010.

**Green Vehicles:** The Company is producing green vehicles by manufacturing battery run cars and fuel efficient cars

**Preserving the resources:** Water consumption is reduced and about 8700 students are educated each year by the company about environmental issues.

#### Strategic Plans of General Motors

The intention of General Motors to focus on environment is really appreciating and good. The company decided to invest \$ 40 million in offsetting the carbon footprints. This is an initiative of the company to present a strong image to the investors. The stock prices would rise due to its strong position in the market. General Motors commitment towards the environment is twofold.

It wants to produce cars that would offer great mileage and also reduce emission (AFED, 2011). By creating vehicles which are eco-friendly, GM would receive support from the government as well as attract eco-friendly buyers. It would also create new customer group for itself. The strategic decision of the company is to support the presidential administration for supporting the economy and also sell more cars which are fuel efficient. In the present scenario when the fuel prices are high, customers would be

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attracted towards the most fuel efficient cars.

#### References

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