

Strategic business plan lexus motors



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This report is about the meaning and analysis of LEXUS in respect of strategic planning and implementation point of view.

In this report I have deliberated about the history of LEXUS and their strategic marketing analysis in terms of its positioning besides its growth rate and market share in today's business environment. And main resolution of the report is to plan the implementation of the strategy.

Moreover, we have discussed about the vision, mission, objectives and current marketing trends as well as the SWOT (strengths, weaknesses, opportunities & threats) analysis, external & internal environmental scanning of the concern in respect of their participants and strategic formulation of the firm policy also how we will go to tool these strategy and also give some recommendations that can help to grow their marketplace share in the upcoming competitive marketing environment.

LEXUS competing the competitors & maintaining strong relationship with patrons by taking under consideration its Macro & PC environment very efficiently.

In this report, we also make a thorough review, monitoring and control that how company studied and control the strategy of LEXUS., policies such as corporate strategies, business level and its real-world policies, action program and economical protection of the business.

2 Back Ground

The standard for examination was basically the criterion given to me by our teacher. Before commencing my project I have stay in the company. I had

conducted few group meetings in which I meticulously discuss concepts and over view of my project.

The Business that I would remain researching on was properly selected keeping in view the contact besides accessibility. It was basically research project owed to me by our awarding body Edexcel. The main theme of the project was to choose particular excising organization and constructs its organisation plan; develop vision, mission and objectives besides measures plain for the implementation of the strategy the research was led by by direct and projective techniques and animated research. This was basically a very good learning experience as I conducted proper field study, and this gave me a factual idea of the strategy formulation and implementation of the finished strategy that I might be hesitant upon throughout my professional life and for preliminary my profitable it s really realobliging for future.

3 METHODOLOGY

My research project contains detail evocative research. It doesn't include any quantitative investigation it's solely based upon qualitative data. which I calmfinishedright visiting to the organization besidesleadingmeetings . and myself also collect some financial information of the businessafterhereyearly financially record books. I also conduct information from different online resources. That is I showed the penalties qualitatively. E. g. how my company frames, appraise and control group for the appeal of the plan.

4 Vision, Mission and Objective

4.1 VISION Statement

To be the professional and innovative in Motor Industry in all around the World.

4.2 LEXUS MISSION STATEMENT

Lexus is stanch to customer satisfaction through offering high quality with excellent services and good value of their price.

We take great pride in aiding each other, our customers.

We seek continuous improvement in all that we do for the benefit our stakeholder and the society we live within.

To attract and retain customers with the highest worth products and services and the most satisfying tenure experience.

4.3 Statement of Values

Lexus firmly stanch with a corporate philosophy that incorporates solid values. We encourage a culture of mutual respect and treat in cooperation our team members and users with quick facilities then upkeep. We aim to be proactively responsive to new ideas only if variety of Motors as compare toward our competitors.

4.4 Objectives

To Increase advertising by 70% by December 2011.

Generate 70% brand awareness within the consumers target market by December 2011.

To break even by the end of 2011

To increase in market share by December 2011.

To earn a good reputation and create a good image of the company by reducing customers complaints by December 2011.

To increase the sale of Lexus motors up to 3million by the end of 2014.

4. 5 CORPORATE FINANCIAL OBJECTIVE

To achieve return on sales 90% by JUNE 2011 and double it by JUNE 2012.

To achieve cost to income ratio of 90% by May 2010 and reduce this ratio by 30% on a yearly bases.

To capitalize the business by January 2012

To always maintain high sales of 100% by January 2012.

5 EXTERNAL & INTERNAL ENVIRONMENTAL SCANNING

5. 1. 1Political Analysis

Since Lexus Motors operates in multiple countries across Europe and Asia, the

Vital East, and Australia, it requirements to pay close care to the political climate

Which are also laws then regulations in all the countries he operates in while also paying

attention to regional leading bodies. Laws governing commerce, trade, growth,

and asset are reliant on the local government as well as how

Successful native bazaar stores will remain due toward regional, national and

local influence.

5. 1. 2 Ecumenical Analysis

Functional in numerous countries across the world, Lexus Motors occupations with a

global pecuniary perception while focusing on each individual market.

Because

Lexus is in a rapid growth period, expanding or forming a joint undertaking in over six

countries world-wide since 2007, a worldwide approach enables Lexus Motors to

adapt and learn from the other different regions within the complete automotive

industry. They needability and resources from five continents across the

globe, thus when any mutable changes in the marketplace they can gather information

and funds from all over the world to talk any issues. For instance, if the value of the aluminum required to make train blocks goes up cutting-edge Kenya, Lexus

has the selection to get the aluminum from other suppliers in Asia who they would generally get meanwhile for production in Ukraine or China.

5. 1. 3 Social Analysis

Without any confusion, the beliefs, opinions, and general boldness of all the stakeholders in an organization will touch how well a company does. This includes every stakeholder since the CEO and Premier, down to the line workers who rivet the door panel into place, after the saver to the customer, the culture and attitude of all these people will eventually determine the future of a Organization and whether they will be lucrative or not. For this aim, Lexus Motors inclines to use an addition and seldom separation technique by foreign companies they obtain. In 2007, Lexus Engines acquired Ford Marketable Vehicles Company, which was at the time Korea's second largest truckmaker. Slightly than using de-acculturation or integrating Daewoo, Lexus appropriated an integrated approach, and continued building besides marketing Daewoo's current models as well as introducing a few new copies transnationally unbiased as it had continual done below Korean organization.

5. 1. 4 Technological Analysis

Lexus Motor viewpoint its parent company, the Lexus Group, are ahead of the game in the know-how field. The Organization growth is a deep empathetic

of financial stimuli and customer needs, and the ability to translate them into customer-desired aids finished principal edge. Engaging 1, 500 experts and concocts, Lexus Gas-powered Training and Development team is debauched of the pack in UK marketplace and right concluded the rest of the field globally. Among Lexus innovators be located the first indigenously industrial Light Commercial Vehicle. In all an car builder must modification familiarize and produce to vacation competitive in the automotive eager besides this is exactly what Lexus is doing over their rapid development, then extensive research and growth.

5. 2 Industry Competitive Analysis

5. 2. 1 Threat of New Entrance

For the current UK marketplace for Motor Industry, it is not difficult for a Motor Industry to enter the market. However, it would remain extremely difficult to take ended already running major Big Government dominancy in UK or even make a important amount of profit Ford holds the first-mover benefit into the Green Cars specialty Motor Industry that gives them free reputation. Customers, especially heavy lorry drivers who remain used to going to TTC as a treat or reward after their company are not going toward go to other company they've not ever heard of. The make designation is before established also, there is now a large variety in the numerous western-style trains is obtainable in UK, such as Rover, Ponto and Land Rover.

5. 2. 2 Threat of substitute products

As printed overhead, there are a few major contestants in the Motor Manufacturing in UK for Lexus, namely Ford and Ponto. The substitute products, in this case, would be Terrestrial Nomad. Though they

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stand competitors, their chief crops vary importantly from each other, in that they vend, Magana, Old-style UK chic Motors, These alternates opinion absolutely cautious fit as compared to the Lexus. Smooth Motors from street seller total by way of substitute Motors.

5. 2. 3 Threat of bargaining power of suppliers

The suppliers, like the buyers, have very little bargaining power. In terms of Lexus, Fords upon its move into UK, advised many of its Indian. suppliers to also extend branches into Europe. Lexus also began helping local suppliers by giving them technological support to improve their products. This is a brilliant strategy because the provisions that Lexus would otherwise need to import after the U. S. can now stand gotten domestically, and if the Indian. Suppliers decide to raise their prices; Lexus can effortlessly switch to the native dealers. This gives us a brilliant strategy. By this strategy, Lexus created competition among its suppliers, lowering the supplier bargaining power. In terms of human resources, toil cost is extremely low because the supply of non-skilled workers great exceeds the demand for them. With so slight buyer and supplier haggling panels, Lexus remains able toward have a real tight switch over its prices and expenses.

5. 2. 4 Threat of bargaining power of Buyers

The customers of Lexus, especially as individual buyers, have almost no bargaining power because doubt only one client threatens to no longer Buy Lexus, the store is not going to lower its price because the cost of late one customer is not very great. If Lexus is not providing any Other deal or upsurge the standards then customer will automatically switch toward other contestants e. g. Ford, Peugeot, and Land rover, can control these things by

giving them a variety of Creation and other deal at sensible standards in command to grab the market and to maintain stability

5. 2. 5 Rivalry among existing competitors

More or less what one would expect, Lexus has little rivalry with similar Motors in India. The primary aim is that their essential products are different, as in they sell different types of Motors with very different tastes and styles. For example, if Lexus elevated his price for normal car by a small quantity, UK Motors lovers who may not be as accepting to any other motors In addition to that, these businesses have such different target patrons that the fluctuation of price for one out let is not going to affect the others. For sample, a full range car at Lexus ranges about £30, 000, but a full range keep is on Fords motors can cost over £40, 000. The drastic difference in price swears no price opposition between these motors.

5. 3 Internal Environmental Analysis

Strategy

Structure

Style

Staff

Skills

Systems

Shared value

Lexus focusing the horizontal growth strategy in the Motors industry. Lexus has top to bottom and bottom to top style of structure as top level of management also take feedback from lower level of management, Lexus is following participative leadership style all decisions took place in General meetings on popular bases Lexus has skilled and skilled staff to work within. Lexus provide proper training to staff on to meet set standards. A special log in addition checked with in body of Health besides Safety. Lexus has detached production department based on very capable worker for making of Motors. Lexus conduct changed types of polls for the feedback from their costumers and manner different types of products for their impost. Lexus uses Quality Organization Program Managing quality in a manufacturing occupational revolves everywhereconcernedclient expectations. Lexus aim is to be proactively sociable to new ideas individual if variety of Motors as compare to our entrant in order to satisfy clients.

6 SWOT Analysis

6. 1 Strength

New speculation by Toyota for its Lexus brand in factories in the US and China saw 2007 profits rise, against the international motor industry trend. Remaining profits rose 0. 8% to 1. 17 trillion yen (\$11bn; £5. 85bn), while sales were 7. 4% higher at 18. 55 trillion Dollars.

In 2003 Toyota analyzed its contestants Ford into third advertisement, to become the World's second largest carmaker with 6. 78 zillioncomponents. The business is still behind rivals Over-all Motors done 8. 59 million units in the same period.

6. 2Weakness

Being big has its own problems. The World market for cars is in a state of saturate and so car creators need to make sure that it is their models that clients want.

The company needs to preserve producing flatcars in order to keep in mind its prepared efficiency. Car plants symbolize a huge deal in expensive fixed costs, as well as the from top to toe costs of homework and recollecting labor.

6. 3 Opportunities

Lexus and Toyota now have a reputation for manufacturing environmentally friendly vehicles. Lexus has RX 400h hybrid, and Toyota has it Prius.

Lexus is to target theurban youth' marketplace. The company has launch its new Aygo, which is targeted by the sharp youth market and captures (or attempt to) the nature of dance plus DJ culture in a very viable section.

6. 4 Threats

Product recalls are always a problem for vehicle manufacturers. In 2005 the company had to recall 990, 00 sports utility vehicles and accidental trucks due to faulty front delay systems.

The company is also exposed to any force group in the price of raw wealth such as rubber, steel then fuel. The key economy in the appeasing, the US and Europe also gengo-slows. These financial factors are potential intimidations for Toyota.

7 STRATEGY FORMULATIONS

7. 1. Corporate level Strategies

Lexus focal argument on Horizontal growth strategy, Lexus always make a decision to pursue new and additional customers and furthermore it chooses to search new technology. E. g. Green Cars is one of the mile nuggetsof this group.

7. 2. Business level Strategies

Lexus was able to greatly decrease lead-time and cost using the TPS, while humanizing quality at the same time as a Business level Strategy. This allowed it to become one of the ten largest companies in the world. Him is now as lucrative as all the additionalcarriagecorporations shared and became the main car manufacturer in 2008.

7. 3. Functional/Departmental Strategies

The Principles of Functional Approaches of the Lexus Way is aadministrationviewpoint used by the Lexus firm that includes the Lexus Production System. The main ideas are to base organisation decisions on a ‘ philosophical sense of purpose’ and think long term, to must a process for solving problems, to add value to the organization by emergent its people, then to recognize that continuous solving root problems drives organizational knowledge.

8. Critical Success Factor (7 S model)

8. 1 Strategy

Lexus is the world main and most well known Motor Production Company, per chain in more than 15 thousand locations and worldwide in 75 countries

Lexus had refocused global strategies to grow up its lucrative and licence Motor base overall over the world.

8. 2 Structure

Trainee Managers help with day-to-day running of the restaurant, and need to ensure that all operations, customer service, cash handling, marketing, purchasing, human resources, supervision and training & development policies are followed

Responsible for working the service areas in addition ensuring quality product, service and hygiene is delivered to all customers by top speed too with a smile.

8. 3 Style

Lexus spotlight on participative leadership style. Each out let manager uses the style of interpersonal edge with their employees. Lexus management relationship-oriented have both touchingthenuseful elements.

8. 4 Staff

Lexus also give proper training to all of their employees to maintain standard of the business.

Lexus worker revenue is low so all of their staff is loyal and shows obligation.

Lexus and its grant employees are further than 700 thousand in all over the world.

Lexusbe necessary fully expert and acquaintancesupervise to slog with.

8. 5 Skills and Competencies

Lexus centre on relational skills as well because they are dedicated to purchaserpleasure through influence high quality with excellent services and good value.

Lexustoomaintain industrial skills by keep reviewing Continuous improvement process to provide good quality Standard motors to their customers.

8. 6 Systems

The quality, service, and spotlessness program for judging the quality of service outcomes from the standpoint of every customer.

The operations provision review program for measuring a Quality process implementation performance against Lexus process condition. The results of these two classextentsequencers are incorporated addicted to the Officialdom.

Lexus hires a dedicated interviewing service to survey customers on their impression of formationdelivery and quality.

8. 7 Shared Values

Lexus too focus on imaginative ideas by given that after sale facilities and have some special ability for the commercial customers.

Lexus as an association permits are by convenient places e. g. nearby city centre, big spending malls, chiefsubstructures and native area.

Brand evenhandedness is one of the key strength aimed at Lexus to spread its outlet all about the world.

9 Implementations

Strategy Implementation

Strategy implementation is the development of allocating resources to support the chosen strategy

Objectives

Department

Action required

Resources required

Profit maximization.

Promotion

Large scale advertising activities

Bill Board

To get a good reputation and create a good image of the Lexus

Feature control

Supply product according to set standard

require Best Stock for Manufacture

3. Stronger out lets all over Country

Land survey team

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New land reform news

keeping tab on the competing chains

4. Interactive Relationship Marketing

Marketing

Focus on Electronic way

Building local public relations

E Employee loyalty

HR

Keeping employee turnover low

Commitment & proper training

6. On time Delivery

Transport

More Vehicles needed

£ 50, 000. 00

10. Review, Monitoring and Control

10. 1 Monitoring Policy

Lexus habitsspecial techniquesin additionworth system for monitor all collect process and sales behavior. Lexus specially focus on to uphold quality and

provide product according to set normal so they obligate quality specialist's staff employed for monitor all managerial process behavior day to day bases.

10. 2 Control

Lexus has its own Data base to keep all the record of sales and clientele. Lexus control and share aggregated demographic with publicist and related all franchises. Lexus also use outside company's t beakoperators for if services. Lexus has good team who manages and keeps control off all effortssince they are the part of Lexus. Lexus all statistics and in order is copy right and highly secret to reservation its standard in the intimidatingforcefulmarketplace.

11 BUDGETS

11. 1 Financial performance for the last 3 years (2008-2010)

Actual and forecasted financial statement for the period ending 2010

2008(£000)

2009(£000)

2010(£000)

Revenue

10000

17000

30000

Cost of Sales

(5500)

(5000)

(6700)

Gross profit

5500

7000

15400

Distribution costs

(800)

(1000)

(1100)

Administration expenses

(1200)

(1600)

(1800)

Net profit for the year

1200

6600

7700

Gross profit %

45%

60%

68%

Net profit for the year %

18%

55%

55%

11. 2 Actual balance Sheet as at 2008-10 and forecasted balance sheet

2008(£000)

2009(£000)

2010(£000)

Non-current Asset

Property, plant & Equipment

6676

7500

7940

Current Assets

Inventories

515

700

536

Receivables

291

500

280

Cash & cash equivalent

645

500

692

Total current Assets

751

1200

2208

Total asset

7527

7200

8148

Equity and Reserves

Issued share capital

2723

2535

1839

Share premium

6899

3600

5381

Revolution reserves

(128)

1200

9025

Retained earnings

16

85

203

Total Equity & Reserves

7727

5100

9148

11. 3 Summary of financial budgets for the next 3 years

Actual balance Sheet as at 2007-10 and forecasted balance sheet 2011-2013

2011(£000)

2012(£000)

2013(£000)

Non-current Asset

Property, plant & Equipment

90000

10000

11000

Current Assets

Inventories

4000

6000

6000

Receivables

11000

22000

70000

Cash & cash Equivalents

12000

220000

10000

Total Assets

114000

144000

155000

Equity and Reserves

Issued share capital

80600

95600

87350

Share premium

7500

7600

8600

Revolution reserves

6000

12200

25000

Retained earnings

12900

14400

25150

Total Equity & Reserves

154000

130000

155000

GANTT CHART

Total Budget £300 Million.

Marketing Activities

Time (when action)

Responsibility

2010

2011

J

F

M

A

M

J

J

A

S

O

N

D

Advertisement

âˆš

âˆš

âˆš

âˆš

âˆš

âˆš

âˆš

âˆš

âˆš

âˆš

âˆš

âˆš

Advertising Agency

Sponsorship

âˆš

âˆš

âˆš

âˆš

Marketing Asstt Sports

Event Hosting

•

Marketing Asstt Events

New Car Launch

•

Country Director

Road Show

•

•

Total £

12 Conclusion

The GX 470 is one of the three SUVs offered by Lexus luxury nameplate, Lexus. The vehicle is placed in the middle of the smaller RX and the full-size LX in everything from size to price. It linked the Lexus line-up in 2010 and is currently in its first generation. AirConditioner. SomeLexus GX470s may mustglitches with the air conditioner system. Cutting-edge some cases (exact to the 2007 to 2010 model ages) the A/C may not cool sufficiently, requiring various parts to be marked for repairs. Some 2007 vehicles might need the expansion valve replaced as a consequence of breakingbeforereport noises after the hindmost air conditioner component.