

Analysing a managing change in general electric



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Renowned scientist Thomas A. Edison, who established Edison Electric light company in 1878. General Electric company is then took one huge company formation after two of merged in to one of Edison General Electric company and Thomas Houston company in 1892. Then GE is the only company listed in the Dow Jones industrial index. Today GE is a diversified technology, services, and financial services company with operation in more than 100 companies and 3, 50, 000 employees worldwide.

GE is a multinational which belongs to several companies in different companies headquartered in Fairfield, Connecticut. Its New York headquarters located at 30 Rockefeller Plaza in Rockefeller Center, name give is ' GE ' Building for the projecting GE logo on the roof NBC's headquarters. Main studios are also located in the building.

GE's " Ecomagination " concept attempt worldwide recognition to keep front runner itself as a " green " company. In current global market GE is stands one of the biggest players in the wind power industry, but not only because of its technological innovative products but also development of product as a environment-friendly like hybrid locomotives. Desalination and water reuse solutions, and photovoltaic cells. The company has set goals for its subsidiary holding companies to decrease their greenhouse gas emissions.

GE as Brand

GE has got his fourth position of the most recognized brand in the world; worth almost \$52 billion. GE. com heighten the value of the brand by the ownership. A performance which places General Electric on Rank 3 of the VB. com Internet Hall of Fame.

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After appointing New CEO Jeffrey Immelt, He had a set of changes in the brand positioning in 2004, He tried to bring some transitional changes as chairman, then he quite successful in some instant also. He made the diversified businesses of GE. The changes included a new corporate color palette, one of them are small modifications to the GE Logo, a new customized font (GE Inspira), and breakthrough company slogan , “ imagination at work” replacing the longtime slogan “ we bring good things to life”, which is composed by David Lucas..

Academic/learning reasons behind GE’s choice:

The fundamental and important reason behind to chose GE as organization because the companies existence in the market over 130 years. Still they are innovative. They always have been inspiration to other industries, the different kind of delivering the ideas, implementing them. Which always keep them in front. GE expands their horizon in much diversified manner in air and also around the world. GE continues with its tradition of innovations keeping the scale of growth in economy. Companies’ dramatic discoveries help to redefine the lives. And now GE continues to earn the respect in the business economic world.

To keep this informative thread in my mind encourages me to take academic lessons of the company as a learning resource and reasons also.

1. b) Theories and principle which underlie strategic planning.

Growth strategy of General Electric.

A company follows and obtained the best growth five initiative strategies to create capital efficient growth and to create high margin:

1) Technical Leadership

2) Services

3) Customer Focus

4) Globalization

5) Growth Platforms

1. Technical Leadership

Technology is a prior and most preferential sector of companies' initiative. Innovation comes in research and development which is a very subjective of this sector. The importance always given to the Technical leadership because it produces high-margin products, which could wins competitive battles and creates new markets. The external marketing forces are always been changing and they are not constant so company have about 2, 000 researchers in our Global Research Centers linked to market and customer needs and in constant dialogue with our businesses. As main outcomes of a technical leadership a company made great progress in energy efficiency by introducing four leading products at the mid of 2003:

1) The H System™ gas turbine

2) 3. 6-megawatt wind turbine

3) The GE Evolution™ Series locomotive engine

4) And the GE90-115B jet engine.

2. Services

GE's Technical leadership can measure it's better accountability is high end margin services for decades for a massive installed base of more than 100,000 long-lived GE jet engines, power turbines, locomotives and medical instruments. But services only work if they make our customers more profitable. In the energy market, GE has accepted the methodology to build and design asset business to improve customers' energy efficiency, uptime and environmental performance. This year, our customer Norfolk Southern will begin operating with GE's Precision Dispatch System™, the rail industry's most comprehensive traffic management system, to improve locomotive availability and customer service.

3. Customer Focus

Last year, company has formed a sales and marketing council led by Beth Comstock and Dave Nissen, two of our best growth leaders. Their main agenda includes: aligning our sales force with customer needs; taking Six Sigma to our customers; developing world-class marketing; driving sales force effectiveness; and serving global customers with excellence.

One of our successes is in "vertical selling," the practice of aligning our offerings in four industries that are critical to GE: healthcare, energy, transportation and retail. They represent \$47 billion of industrial revenues and \$169 billion of financial services assets. GE brings a unique concept of

capabilities to these industries, including products, services, information and financing.

In 2003, GE signed a multiyear agreement with New York-Presbyterian Hospital to support them in clinical research operation and help them improve their business. Company has also formed a \$2 billion relationship with Emirates Airlines to setup a modernize setup for aircraft and make their assets and people more productive for their better outcomes. Xerox is a best partnership company with GE having strong relationship between them, though the company provides their help in the segment of finance and operating capabilities to improve their marketing strategies.

4. Globalization

Since foundation of the company, GE always became a competent in world market with its multiple ideas and effectiveness throughout the globalization. After the formation company has sold its major product outside the U. S, remaining the economic market company sold its product. The company has keeping its own and major one-third of our leadership team global. GE global revenues were almost \$74 billion in 2005, up 11%, and should grow 14% in 2007. Company has its different vision to recognize central fact that they know the demand by Global growth requires more than simply shipping products. Company always been committed equally to developing capabilities and relationships in the markets where you want to succeed.

In Asian countries GE also commitment to China for its future business. GE's established its Global Research Center in Shanghai to develop the capabilities of Chinese suppliers and technology that GE can use globally.

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GE is keeping this approach in other developing markets. The company is confident to get revenues from Eastern Europe, Russia and Iraq should grow from \$3.5 billion in 2010 to \$7 billion in 2015..

5. Growth Platforms

Transform the business model using growth initiatives, such as services and globalization. Finally, apply this theory financial strength to invest in organic growth or acquisitions.

GE's Growth Strategy: [http://www. ge. com/images/en/ar2003/widgets/spacer. gif](http://www.ge.com/images/en/ar2003/widgets/spacer.gif)

Technical Leadership

Services

Customer Focus

Globalization

Growth Platform

[http://www. ge. com/ar2003/chairman/letter_4. jsp](http://www.ge.com/ar2003/chairman/letter_4.jsp)

1. d) Models and tools which could be used as a strategic planning and development of GE:

SWOT ANALYSYS is a basis method which will help for strategic planning and development OF

GENERAL ELECTRIC.

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SWOT analysis is being discussed below:

STRENGTHS

Global recognition:

General Electric has ventured into the world market thus gaining global recognition for its unique goods and services Forbes magazine ranked GE as the world's largest company in year 2009. In today's business world General Electric's brand is the world's most recognized brand,

and recognition has given it a competitive edge over other companies due to its ability to attract more customers.

Excellent Management:

GE utilizes a unique management style, the integrity of management and business operations are divided into business units. Each business unit plays a distinct role within the company and has its own independent management. Examples include GE Commercial Finance, GE Equipment Services, GE Energy, GE Insurance, and GE Consumer Finance among others. This kind of unique management helps to take instant decision and to be more concentric toward its unit managerial functions and helps to increase productivity due to the high level of accountability and efficiency that business unit managers are expected to maintain.

Diversity and operation management:

GE has invested in a wide range of products whose activities range from technology, energy, automotives, and aviation and home appliances to

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financial services and insurance services. This kind of diversification shields the company from risks in case of misfortunes.

WEAKNESSES

Under-performing energy sector:

Due to the effect global crisis and fluctuation in fuel prices energy sector is not performing as expected. So the supply shortage because lack of demands and fluctuations in prices of oil and gas have mostly threatened the company's profitability.

Threat to flexibility:

Sometimes flexibility in the business operations may causes dangerous for a company, because it results in over-stretching which usually slows down decision making. GE having its very huge operation management to do under numerous units which require attention and could prove hard to manage if excessive diversification occurs.

OPPORTUNITIES

Mergers and acquisitions:

GE has many sources and very much to prove, but sometimes in market there are many competent, result of this GE has performed several mergers in the recent past. These not only help the company to expand globally but to diversify its activities into new areas thus increasing productivity.

Research and development:

Intensified research and development characterize the GE's activities to maintain a competitive edge over others in the same industry. GE invests substantial amount of resources for relentless efforts to ensure the production of innovative products.

THREATS

Competition:

Operating in global economic environment where stiff competition is present is a threat in itself. GE risks losing its customers to competitors . As a large company GE gives importance to control to negotiate with suppliers. They can better manage production to keep prices and profitability high.

Competition could be intensified by product differentiation, better techniques and technology among competitors.

Information security:

Every company faces a treat of losing confidential and important data through internet hackers, sometimes natural disasters and dishonesty of employess. this could affect the company's activities and cause a slow-down in production.

Financial crisis:

Up and downturns in the economy, global financial crisis, seriously effect most companies today, these causes the rises in prices and shrinking bank lending rates have lack in businesses much needed profits and capital respectively.

References

Chasnoff, D. (1991). *Deadly deception: General electric, nuclear weapons and our environment*. Newday.

Hurbert, P. (2007). *General electric company profile*. United States: Market Research.

Makower, J. (2005). *Ecoimagination: Inside GE's power play*. World Changing.

Task 2

2. a) Marketing Strategy options used by the General Electric

GE's marketing plan is basically designed and explained with 7 P's of marketing segments. Which are explained below.

1. Product.

GE's technology division produces Inappropriate and fire detection products, which also use to card access systems, aircraft replacement parts, jet engines, medical diagnostics, medical imaging as well as patient monitoring equipment.

The company's major sector is energy, so it also provides products related to energy infrastructure such as wind turbines, gas turbines, water purification systems, and aircraft engine derivatives.

GE's also produced a consumer as well as industrial division such as refrigerators, washers, microwave ovens, residential air conditioners.

2. Price

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General Electric introduced a “ Power by the Hour” program for its aircraft engines, in recognition that its customers were not specially purchasing its airplane engines, but also they will keep in mind the ability to minimize downtime through its maintenance and service initiatives.

There was a increased in a cost pressure in global economy in 2004 due to GE raised prices in for its Infrastructure Water and Process technology customers and it widely affect on citing marketplace conditions for water treatment solutions which made it more expensive to do business.

General Electric introduced a concept of “ healthtmagination”, whose initiative involves the reduction of prices in its medical imaging and diagnostics business as a result of reduced customer spending in these areas.

3. Place

General Electric is headquartered in Fairfield Connecticut, at 3135 Easton Turnpike.

GE has subsidiaries located in Singapore, Mexico, Munich, China and Ontario Canada

General Electric has global business projects including Southeast Asia, Northern Asia, Australia, New Zealand, Africa, Latin America and Europe.

4. Promotion

Since 2001 GE worked with Responsys, Inc. as the preferred vendor to implement GE Services Network’s email marketing programs.

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GE's slogan " we bring good things to life' is among the most recognizable in the world.

5. Process

With the assistance from major Boston Consulting Group and McKinsey and company General Electric pioneered the nine cell strategic business screen used to identify the most favorable position with attractive growth opportunities as well as competitor strength.

GE managers operate and make their decisions from the companies famous " blue books" — five volumes of detailed guidance.

GE management has utilized techniques such as leadership development, Work Out, and Six Sigma.

Constant appraisal process has been undertaken every year by GE which is about a 10%. which involves from its bottom of firing to higher level.

GE strives to accomplish its goals with four core values in mind: imagine, solve, build, and lead.

6. Physical Evidence

GE's physical Evidence can be stated below

- 1) Huge investments in Russia including equipment fleet with more than 1, 500 large units.
- 2) Crucial investments of infrastructure resources such as oil and gas as well as aviation.

3)GE has made investment in Indonesia to build the infrastructure.

7. People

Jeffery Immelt is the current chairman of the board and chief executive officer of GE.

“ The Spirit & The Letter” is employed an integrity policy which every employee supports with a signed pledge.

General Electric provides an employee and retired employee outlet store with discount products.

GE utilizes skills-based customer service routing technology.

2. b) STAKEHOLDERS OF GE

Description and function of stakeholders in GE.

1. Emerald Technology Ventures

Emerald Technology Ventures is a global leader in clean technology venture capital incepted in year 2000; Emerald is a pioneer which cleanly focused on energy sector which is rapidly emerging clean technology sector and exclusively on innovative technologies in energy, advanced materials and water. Company has been operating from offices in Zurich, Switzerland and Toronto, Canada. Since inception, Emerald has managed three venture capital funds and two venture capital portfolios mandates totaling over EUR 400 million. since the foundation company only invites the global investors

include such as a leading financial institutions and multinational corporations.

<http://www.emerald-ventures.com/aboutUs.aspx>

2. KPCB (Kleiner Perkins caufield & byers)

KPCB is a Venture Capital Firm, but it's not only the company who has corporate directives but also they are a creative think tank that helps design new industries that change the world. They have created an exceptional marketplace of ideas where entrepreneurs and inventors come together and brainstorm how to build companies that will redefine the future.

Kleiner Perkins is not a commercial investment company but it is more than that. Its partners gave the time, insight, and expertise necessary to help crystallize a long-term vision and corporate strategy for company. And through their network of portfolio companies and personal contacts,

KPCB's philosophy of contributing more than just capital is exactly what makes companies experience as an iFund company extremely valuable.

3. Rockport Capital

Rockport is a leading venture capital having a partnership with cleantech entrepreneurs which operates in world market. Company has different management operating style involves collaboration with core management teams to achieve faster growth and building its own value in market and bring disruptive technologies.

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Company operates in global market have a excellent track record which is providing the insights and networks that push forward companies to get more success in world economic era.

Rockport categorize its primary focus in some certain business sectors, majors are

Energy and Power, Transportation, Resource Effeniciency, Advanced Materials and Green Building. With respect of these companies, Rockport also invests in all stages of development.

Energy sector always been a much favorable sector for investment for Rockport. Since this capability sets Rockport apart, the focus on opportunities in which company has leverage these strengths to add value beyond investment capital.

<http://www.rockportcap.com/our-approach>

Task 3a)

Definition: vision

According to Mike Harvey (2009), the vision seeks to provide an ideal future for which the organization strives for. Lambert (1996) as quoted by Harvey (2009) suggests that crafting a vision calls for creativity. He states that a vision should specifically answer direct questions like “ what will the organization be like in 5 to 15 years times” among others. Tom Peters (1987) pontificates that, visions are meant to be clear, inspiring and challenging.

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From these statements I have developed the vision statement for Dialogue Direct will be the following:

“ Maintaining our Leadership position in the top 5 of UK fundraising organization in a bid to make a difference in the world”

(Mike Harvey course notes for strategic planning and implementation, 2009)

In GE CEO is the first and head of the management. The corporate success depends on the vision districts by the chief executive . GE has vision impact on the employees to be accompanied in a dramatic and enduring way. GE always make sure you keep stretch in employee’s vision, communicate it constantly, underscoring the relationship between management and employee.

Definition: Mission statement

A well-thought out mission statement guides a company’s managers as to which market opportunities to pursue and which fall outside the company’s strategic domain (Scott, 2000).

A mission is something to be accomplished.

Professional Definition:

“ GE does not have a mission statement, per se, but its operating philosophy and business objectives are clearly articulated each year in the Letter to Shareowners, Employees and Customers in the Annual Report..”

<http://www.ge.com>

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Definition of Objectives:

The objectives are declaration of company's purpose and goals (Rea and Rea, 2000). Objectives are meant to create a challenging environment for people who crave to make above average contributions and who imagine to get above average rewards (Bragg, 2006).

GE's main objectives are:

- 1) To facilitate the development of effective energy and environmental strategies related to corporate business policies in Georgia;
- 2) To facilitate the creation of effective legal, regulatory and structural framework for market oriented reforms and harmonization with best western (EU) standards in the fields of energy and environment protection;
- 3)To build public awareness, encourage public participation , in the fields of energy and environmental protection.

Definition of values

Values - Imagine, solve, build and lead - four bold verbs that express what it is to be part of organization. Their action-oriented nature says something about who we are - and should serve to energize ourselves and our teams around leading change and driving performance.

<http://www.csrglobe.com/login/companies/ge.html>

Professional Definition:

Values in GE:

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While GE has always performed with integrity and values. The values which embody the spirit of GE at its best. Energy and spirit of a company that has the solid foundation to lead change as business evolves. And they express distinctly a code of behavior that guides through that change with integrity.

They are a call to action that asks every GE employee to recommit to a common set of beliefs about how we work in our world today, they are based on a continuum of how GE has grown and performed through generations.

They are our words and our values... in our own voice.

3b) Effectiveness of above three things can be measured in the following ways:

Mission, Vision and Values

Mission

The effectiveness of mission is give a clear way for organization to clarify what it is currently discover to do for its customers or stakeholders. It is like statement of purpose, which create a question “ What is GE trying to accomplish on behalf of our stakeholders or individual investors?” An effective mission statement helps to identify day-to-day operations and as the foundation for future decision-making and to make corporate strategy.

Vision

The vision is a corporate glance which creates a rallying point for strategic management team to maximize efforts. Organizations vision provides a powerful and inspiring picture of the outcome an organization seeks, at some

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point in the future. Vision is a key of success and it would be effective if clear and step forward to be achieving goal of organization.

Values

An organizations value is fundamental and deeply held. Every organization has its intrinsic value and is important to everyone on the management. Values are an implicit part of the promise of organizations future and establish for prospective and existing team members about their expectation from teammates, management and leaders.

3 c) ORGANIZATION CULTURE

Definition:-

Gareth Morgan has described organizational culture as: “ The set of the set of beliefs, values, and norms, together with symbols like dramatized events and personalities that represents the unique character of an organization, and provides the context for action in it and by it.”

<http://www.organizationalculture101.com/definition-of-organizational-culture.html>

GE's organizational culture:

GE's organizational culture committed towards its leadership culture, The company believes that employees performance can only flourish in safe and sound environment. This leadership culture can be obtained through system and policies develop communication, maintain the partner employee relationship, privacy and gives surety of health and safety.

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GE has multidimensional work assessment groups which undergo with different definitions and operating structure give below.

1) Operating with integrity

2) Work and life balance

3) Quality and work life

Some of the key characteristics of GE's organizational culture are as follows:

A) Individual effort is much more important than group or collective efforts.

B) Competition is king internally and externally

C) Poor performers' lose face publicly

ETHICAL VALUES:

Definition:-

An ethical appeal also referred to as ethos basically has to do with rights or moral values.

<http://www.tutorvista.com/answers/ethical-values-definition/72821>

Ethical Values of GE:

Factors: Since the inception of company Internal and External functions of Management GE has been began operating under Thomas Alva Edison. Since then GE has grown and matured as one of the greatest multi- innovator firms in business history with GE has become an international company expanding

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its services and product around the world. GE has its own ethics of business and values. GE's ethical values reflect in a wonderful example of how external and internal factors like globalization, technology, innovation, diversity, at national and international level will impact the way company managers operate and comply with ethical and compliance issues.

GE's ethics impacts directly, not only the four functions of management namely planning, organizing, leading, and controlling but also the four factors globalization, technology, innovation, and diversity are closely related with each other.

<http://www.tutorvista.com/answers/ethical-values-definition/72821>

<http://www.writework.com/essay/ge-business-ethics-compliance>

3 d)

Core competencies:

Definition:-

It is cluster knowledge and gained abilities from its consistent efforts over the years, which are not easily imitated. It helps to any organization to be competitive and help to become more creative and able to deliver good services towards customers.

After a many years of dedication General Electric's introduced best practices GE's version of benchmarking, reengineering and energetic, highly participative employee-manager retreats, to get more new ideas from employees. These are which will help GE to be more creative and were

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aimed at significantly increasing innovation in order to substantially increase productivity. GE has major and important client is U. S for many years. When GE applies the theory of core competency it become live and breathe innovation, at the very least, find it fundamental to their successes in the words of Peter Druker “ Every organization-not just businesses-needs one core competence: innovation.”

[http://www.winstonbrill.](http://www.winstonbrill.com/bril001/html/article_index/articles/201-250/article220_body.html)

[com/bril001/html/article_index/articles/201-250/article220_body.html](http://www.winstonbrill.com/bril001/html/article_index/articles/201-250/article220_body.html)

Critical success factors:

Mike Harvey (1984) suggests that, these are factors that are necessary when the company is looking to excel and outperform its competitors. Those are the things customers, shareholders and stakeholders generally value about a business and its activities.

Importance of the critical success factors in an organization is because of it can help to focus on the building their capabilities or to identify if there are any lack of ability to build necessary critical success factors.

Critical success factors are necessary to the success of General Electric:

In world energy market GE compete with some another leading companies. Some rival companies are now to launch new greener products in market to make environment decarbonised. so in my opinion the competition will become more rigid in coming days

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Critical success factors could be in subject areas of gas turbines and energy efficient lights. GE already introduced its much heralded 'Ecomagination' project. but it needs more diversity in above particular independent research.

Task 4

4. 1a) Amendment strategy in response to change in economic and business climate.

GE is always committed to its customers for their better services; on the other side company has also to focus on large scale business opportunities. Though being a global leader in a number of high tech industries GE has identified a providing solution to face a problem of the future which could be interest of environmental issues. Therefore Mr. Jeffrey has bought a new innovative and creative project namely 'Ecomagination'

When GE done analysis upon ecological survey he came on decision that there is a resources problem of global warming and supply of oil and water which were most prominent. And its going to be more demand in coming decades. So avoid future imbalance of certain things GE has started to invest in ecologically friendly alternatives to existing technologies.

(Global Energy Formation, Matt's Larsson 2009. Plgrave Macmillan, Page 119)

4. b) GE responded to the changes in its environment.

As explained above GE accompanied changes and following their strategies as per creation a innovation ' Ecomagination'. so it can be prove that GE responded to the changes in its environment.

The GE ecomagination annual report provides updates on the progress on each of its ecomagination commitments.

1. Double investment in clean research and development - GE invested \$1. 5 billion on ecomagination R&D, reaching the commitment to double our annual investment by 2010 one year ahead of schedule. GE continues to be committed to unleashing new technology..

2. Increase revenues from ecomagination products - In 2009, ecomagination revenues grew six percent to \$18 billion even in a challenging global environment.

3. Reduce its greenhouse gas (GHG) emissions and improve the energy efficiency of its operations -

GE reduced its GHG emissions by 22% compared to 2004. GE improved its energy intensity 34% compared to 2004, surpassing the goal of 30% in 2012.

<http://www.genewscenter.com/Press-Releases/GE-Surpassed-5-Billion-in-Research-Development-Investment-in-ecomagination-Technology-2902.aspx>

4 c) As per my concern following will be the major functional areas of GE.

1. Research and Development Department

GE Global Research is the hub of technology development for all of GE's businesses having 10 global laboratories organized by scientific disciplines all focused on leveraging technology breakthroughs across multiple GE businesses. GE established laboratories in different continents and their people come from the US, Europe, China and India collaborates and builds on each success.

http://www.ge.com/company/research_development.html

GE diverse its industrial lab in the world. From aircraft engines to power generation to financial businesses and even television network and movie studios, GE Global Research can leverage technology across industries and across scientific disciplines.

<http://www.ge.com/company/factsheets/grc.html>

2. GE's marketing Department:

General Electric is treat