

Swot analysis of nissan

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The strong R&D capability allows for a broad vehicle portfolio and selection, it improves its competitive strength in the automotive industry. The Ionians LEAF, has around 61, 000 sales in the United States since its launch four years ago. It is number one in the market (and) number one in the world. Currently leading the Electronic Vehicle market, ahead of Volkswagen and Aka. Developing new leaders through systematically selecting their highest performing team members to participate in comprehensive leadership development programs. Full input and participation from the ground level up.

Shown makes a point of it to solicit advice from a broad array of backgrounds, in order to have a plan that will apply to a wider number of people - this raises the likelihood of success. Global Operations: Renault and Ionians have been entering new territories together, such as India, in order to expand their global reach. The global operations provide Page 3 of 12 protection against unwanted forces in specified markets and also enables the groups to benefit from any available opportunities. Weaknesses Although Niacin's cars are becoming better and better in variety and quality, Ionians still lacks of the power in luxury cars. Declining Reputation due to Recalls: Ionians as recently forced to recall a number of vehicles due to safety problems over the past few years. Vehicles that have been recalled include the Extern, Sentry, Cube and others. These recalls have a negative impact on the company's image, and lower the SOOT Analysis of Ionians By academes the Japanese market, diesel accounts for only 0. 4% of vehicles sold (Rowley, 2006). In contrast, diesel is very popular in the rest of the world & its share in overall sales has been increasing steadily.

Diesel technology has been improving significantly over the past decade and is now reducing emissions, fuel consumption and cost. As Nissan's home country has a low demand for diesel engines, Nissan lacks the technology and experience to produce diesel engines of comparative quality.

Threats

Competition in the Global Automotive Market: The automotive industry is highly competitive & Nissan faces fierce competition with companies such as Toyota, Honda, Volkswagen, Acura and other big automotive companies. Competition is set to increase with the continuing globalization of the car industry.

With this increase sales may go down and inventory increase which will push the financial stability of this company even further down.

Tightening Emission Standards: The E.U. Commission and E.U. Parliament have been adopting increased stringent emission standards which in the near future could result in additional costs for the product development, testing, and manufacturing operations of Nissan.

Natural Disasters: An increase in natural disasters pose an external threat to Nissan, especially with today's volatile environment due to factors such as global warming.

Opportunities

Expansion of Product Line-Ups: The Renault-Nissan alliance has handed the company a great opportunity in the expansion of product line-ups. Cars such as the Nissan LEAF, Nissan Grand Livina, and the Venecia have been released in various markets around the world. All these expansions will lead to an increase in the company's reach and market share.

Strategic Investments in Zero-Emission Technologies: With the

increasing energy costs and emissions regulations demand for the hybrid car is bound to increase a substantial amount.

The Renault-Ionians alliance has signed over 60 agreements worldwide in preparing for this mass-market launch of electric vehicles. They also have devised a plan in order to recycle nearly 00% of the vehicle weight, including the secondary use of the battery. Moving into new markets such as the Electronic Vehicle market. Asia market: Lower penetration coupled with firm rise in income levels, led to continuous leaps in car sales in markets like china and India. In actual fact China, then followed by India is estimated to be major growth driver in the next decade.

So it goes without saying that it is necessary for a global player to be present in this country. Therefore all global players either have products for these markets or planning to develop products to enter into these markets.

Renault-Ionians Purchasing Organization (RENO): The RENO, which was established Renault-Ionians would combine their resources to create a more efficient and well-oiled organization. This has led Ionians to achieve greater purchasing power and has served to reduce costs and reduce the bargaining power of suppliers.

There still remains significant opportunity through the RENO to decrease costs and provide increased competitive advantage. Business Management 3 Assignment Submission Date: 18 August 2015 Page 5 of 12 He has invested heavily to develop affordable zero-emission vehicles, including the Ionians LEAF, which was launched in 2010, and a full line-up of Renault electric vehicles. 1. 2 From 1993 to 1999 Ionians invested heavily in non-automotive

businesses. So when the global financial crisis hit, their stock dropped immensely.

But Shogun's turnaround strategy involved its return to profitability by development of new cars and the improvement of Ionians brand image and reducing cost. Thus raising their market share once again. The March 2011 earthquake was an external threat posed to Ionians, but the company fared far better than its Japanese competitors. One reason or that may be that over the last ten years, they've had a lot more practice than others in coping with crises. In a sense, they have developed a capacity for responsiveness that their competitors perhaps do not have.

Question 2 Clarity of Vision and Strategy Clarity of Mission Objectives

Customer orientation Sense of urgency Cost orientation Communication & Transparency Decision Making & Execution Efficiency

Personnel Motivation Strategic Alliance Page 6 of 12 Vision and mission

statement of Ionians: Vision: " We strive to enrich our customers' lives; we are driven by success; we are energies by the future. Our vision statement is more than just a phrase or tagging. It represents the long-term direction of the company and it signifies the existence of Ionians.

It is a living, breathing philosophy that we deliver to all Ionians stakeholders - customers, shareholders, dealers and employees. " Mission: " Ionians provides unique and innovative automotive products and services that deliver superior measurable that Ionians should play when pursuing its aim. It clearly expresses that the core business of Ionians lies in automobiles and related servicing functions and promises o provide all stakeholders with

relevant values. It also promises to continue to offer highly innovative solutions full of originality.

The cooperation with Renault provides us with unique opportunities for sustainable growth" As one can see from their vision and mission statement, the customer is extremely important to Ionians because at its core, the company is a customer-orientated business. The very first sentence in their vision statement places the customer right on top of their priority list. They are committed to their clients and look to carry relationships into the future with stakeholders too and not only clients. These relationships are integral in carrying the company forward in future because keeping a loyal customer is much easier than acquiring a new one.

If it was not for consumer faith in the company their revival would not of been possible. Considering all the crisis situations that Ionians went through, it was of absolute importance to step up the sense of urgency. The firm were busy experiencing 7 years of losses and the financial crisis caused a 10% decline in the valuation of the yen and credit ratings services were threatening to lower their status from " investment grade" to " Junk". So its clear that a turnaround theater had to be formulated immediately or the company would not of survived.

Shown stepped in and immediately implemented a much need revival plan in order to raise the company up once again and it worked. Business Management 3 Assignment Page 7 of 12 Ionians has adopted a cost leadership strategy since the appointment of Carols Shown. Shown said " Communication is a two-way street". It is important to take plenty of time to

listen. Then develop a comprehensive plan. The plan should be difficult - but not impossible. The plan should establish one or two key priorities, with specific, quantifiable targets.

Communicate these priorities and targets relentlessly and in multiple formats. This tells us that communication and transparency was critical in the turnaround strategy. A turnaround strategy is a desperate attempt to stay afloat while the ship is sinking. During this time its is important that everyone pulls their own weight and that communication is free flowing. The firm has to work as one group and for that to happen information has to reach the lower levels as quickly as it has reached the top. With regards to decision making, all long term plans were made by top management, like Carols Shown.

But he as decentralized strategy making and leadership to a certain extent by allowing the most promising individuals of the company(globally) to fill various important positions, like management. These young professionals bring something new to the firm, they bring new ideas, innovation and youth. For a company desperately needing a turnaround these three things are gold as they allow the firm to head into new directions and ventures they would not have gone in before. The possibility of serve as motivation to any young person entering the company, at any level.

The industry is huge and so is the company (Ionians), this leaves ample space in which nee can grow hiscareerthroughhard work. Question 3 3. 1) Tasks of Leadership: Recognize the dual nature of strategy (short term as well as long term) Page 8 of 12 Companies are expected to balance short

term strategies, in which existing resources and competencies are deployed, with long term orientation that will carry them into the future. Renault-Ionians Alliance CEO Carols Shown had to think and plan about the present day situation of his firm as well as how it would operate in the future.

Shown recognized the aging of his workforce in 1999 and instituted the global Ionians Revival Plan, which required Ionians SAC'S production operations to advance to levels of efficiency similar to those of global plants. Because Ionians has a long serving workforce the age of their workers were catching up to them, meaning that productivity was beginning to slow down. Shown had to start looking for new, younger workers and especially leaders. As the older workforce started phasing out the Renault-Ionians Alliance set up a system that would guarantee them a bright future.

By systematically selecting their highest performing team members to take part in comprehensive leadership development programs. The participants that were selected are considered the " best of the best". These participants are especially ambitious professionals who have made significant, positive contributions to the company. These participants are the clear standouts amongst a workforce of more than 450, 000 employees globally. The participants are often very young and are given massive responsibilities, something Shown calls the " baptism by fire".

This allows the company to keep up with the current trends of productivity and softens the blow of retrenching long time workers. Start with vision, mission and distinctive profile In today's world it is companies and leaders who have a clear vision of the company they are trying to create, a clear

sense of mission and a clear sense of their distinctive profile in terms of the competition that will create a clear cut framework for strategy definition and action. Carols Shown had a clear vision in mind, he knew that adaptation was absolutely vital for Ionians if the firm was going to carry on as a profitable company.

He slashed costs, closed unprofitable factories, shrank the supplier network, sold Business Management 3 Assignment Page 9 of 12 unprofitable assets, and rewired Niacin's insularculture. These risks all eventually worked out in Shogun's favor because since then he has transformed Ionians into one production at its largest engine plant in March 2011 because of the earthquake and tsunami which devastated northern Japan, then later during that same year, flooding in Thailand cut supplies for key parts needed at factories around the world, Shown stuck by his ambitious Power 88 six-year growth plan.

This was a plan that would succeed through thick and thin as Ionians adapted well to the natural disasters that had taken place. Shown had stuck by his vision for future growth and success by omitting Ionians to boost its global market share and profits to 8% by 2016. He also vowed that Ionians would claim a 10 percent share of the world's two largest markets, China and the United States. Replace " resource-based" strategy with a new basis of strategy formulation Resource based strategic thinking was more appropriate in the past.

But in today's changing markets, competencies and resources have to be closely aligned with future opportunities. Shown kept Ionians on track to

fulfill its ambitious Power 88 six-year growth plan, committing Ionians to boost global market share and profits to 8 percent by 2016. He also vowed that Ionians would claim a 10 percent share of the world's two largest markets, China and the United States. In announcing this new midterm plan, Shown declared Ionians ready to go on the attack.

Through the crises that had hit his firm he still had clear and reachable goals for the company. And implemented his strategy for a complete turnaround. Focus on strategy as being the alignment between external and internal worlds of the company To make sense of a growing, changing, complex world before others do is an increasing challenge for today's leaders. To then realign the organization, its internal functional activities and its business system activities to be ready to take advantage of the new opportunities adds to the challenge.

Business Management 3 Page 10 of 12 Shown has focused heavily on the continued future success of the company he currently runs, he has branched out aggressively into emerging markets such as Brazil, China, India, Russia, and Southeast Asia and shifted production of many core models outside of Niacin's native Japan. He has invested heavily to develop affordable zero-emission vehicles, including the Ionians LEAF which was launched in 2010 and a full line-up of Renault electric vehicles. Here we see Shown lining up his arsenal, ready to 'attack the second he smells a new opportunity.

He has spotted the new potential of electronic vehicles and is now fully committed to tapping into that market. Competing through business systems, not through business. Creating value for the customer does not

happen by means of the system as a whole. Firms in which the leader's main task is to reduce time delays and reduce unnecessary inventory buffers and to make the order delivery process more efficient, miss out on the important leadership task of developing partnership relationships between the main players in the supply chain.

This coordination between all the elements in the value-creating process will then lead to the creation of higher value but will also lower costs. Shown allows the value of his workers and products to speak vehicles market and has also made new inroad into emerging markets, were Ionians competes with business practices(marketing) Recognize that there is a growing decentralization of strategy- making and leadership. In today's companies leadership and strategy are being pushed down from corporate and business unit level to product-defined businesses, market segment-defined businesses and projects that lead to new businesses.

This decentralization has to be accompanied by new managerial frameworks and assistance from the top. On the one hand entrepreneurial initiative from below should be encouraged, but on the other hand, the task is to create the leadership culture, systems and approached from above which will help the decentralized leadership to do well. Shown has put in place a system that takes his companies most promising talents and moulds them into great leaders. At the Renault-Ionians Alliance Shown has Business Management 3 Page 11 of 12 encouraged the entrepreneurial initiative of some of his firm's most ambitious professionals.