

House Of Tata: Acquiring A Global Footprint

Thecasesolutions.com

Uriel Alvarez
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Recommendation

Yes. TATA Motors should acquire Jaguar and Land Rover.



Strengths

- Tata Chairman, Ratan Tata - Vision of Business and Creativity
- Global Presence with well diversified business markets
- Core Values and Culture.

- Integrity
- Understanding
- Excellence
- Unity
- Responsibility

Leadership with Trust that is consistently value driven



Weaknesses

- Strategic Management of each subsidiary lacked consistency of a centralized nature and limited common group practices.
- Fast growth of subsidiaries resulted in the overlapping of capabilities within the House of Tata.
- 70% of acquisitions did not result in gain of shareholders.
- Tata's Group Center lacked fellowship between employees.
- EX-Group dual rates were not adopted by some companies as hoped due to lack of synergy.
- Emphasis on the Middle Class Demographic.



Opportunities

- India's regulations of domestic industry and India's Openness to the International economy liberalized.
- Making businesses freer rein to do business on global scale.
- Commitment of growth in M&A to become a well diversified global leader.
- Accessibility to new technology.
- Aggressive international investments and expansion with companies like AT&T, Mercedes, BMW, IBM and Honeywell.
- Easier opportunities for credit.
- Evolution of strategic relationships with over 2.5 million investors.
- Tata brand will become more prestigious.
- Venturing in to a Western Market for Luxury Products.



Threats

- Inflation with in the Global Economy increases the cost of inputs which increases pricing for production, manufacturing and logistics.
- Affecting sustainability and impacting their competitive advantage as a low cost producer.
 - The price of steel, aluminum and production costs for diesel fueled products would be more expensive.
- Mid-1990's India's Regulations of domestic industry and India's openness to the international economy liberalized.
- Exposed Indian Companies to foreign competition.

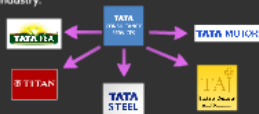
Assessment of Tata Strategies

- Strategies
 - De-integration
 - Incremental Approach
 - Reorganization
 - Injection of Capital
 - Long Term Growth

Each Strategy has given TATA a strengthened position in the global market and opens more doors for new value driven opportunities.

Recommended Changes

- Tata Consultancy Services should integrate in all subsidiaries to establish common group practices.
- Corporate Social Responsibility for each subsidiary needs to be established.
- Simplify the overlapping capabilities of the House of Tata to strengthen the true market value of each industry.



Recommended Plan for Tata Motors

- Acquire Jaguar and Land Rover to Tata Motors, but keep day to day operational decisions to existing head quarters.
- Use Tata Consultancy Services for best practices and successful outcomes.



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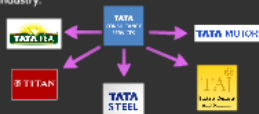
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