



THE VISION OF TATA MOTORS MANAGERS OF THE PROCESS OF GLOBAL STRATEGIC MANAGEMENT

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ABSTRACT

Tata Motors has been successful in recent years by making the most of possibilities on the global stage. As a result, its tactics are instructive. Tata Motors' strategy that developed as it expanded internationally in the car manufacturing business is analyzed using the "Flexible Strategy Framework." This approach is an effort to manage change inside an organization while also taking into account its continuity factors. The company's success stems from its management team's skill at balancing the demands of the status quo with those of innovation. The company is always trying new things to stay ahead of the curve. This research makes a fresh effort by applying the concept of flowing stream strategy to the question of how internationalization affects competitiveness.

KEYWORDS: Competitiveness· Flowing stream strategy· Internationalization· Tata Motors

INTRIDUCTION

When it comes to holding companies in India, Tata Motors is by far the most significant. The organization's roots may be traced back to 1945. There are three foreign customer bases that this firm serves. Automobiles, SUVs, and trucks all fall under this category. They were the first to make a mini-truck, a light vehicle, a large vehicle, and many more in India. In its mid-stage, Tata Motors has rapidly expanded into new markets and expanded via smart acquisitions and joint ventures. With more than \$4 billion in annual revenue and a growing presence in Europe, Southeast Asia, Africa, Australia, and the Middle East, Tata Motors is now the largest automobile manufacturer in India. The company's cutting-edge technology allows it to fulfill stringent European rules governing environmental impact and product quality. Its successor, the Indica V2, was widely hailed as an upgrade over its predecessor. The British badge-engineered version of this vehicle (Rover City Rover) was a huge flop and was named the worst automobile ever driven on the BBC program Top Gear. Tata Motors also had great success exporting vehicles to South Africa. Tata Motors' ascent may be traced back to Indica's success.

Tata Motors' present status and worldwide development, as well as the company's key success factors, will be outlined in the proposal. Where do they fall short, exactly? When will they become better? The influence of marketing on Tata motors. The proposal will contain the company's Swot analysis, Boston matrix, and market planning and strategy.

Through a system of communication and commerce that spans the globe, regional economies, civilizations, and cultures have been intertwined in the process of internationalization. This study would do more than just describe how Tata Motors and Tata Tea developed abroad; it would also explain why businesses want to go global, what challenges they face, and how tempting the prospect of massive earnings and cost savings may be. Although corporations operating in worldwide markets have reaped numerous advantages, doing business on a

global scale is fraught with complexity and danger, which is why Tata Motors decided to do so. The justifications below were used by Tata Motors to support its overseas endeavors.

LITREATURE REVIEW

Yashavantha G. Nayak (2022) Economic, technical, customer-segment, and international rivalry all play a significant impact when it comes to a firm becoming global. This report analyzes the local and international expansion of TATA Motors. Secondary data for the study was gathered from a variety of published sources such as academic publications, research papers, news items, and the online archives of companies like Tata Motors and others. Critics of Tata Motors' purchase desire have pointed out the timing of the transaction, which the report emphasizes. Slowing domestic and global economies reduced demand for both commercial and private automobiles. Because of India's massive population and rapidly improving living standards, the recently debuted Tata Nexon has the potential to revolutionize the electric vehicle industry in the nation. Tata Motors has to be more creative to compete with the market's top players and their lack of new ideas.

Malagihal, S.S. (2021) New business models have an influence on the success of automakers in an increasingly competitive global market. By comparing Tata Motors' performance in the passenger car category with that of a comparable overseas passenger vehicle manufacturer, the research delves into the inherent contrasts between the two companies' basic competencies and platform strategies. The discrepancies show that competition is fierce in India's vehicle market. Additionally, the research used a problem-structuring approach to uncover likely reasons of Tata Motors' central issue, namely, its inability to effectively exploit product platforms. The research shows that Tata Motors might benefit from strategic alternatives such the correct management of workers in senior leadership roles, technology, and strategic engagement with partner enterprises. Possible worldwide expansion into new markets for specialist vehicle product lines is another potential outcome of these novel strategic alternatives. To use sophisticated modular platforms and associated digital technologies, Tata Motors may need to draw on a subset of the many prospective capabilities and resources that have been evaluated.

Abhishek Kumar et al (2020) Tata Motors Limited is a formidable corporation that has become even more powerful via its parent firm, the Tata Group, and through its many mergers and acquisitions. Research & development spending is indicative of a competent workforce. At a time when people all across the world are worried about reducing their carbon footprint, the company's choice to build an electric version of Nexon is a sensible move in the right way. Tata Nexon, the automakers newly introduced electric car, may find unexpected success in India due to the country's large population and growing middle class. The organization has both problems and benefits. Because of this lack of creativity, the electric vehicle market is in serious trouble. As of late, key rivals like GM, Mitsubishi Motors, Ford, and Fiat have all been experimenting with new concepts, therefore Tata must as well. The high price of electric cars may also be an issue for the company. India is a lower-middle-income nation; thus, most people cannot afford to acquire electric cars despite the promising market for them.

Prashant Salwan (2017) Development and expansion into new markets go hand in hand. The danger of becoming global is affected by a wide range of elements, including the economy, technology, customer-segment, the intensity of competition, and so on. The author of this report analyzes the growth of TATA Motors both at home and abroad. From the dot-com bust of 1999 up to now, the authors of this research used strategy development processes to examine the years in between. An effort was made to make sense of the process by mapping out both strategy and lessons learnt. The courses included an extensive variety of subjects, from global company strategies to product strategies and market choices. The framework provided by theory of the business has been used for growth analysis.

Hedieh Divsalar et al (2016) As the second most populous nation, India's booming economy suggests a need for a broad variety of manufactured goods. Midway through the 1990s, the car industry in the nation began expanding at a rapid rate. Major investments made lately by Maruti and Honda Siel are expected to have a good effect on the local economy. The anticipated investment by Tata in the production of an affordable vehicle is good news for the industry as a whole. Tata Motors has a presence in the key sectors of the passenger vehicle industry (compact and midsize automobiles, and utility vehicles), as well as all commercial vehicle market categories (heavy and medium commercial vehicles, light commercial vehicles, and pick-up trucks). In the case of Tata Motors, the company will also increase its presence in emerging markets including the United

Kingdom, Libya, Egypt, and Tunisia. The area includes the nations of Brazil, Colombia, Peru, Mexico, Yemen, Angola, Malaysia, Indonesia, and Australia.

RESEARCH METHODOLOG

Using information gleaned from previous studies, empirical generalizations, conversations, and available financial reports and analytics regarding Ford Motors and Tata Motors, the approach will combine qualitative and quantitative analyses. The final product should reflect both the instructor's and students' knowledge and opinions. If necessary, conclusions should be labeled as to what kind they are (factual or belief).

In this study, we want to adhere to the research life cycle described below.

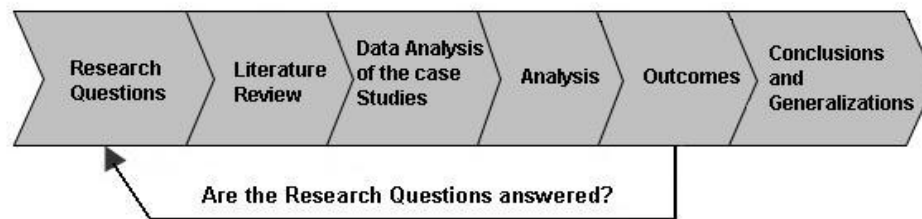


Figure 1 Proposed Research Methodology

Despite globalization's pervasive presence in the contemporary world, we often overlook the daily improvements it brings. Some people see globalization as a boon because it makes it simpler to learn about and use cutting-edge technology and cultural practices from nations on the other side of the planet. There is no denying that globalization has benefited every facet of company life, and strategic management is no exception. The company has taken measures to ensure it remains competitive. Even while globalization has improved our quality of life, it has had an impact on the way businesses are run and how their leaders think about expanding internationally. In this analysis, we will take a quick look at globalization and its pros and cons. First, we'll examine the many fields in which strategic management is applied to the idea of globalization, and then we'll evaluate the effects that globalization is having on the discipline as businesses increasingly expand outside national borders.

The following specifications must be met for the proposed study:

Experts advise constructing a theory of Company Valuation methods using the Internet and databases (such ProQuest, All Business, etc.) containing scholarly articles of a high caliber.

World-class models for both strategic (using tools like the Balanced Scorecard and Michael Porter's Diamond Modeling) and financial (using metrics and cash flow and market valuations) company valuation will be presented. With the aid of a literature study, all of these models will be given. This will allow the appropriate hypotheses to be formulated.

Comparisons: Using the results of the theories' applications to Tata Motors, we will compare the two firms' past and projected future performance in great detail, opening up new avenues for debate and inquiry.

Evaluation: Assessments will be made on how well the Research Questions presented were answered. The assessment will include both qualitative and quantitative components.

Trend Analysis: At the conclusion of the study, it is suggested that projections for Tata Motors' future performance be assessed in light of historical tendencies.

DATA ANALYSIS

The Customer is the primary concept. The goal of every new product development strategy should be to provide the consumer with the most bang for his buck possible. According to our definition, value encompasses all means, plausible or not, of ensuring a happy client base.

SWOT Analysis of Tata Motors:

After discussing Ford Motor Company's strengths, weaknesses, opportunities, and threats, we'll move on to Tata Motors' SWOT analysis. As was noted before, Tata Motors places a premium on possibilities and develops its skills accordingly. Tata Nano is a perfect illustration of how they have announced a model and begun accepting reservations far in advance of having the necessary production skills in place to satisfy demand, completely ignoring the risk that they may amass a massive backlog of customer orders as a result.

Diamond Model of Competitive Advantages.

The Diamond Model was created by Michael E. Porter to examine the comparative advantages of countries in the context of economic sectors in which those countries have built a domestic industry. The five forces model of business competition and this model have both become widely used empirical extensions in the field of corporate strategy. Herein, we provide these models' evaluation of Tata Motors. The following diagram illustrates Michael Porter's Diamond Model:

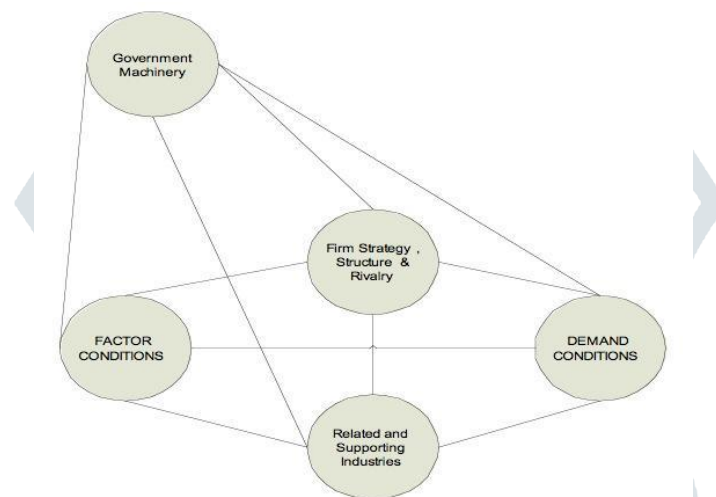


Figure 2 Michael Porter's Diamond Model

Successful businesses throughout the globe have used new approaches to their product lines, customer service, internal operations, and external competition to gain an edge. Although each company's inventions may seem unique at first glance, they are all built on the same foundational variables that interact with one another in complex ways (Porter, Michael E. 1990. pp75). With the support of the local government's restrictions on these influencing elements, the diamond model provides a significant connection between the four fundamental influencing factors guiding the performance of an organization on a national and international level.

Firm Strategy and Rivalry:

Michael Porter described this as the pressure on businesses to "Innovate" in order to keep up with rivals in their immediate geographic area. This determinant is subject to the local government's regulation of the country's business system, which dictates the rules for the establishment, organization, management, and dissolution of businesses (like Company Law, Companies Act, Corporate Governance Act, etc).

When opposed to Ford Motor Company, Tata Motors has taken a different approach. They were able to beat the competition because they were quicker to seize chances and better equipped to follow through on instructions. Their plan has always been to first secure their client base by charging booking amounts to their reserved consumers, and then thereafter begin production.

They produce just what their customers buy, since they are highly cost-conscious about overhead costs and stocking surpluses. They plan to use the same tactic with the debut of the Tata Nano, in which they will ask for small deposits from potential buyers in exchange for a guaranteed spot in the waiting list before beginning to ship the vehicles. Since no one has yet challenged their Nano idea, it will be simpler for them to secure reservations in advance, ensuring that their first-lot clients would not be affected by any potential competition.

Demand Conditions:

When a corporation has domestic demands from customers, suppliers, the government, etc., it faces the issue of controlling the demand-supply ratio, which is central to Michael Porter's idea of demand conditions.

If the government machinery backs a system that enables businesses do this, then the demand circumstances will likewise become globalized. Be aware that not all domestically dominant firms can successfully enter foreign markets.

Tata Motors has not yet perfected the art of tailoring its wares and services to specific regional markets. They've had a lot of success in India since they've honed their goods over many years to meet the needs of the local market.

Indian government resources have already enabled them to spread their wings (like the legal and statutory framework of India has allowed them to acquire British companies and launch Nano worldwide through Geneva).

However, they have not yet acquired the skill of adapting their goods to the specific needs of the nations in which they operate. City Rover, for instance, was a spectacular failure because the company made the mistake of trying to sell automobiles designed for Indian circumstances in Europe. It will, however, take them a very long time to become a recognized name on a worldwide scale.

Analysis of Tata Motors as per Michael Porter's Five Forces

Model that shapes Industry Competition.

In 1980, Michael Porter outlined the five dynamics that influence industry competitiveness for any given business: rivalry among current rivals, threats from new entrants, bargaining power of suppliers, bargaining power of consumers, and danger of replacement goods or services. Organizations' competitive standing in their respective marketplaces is established by these factors.

We provide a quick overview of the model and use it to compare Ford Motor Company and Tata Motors in terms of their competitive standing.

The Five Forces That Shape Industry Competition



Figure 3: Porter's Five Forces Strategy that Shape Competition

Michael E. Porter observed that when these factors are strong, nearly no firm is able to establish a sustainable competitive edge and generate profitable returns on investment.

Major advances in an industry may lead to creative destruction of current goods and services, making the dangers of new entrants and alternative products and services all the more pressing. The profit potential of a market is limited by the pressure that new entrants exert on product price in order to swiftly secure a piece of that market.

Supply and demand economies of scale, customer switching costs (especially when customers have invested

heavily in solutions compliant with supplier's technology or are very used to the same), capital requirements, access to distribution channels, restrictive government policies, etc. all work to the advantage of the established players in the market.

Supplier and consumer bargaining power are the other two countervailing factors. If there is less competition, there won't be as many options for consumers to choose from, reducing their bargaining power. On the other hand, suppliers tend to have greater leverage in the event of less competition since the supplier network (and their mutual competitiveness) will not be developed.

Ansoff Analysis of Tata Motors.

For the purpose of evaluating a company's product marketing strategy before developing a model for diversification, H. I. Ansoff (1958) created a matrix. Here is Ansoff's own initial drawing for the matrix:

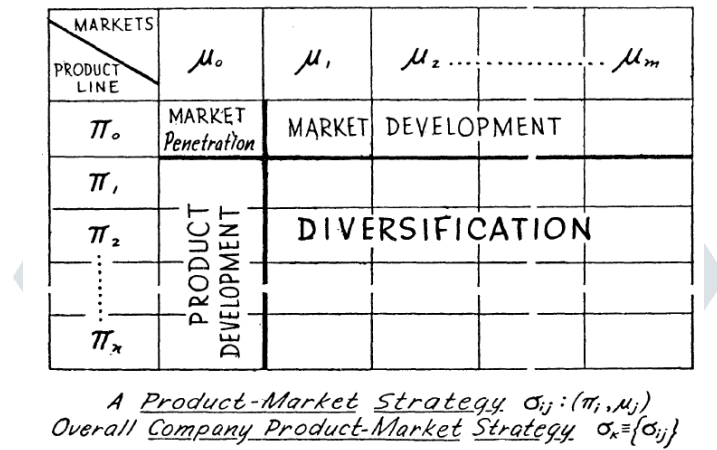


Figure 4 Ansoff Matrix

A simplified version of Ansoff's product-marketing model is shown in the following:

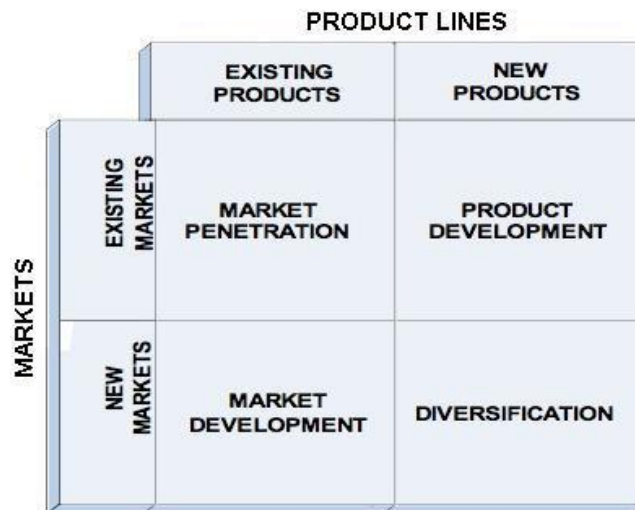


Figure 5 Simplified view of Ansoff model

Below, we break down each of these product-marketing categories into its own quadrant:

- First, a market penetration plan for already-existing items.
- Product development strategy for new goods targeted to established markets Strategy for expanding sales of already-available items into untapped areas
- Diversification via the introduction of novel goods and the targeting of untapped markets

The riskiest approach is one that calls for the implementation of wholly new value chains inside existing businesses, while the least risky is one that relies on the use of existing value chains.

Balanced Score Card Analysis of Tata Motors.

The balanced score card was designed by Kaplan and Norton (1996) to evaluate organizations based on the strength of their core capabilities as shown by KPIs (KPIs). The image below illustrates the balanced scorecard:

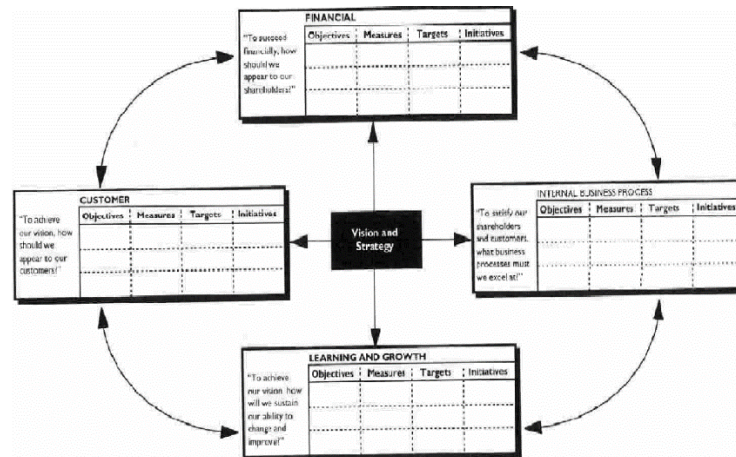


Figure 6 The Balanced Score Card System for Vision and Strategy

Customer, Financial, Internal Business Process, and Learning and Growth are the four pillars upon which the strategy rests. The external view of the firm is reflected in the company's financials and how it is seen by consumers, while the internal view is reflected in how it is perceived by workers and management in terms of its business processes and opportunities for learning and development.

Because of the extensive financial view on Financials and Customers that this dissertation will provide, the Balanced Score Card will be revisited at the end of the work.

Both Ford Motor Company and Tata Motors have, from an internal business process and learning and development viewpoint, been pretty good, but their attitudes have been quite different. Ford Motor Company has consolidated its components supply chain and builds automobiles to the specifications of an area after doing extensive market research.

Because of this unified supply chain provider, they are able to offer multiple automobile models to meet the needs of different nations while still utilizing the same spares. Therefore, Ford Motors has had extremely extensive internal learning and development, with localized information acquired from many places and the advantages of global knowledge and experience effectively integrated with the local expertise.

Tata Motors seems to be on a similar route to globalization as Ford Motors, but much more slowly. Nano was initially designed for the Indian market, but the company is prepared to adapt it to meet the specific needs of other regions across the world, such as the strict emission laws in Europe.

Tata Sierra, one of their smaller vehicles, is already sold in the UK, therefore the company must be familiar with the needs of the British and European markets. Moreover, their expertise will be bolstered by the purchase of Jaguar and Land Rover. They have the foundations necessary to apply Nano expertise, and it may only be a matter of time until they are able to achieve compliance for Nano against the rules of Europe and other nations they are pursuing.

CONCLUSION

Long hours of research have led up to this moment: writing the last chapter of the dissertation. This dissertation set out to compare and contrast many approaches to strategic analysis and methods of assigning a monetary value to a corporation, with Ford Motor Company and Tata Motors serving as case studies.

After a brief overview of the company's background, strategic analytics using tools such the SWOT analysis,

Ansoff matrix, Michael Porter's Five Forces Model, Michael Porter's Diamond Model, and the Balanced Scorecard Strategic framework were implemented. The company's strategy and management framework might be better understood with the aid of the strategic framework. This study aided in the development of analytics that provided a holistic view of the company's internal and external elements.

The subsequent chapters of this dissertation detail the different value methods. Before diving into the specifics of valuation methodologies, we've introduced the relevant metrics, and now we'll examine a range of theoretical analyses grounded on empirical generalizations.

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