

Roll No.

OPEN BOOK EXAMINATION

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 6

Total number of printed pages : 8

NOTE : Answer **ALL** Questions.

1. **Case Study :**

GLOBAL STRATEGY AT TATA MOTORS

Introduction of the TATA Group :

Founded by Jamsetji Tata in 1868, the Tata group is a global enterprise, headquartered in India, comprising 30 companies across 10 verticals. The group operates in more than 100 countries across six continents, with a mission 'To improve the quality of life of the communities we serve globally, through long-term stakeholder value creation based on Leadership with Trust.' Tata Sons is the principal investment holding company and promoter of Tata companies. Sixty-six percent of the equity share capital of Tata Sons is held by philanthropic trusts, which support education, health, livelihood generation and art and culture.

In 2017-18, the revenue of Tata companies, taken together, was USD 110.7 billion. These companies collectively employ over 700,000 people. Each Tata company or enterprise operates independently under the guidance and supervision of its own Board of directors. There are 28 publicly-listed Tata enterprises with a combined market capitalisation of about USD 145.3 billion (as on March 31, 2018). Companies include Tata Consultancy Services, Tata Motors, Tata Steel, Tata Chemicals, Tata Global Beverages, Titan, Tata Capital, Tata Power, Tata Advanced Systems, Indian Hotels and Tata Communications.

Tata Motors :

Part of the USD 100 billion Tata Group, Tata Motors Limited (BSE:TATAMOTORS), a USD 45 billion organisation, is a leading global automobile manufacturer of cars, utility vehicles, buses, trucks and defence vehicles. It is India's largest-and the only (OEM) offering extensive range of integrated, smart and e-mobility solutions. Tata Motors strives to bring new products that fire the imagination of GenNext customers, fueled by state of the art design and R&D

centers located in India, the UK, Italy and South Korea. It has operations in the UK, South Korea, Thailand, South Africa, and Indonesia through a strong global network of 109 subsidiary and associate companies, including Jaguar, Land Rover and Tata Daewoo. Internationally, Tata commercial and passenger vehicles are marketed in countries spread across Europe, Africa, the Middle East, South Asia, South East Asia, South America, Australia, CIS, and Russia.

In India, Tata Motors' presence cuts across the length and breadth of the country with a manufacturing base spread across its biggest industrial hubs; Jamshedpur (Jharkhand), Pune (Maharashtra), Lucknow (Uttar Pradesh), Pantnagar (Uttarakhand), Sanand (Gujarat) and Dharwad (Karnataka). It is by far the leader in commercial vehicles and the second largest player in the passenger vehicles market with winning products in the compact, midsize car and utility vehicle segments. It became the first company from India's engineering sector to be listed in the NYSE in September 2004. The company's objective to expand its international business, both through organic and inorganic growth routes, has been pretty fast in the recent years.

Global Recognition

With a portfolio that covers a comprehensive range of cars, trucks, buses, defence vehicles and more, Tata Motors Limited is recognized as one of the leading automobile manufacturers in the world today. Commencing operations in 1954 with Commercial Vehicles (CVs) in India, the company's marque can now be found both on and off-road around the globe. Here's how Tata Motors went from being an Indian company to the globally recognized brand that we know today. Having a presence in over 46 countries around the globe, Tata Motors is without a doubt among the top 10 CV makers in the world today. Having recently made its debut in Sri Lanka, Tata Motors' Nexon is available in both petrol and diesel engine options. It is available in all variants in 6 colours/Dual Tone colours.

- 1991 — Tata Motors entered into a Joint Venture (JV) with Nitol Motors to set up NITA Company Ltd., the first assembly set up of the company outside India. In the years to come, Tata Motors grew its assembly operations in different forms across Myanmar, Vietnam, Bangladesh, Ukraine, South Africa, Kenya, Senegal, Nigeria & Tunisia.
- 1993 — Tata Motors sets up a JV with Cummins Engine Inc. The tie-up enables Tata to introduce powerful diesel engines with far lesser carbon emissions.

: 3 :

- 2004 — Tata Motors rings the opening bell at the New York Stock Exchange in this year, marking the listing of the company on the bourse. The company also acquires South Korean truck manufacturer Daewoo. Together, they unveil the Tata World Truck range for sale in South Korea, South Africa, SAARC nations and the Middle East.
- 2006 — Tata Motors joins hands with the Brazil-based Marcopolo S.A. and launched the Tata Marcopolo Bus in the following years.
- 2008 — Tata Motors sets up Tata Motors Thailand, its first national sales company in markets around the globe.
- 2009 — Tata Motors acquires the Spanish bus and coach manufacturer Hispano Carrocera. Starbus and Globus range of buses, manufactured by this new venture, rolled out in the coming years.
- 2011 — Tata Motors Indonesia was established as a fully owned subsidiary of Tata Motors.
- 2012 — Tata Motors launches its next generation platform of heavy trucks, Tata Prima, in the markets around the world.
- 2014 — Tata Motors launches its new platform for light trucks and buses, Tata Ultra, in the international markets.

Tata Motors began manufacturing Passenger Vehicles (PVs) in India in 1991. Just like its CV division, the PVs segment made its foray into nations around the world in the following years. Apart from India, the company's new as well as legacy cars are also available in many countries through exclusive dealerships. Variants of Tata vehicles like the Indica, Indigo, Vista, Manza, Aria, Bolt, Safari Storme, Tiago, GenX Nano, Sumo, Tigor, Zest, Nexon and Hexa can be purchased in various countries of Africa, APAC and Latin America, while those of Jaguar and Land Rover are available in Europe. Featured below are some of the most important milestones of the PV sector of Tata Motors that the company achieved in other regions (excluding India) :

- *Asia Pacific Region* — Tata Motors PVs make their entry in Nepal in 2003, followed by commencement of operations in Sri Lanka in 2004, Indonesia in 2011, Bangladesh in 2012, Myanmar in 2013, and Philippines in 2014.

- *Africa* — PVs of Tata Motors make their foray into Africa with South Africa in 2004, Tanzania in 2005, Ghana in 2006, followed by Algeria in 2014.
- *Latin America* — Tata Motors' PVs sector begins its operations in Latin America by venturing into Uruguay in 2014 and Bolivia in 2015.
- *Europe* — Tata Motors enters the European market after the acquisition of Jaguar and Land Rover from Ford Motor Co. in 2008.

Tata Motors' mission has enabled it to make its presence felt around the globe. Thanks to its commitment to excellence, the company has set its sights on expanding its CV and PV operations in several other countries around the world.

CV Production by 2020

Being India's leading automobile manufacturer, the company has witnessed its sales in commercial vehicles (CV) segment grow up to 44 percent in 2017-2018. In an attempt to further improve the productivity and profitability the company has shifted its strategy to focusing on the CV business to adjust with the transiting times.

FY2017-2018

According to the Commercial Vehicles domestic sales data, in 2017-2018, 399, 317 units of CVs were sold as compared to 325,211 units in 2016-2017 (Growth of 23 percent in FY18 against industry growth of 21 percent). In terms of market share, it got increased to 44.2 percent in FY18 from 43.5 percent in FY17.

FY2018-2020

The company has revealed that it will be investing ₹ 3,000 crores in the commercial vehicle business until over the next two years. This investment will be utilized to develop new products; to upgrade the existing ones that will meet the upcoming emission standards; to debottleneck the production processes so that the flow of product is not limited and increasing demands can be met.

BS-VI

With BS-VI coming soon, the capital expenditure will totally be used for meeting emission standards and is expected to consolidate the Commercial Vehicles business further. It is evident that key purchase criteria continue to be on payload and fuel efficiency, with specific focus

: 5 :

on total cost of ownership. To tackle this equation, the company is not only working on reducing the cost of diesel vehicles but are also considering alternate fuel options to satisfy the needs of the customers.

Fleet Telematics

In March 2015, Tata Motors became the first OEM to adopt Telematics — an efficient way for automobiles to be designed, driven and managed. It is a global trend that has been changing the International automobile market due to strong regulations on road safety, emissions and fuel efficiency. This year, it became the 1st vehicle manufacturer in India to install 1,00,000 advanced telematic systems on its commercial vehicles under the Tata Fleetman brand name. With over 1,200 workshops, Tata Fleetman is gearing up for the next level of fleet telematics with advanced trip/journey management features that cater to the complex requirements of sectors like e-commerce.

Some of the features introduced to the Indian market through Tata Fleetman include :

- *Emergency SOS* — A panic button in vehicles through which the driver can send an SOS message to the transport owner in an emergency.
- *Trip Management* — A versatile tool to track and evaluate individual vehicle trips in real time. Trip Management helps achieve significant improvements in fleet utilization and reduction in communication costs and idle times
- *Driving Assessment* — Since drivers are the most important resource factor of transport operations, the driving assessment solution continuously evaluates drivers on a range of parameters impacting safety and economy. Suitable consultancy and retraining is then employed to improve overall fleet economy and safety record.
- *Vehicle health management* — A solution which helps remotely monitor vehicle health, including quick fault detection and rectification before it can lead to consequential failures.

This launch was done in response to growing market needs for better fleet control and greater fleet utilisation. Tata Fleetman generates rich fleet insights and goes on to collaborate with the customer to offer specific interventions towards improvement in the utilisation, performance and safety of the fleet. This has resulted in happy and satisfied customers who have benefited

from these implementations. With all these technological advancements, company assumes that Telematics will allow their customers to manage their transport fleets efficiently and safely.

Sustainable Buses

Tata Motors has always led the Indian auto motor industry in terms of producing vehicles of exemplary design, integrating new technology into their offerings while capturing the needs of the Indian customer. But more importantly, as we continue to progress in creating cars of global standards, we also seriously consider and work towards ‘sustainable transport.’ Sustainability has grown in importance over the last decade owing to environmental changes that are gradually brought about by traffic congestion and pollution. Besides having detrimental effects on the environment, the congested, complex urban transport system poses as a problem to the development agenda of the nation. Hence, the Government of India has opened its doors to the planning and development of 100 smart cities. This will promise a safer transport system, better mobility and also inch closer to a cleaner environment.

Given its low costs of operation and high passenger capacity, a majority of the population rely on buses to commute. Therefore, it is important that buses too, undergo a green makeover to be in line with India’s plan of smart cities. Hence, the company is pushing towards electric buses with cleaner options for fuel while constantly designing and producing vehicles that cut CO2 emissions that will in turn reduce our environmental footprint across all transport segments. Thus, the company offers a future ready range of buses and continues working with the government on the promise of sustainability to create cleaner options for mass public transportation.

Training India’s Largest Driver Network

As India’s leading truck manufacturer, Tata Motors has the largest fleet of small, medium and heavy trucks on road today. Making truck drivers an integral part of the Tata Motors ecosystem. Five years ago, in an endeavor to give back to the truck drivers, Tata Motors launched the Institute of Driving, Training and Research (IDTR) in Pune through a joint venture with the Central Institute of Road Transport. A part of Tata Motors’ CSR initiatives, IDTR’s main objective is to improve the quality of life for truck drivers. Its dedicated driver training programmes help to improve road safety and to enhance employment prospects for rural youth.

: 7 :

However, India's need for more skilled transporters means that it is necessary to increase the number of such training institutions. Keeping this in mind, the Ministry of Skill Development and Entrepreneurship plans to open an additional 500 small driving training institutes to skill more drivers across India. Tata Motors' Truck Driver Training Program is an initiative that also has strong sustainability aspects. Tata Motors will be able to build a larger pool of trained drivers to operate vehicles that are being sold every year. Sales of these vehicles would also increase if more drivers turn transport entrepreneurs. Vehicle performance will also be healthier with properly trained drivers at the helm. Most importantly, road safety will improve for all concerned.

Referring to the above case study, answer the following questions :

- (a) Present a commentary on the company's foray into the Global Market.
(10 marks)
- (b) "SWOT Analysis is a powerful developmental tool". Elaborate the above statement with respect to the case study.
(10 marks)
- (c) Can a Porter's structural analysis be attempted here for automobile industry ? Comment.
(10 marks)
- (d) Identify the different strategies adopted by Tata Motors to remain competitive in the years to come.
(10 marks)
- (e) What conclusion you would suggest for this case study ?
(10 marks)
2. (a) The PESTEL Model of International Business Macro-environment is hinged around the political factor in most of the countries and in most of the occasions. Comment with reference to India.
(5 marks)
- (b) "Health, technology and innovation are pillars for Global competitiveness." Comment.
(5 marks)

- (c) “The SWOT seems to be transforming to Strengths, Weaknesses, Opportunities and Challenges (SWOC).” Explain how the threats perceived earlier are now taken up more seriously and positively in terms of challenges ?
(5 marks)
- (d) How has India been a beneficiary to Globalisation ? What favourable conditions have emerged for our country in the new world order ?
(5 marks)
- (e) Which are the sectors to have given green signal for total FDI (100%) either through the Automatic or through the Government route ? Do you expect these sectors to perform well with such a move ?
(5 marks)
- (f) Discuss the relevance of IEC Number. What is Export License ? Explain canalization feature.
(5 marks)
3. “Anti-dumping measures are injurious to the interest of consumers.” Explain and discuss WTO provisions for Anti-dumping.
(5 marks)
4. “Alliances are reshaping the industries.” Explain this concept with respect to Strategic Alliances.
(5 marks)
5. What do you understand by Third and Fourth party logistics ? Are there any roadblocks to its fast development in India ?
(5 marks)
6. What is a foreign collaboration ? What are the different types of foreign collaborations ? What are the important points to be kept in mind while drafting a foreign collaboration agreement ?
(5 marks)