Emerald Insight

Emerald Emerging Markets Case Studies

General Motors India (2009)
Keyur Thaker

Article information:

Users who downloaded this article also downloaded:

For Authors

If you would like to write for this, or any other Emerald publication, then please use our Emerald for Authors service
information about how to choose which publication to write for and submission guidelines are available for all. Please
visit www.emeraldinsight.com/authors for more information.

About Emerald www.emeraldinsight.com

Emerald is a global publisher linking research and practice to the benefit of society. The company manages a portfolio of
more than 290 journals and over 2,350 books and book series volumes, as well as providing an extensive range of online
products and additional customer resources and services.

Emerald is both COUNTER 4 and TRANSFER compliant. The organization is a partner of the Committee on Publication
Ethics (COPE) and also works with Portico and the LOCKSS initiative for digital archive preservation.

General Motors India (2009)

Keyur Thaker

Keyur Thaker is a Professor at the Indian Institute of Management, Indore, India

On a warm morning of March 2009 in New Delhi, Mr Karl Slym, was preparing for the busy day ahead. Over the breakfast, he had quick glance over the headlines in *Times of India* newspaper. He was not at all surprised with the much-awaited news. The Head India operations, General Motors India (GMI) reads the headline ''General Motors Corporation (GMC), USA appealed for bail out package to US Congress''. His mind was filled with speculation over the fate of GMI and wondered whether, the company would be able to stick to its 2006 new initiative that intended to emulate GMC's global leadership in India. He wondered, would India operation be able to leverage over GMC global presence and whether, the subsidiary will remain a success story despite being part of a much-troubled GMC. Since 2006, the things have been dicey and eventful not only for automobile industry in India and world at large but also for GMI and GMC. The only respite was the 2006 initiatives that have shown signs of improvement in GMI's position but at the same time, recent developments at GMC have raised obvious challenges. He wondered whether the 2006 initiatives and subsequent re organization and reorientation and management control change of GMI would continue to deliver in the new settings.

General Motors India (GMI)

GMC founded in 1908 was the world's largest vehicle manufacturer. GMC designed, built and marketed cars and trucks worldwide[1]. Company's India operations were established in 1994. Globally GMC had maintained the leadership as a Passenger Car Company, however, in Indian passenger car market its position remained as one of the marginal players (see Exhibit I for an overview of GM and its India operations). GMI launched only three models since 1996. Initial quality hiccup with Opel cars that company launched was considered as one of the main reason. GMC responded with aggression and trailed its growth aspirations by launching models in all the segments of the Indian car market. In 2006, the company withdrew production of Opel cars and re-introduced Chevrolet cars to India. At the same time, several new initiatives on organizational structure, production facility, R&D, quality, marketing and branding were taken up. GMI resolved to launch two new models every year. In the same year, it introduced three new models, ''Spark'', a small hatchback car at entry level, Aveo UVA' a sporty big size hatchback mid segment car and a high end SUV ''Captiva''. To augment the production capacity to double, GMI initiated development of new manufacturing facility at Talegona near Pune, in the state of Maharastra. In the mean time, the competition was getting intense with Maruti Suzuki Ltd, Tata Motors, Hyundai, Ford, Honda, etc. announcing expansion of their capacities and launch of new models across various segments.

The Indian car market

According to a survey, India is believed to be the fourth largest passenger car market in Asia comprising a range of cars belonging to different price segments and car segments[2].

Starting from a two-seater car, the Reva to a seven-seater SUV, Volvo XC90, the Indian car industry has huge portfolio of cars. In terms of price segment, India has a car starting from Rs. 100,000 the upcoming Nano, to the one like Audi, Mercedes, and Bentley selling out in millions of rupees (see Exhibit II for more information on India Car market and Exhibit III for growth trends in India Automobile sector).

Typical feature of Indian market has been fast growth and larger share of small size and economy segment car. Industry leader Maruti Suzuki Ltd had remained dominant player cornering almost second or third of the passenger car sales in India for long. At the same time, Maruti Suzuki had maintained cost leadership through large-scale operations and volumes, operational excellence and leverage on R&D from Suzuki Motors, Japan and domestic technological development. With entry of many global players in late 1990s, the market expanded and market share of Maruti Suzuki declined. Volumes rose steadily. India's car remained intensely competitive with over 12 international car manufacturers operating in the country. Maruti maintained its market leadership with over 50 per cent market share. Given Indian car market scenario attaining significant presences and market share was indeed a challenging task for GMI.

India manufacturing operations

GMI, was incorporated in 1994 as a 50:50 joint venture company with the CK Birla Group of Companies. In 1999, it was converted as fully owned subsidiary of GMC. The first manufacturing facility in India became operational 1997, at Halol, located in the western state of Gujarat. The facilities were one of its kinds for the country and GMI as well. The single assembly line was flexible enough to simultaneously produce different variety of cars, ranging from Sedan to Hatch back at the same time. GMI's Halol facility with production capacity of 85,000 units has two assembly lines; one for Passenger Car and other for SUV, better known as truck assembly in GMI's language. Such facility was appropriate for Indian market as it enabled GMI to produce variety of Passenger Cars under different segments and permitted break even at low volume at the same time allowed for production of wide variety of cars. Such facility offered much needed flexibility in growing and dynamic market like India, to introduce different variety of cars under various segments without much change over and a need for dedicated facility.

The manufacturing facility contained different shops:

1. Body shop.

2. Paint shop.

3. General assembly:

   ■ Truck line (for SUV and MUV); and

   ■ Passenger car line (for sedan and hatchback).

     – multiple types of car manufactured in the same line as per the requirements. Activities or operations muted multiple types of car manufactured at same point of time on single line one after other; and

     – quality assurance also happens at general assembly.

4. Quality:

   ■ Test line.

   ■ Repair (if required).

   ■ Global customer audit.

     – samples taken off the line and validated as per global norms.

5. Finished goods yard

The first decade of 2000, marked increased global operations of GMC. For next several years to come Indian operations were envisaged and recognized to be of strategic role and

importance. The parent increasingly recognized India as more valuable part of its global operations in terms of cost competitiveness and location advantage. GMI received orders for export of components from GMI operations globally. It was expected that component business would grow well. India operations was envisaged for strategic importance in terms of cost, R&D, sourcing, etc. As a consequence, it was planned to increase workforce at its R&D center in Bangalore and encourage more Indians to occupy positions in GMI' global operations.

New vision and action

The GMC's unveiled its global vision in early 2008:

> To be a world leader in transportation product and services and earn customer's enthusiasm through continuous improvements driven by integrity, teamwork and innovation.

Subsequently, the mission 2010 for GMI operations was spelled:

> To sell profitably, 200,000 car and to be preferred brand of choice with all product in top two ranking of JD power.

The new mission foresaw consolidation of company's position in the car market. The company felt it important to have wider presence across various segments so as to meet target and to attain ten per cent share of Indian car market. With limited presence in select segments, achieving sales growth and targeted-marked share seemed difficult. Small car was the fastest growing segment of the Indian car market where GMI had no products to offer. GMI launched three new models with much fan fare. GMI also took unrelenting initiatives to create customer enthusiasm and entice them to buy Chevy cars. The general perception in India was that GMI cars are costlier to maintain compared to that of competitors. In response, GMI launched the industry first un-matched warranty cover with unique maintenance scheme that assured customers, running the GMI car never burns a hole in their pocket. GMI launched models under various segment with the Chevrolet brand in the country. Introduced in India in 2003, under the banner ''for a special journey called life'', Chevrolet emerged as one of the fastest growing brand names in Indian car industry. Company believed that the Chevrolet brand has clearly established its quality, reliability, safety, innovation, value for money proposition, environment-friendliness and customer care.

GMI's present production consist of the Chevrolet Optra Magnum (both petrol and diesel), the Chevrolet Tavera, Captiva SUV, the Chevrolet SRV, the Chevrolet Aveo, the Chevrolet Aveo U-VA and the Chevrolet Spark at its Halol plant. (Exhibit IV)

GMI added new manufacturing facility with capacity to produce about 140,000 units at Talegon, near Pune in State of Maharastra. The facility would be operational by early 2009 and mainly used to produce Spark, company's new launched hatchback in small car segment. To further consolidate its position the company had initiated the setting up transmission and engine manufacturing facility near Pune. GMI also had a service establishment for Asia pacific region located in Bangalore. This BPO arm was dedicated for third-party transaction processing.

The control system changes

With multiple locations in India in addition to the first facility at Halol, in Gujarat the reorganization of company structure was required. GMI corporate and head office was shifted to Gurgoan, near New Delhi. Separate heads were appointed for the two manufacturing locations and various functions across both locations. At the same time, all the functions were recognized at corporate office and corporate head for all functions were appointed to overlook their counterpart – respective heads at plant locations.

Seamless move though the transition without affecting integrity and unity of culture in India operations was perceived to be a challenge. Mr Karl Slym, MD, India operations unveiled new statement, ''One team one vision''. A corporate video was prepared featuring people of India operations across different locations and screened across at all levels and functions.

The company wanted to ensure right kind of organizational and the cultural priorities. The message was clear:

■ act as one company;

■ embrace stretch targets;

■ move with sense of urgency; and

■ enhance customer and product focus.

Core values were reiterated:

■ customer enthusiasm;

■ integrity;

■ teamwork;

■ innovation;

■ continuous improvement; and

■ individual respect and responsibility.

Every effort was made to ensure that above values are cherished, aspired and acted upon by the team GMI. A corporate presentation along with video had a clear message, E^3; engaging, enthusing, and exciting people. The presentation was shared with all GMI. The past performance, future challenges and plans were communicated through the corporate presentation. The video was the pre-curser to the annual business plan rollout. The president discussed with the management team, performance and various aspects of business environment on month on month basis after the presentation. A young executive reflected on the initiative:

> The videos are shown with great passion and involvement of people across all levels. It reflected the mood and the drive of the people inside the organization. Video highlighted the spirit behind. GMI media partner created the Video every year and featured a new popular song from Bollywood in form of a parody. The video and presentation had a far-reaching impact. It fostered the shared vision, people engagement, enthused, energized and passionate, au fait GMI with transformation towards aggressiveness, integration, betterment, stretch goal and so on.

Organizational structure

Globally one of the unique characters of GMI management control has been the dual control and reporting structure. One can find features of both functional and business unit structure. GMI often call it matrix kind of organization structure.

GMI operates as a business unit and as a separate legal entity with profit responsibility. All functions were present in India and included manufacturing, material sourcing, information system, HR, costing, quality, financial accounting, sales and service, marketing, tax, audit and so on. A manager was responsible for each function with a controller attached to each function. The controller would administratively report to the manager responsible (function head) for the respective function, to which he is attached. ''It's a finance control driven organization'', remarked an audit consultant who was visiting GMI facility at Halol during case writer's visit.

Each function had a corporate head for overall India operations and facility head at respective production facilities here at Halol and Talegoan. A dedicated finance controller is attached to each function. For instance, the General Manager HR at Halol facility (head for HR at Halol operations) had a dedicated finance controller administratively reporting to him and functionally reporting to the General Manager finance at Halol facility. GMI finance at Halol administratively reported to the Chief of Manufacturing designated as Vice President manufacturing at Halol facility and functionally reported to the corporate controller-finance chief (CFO) at corporate office located at Gurgoan. The CFO of India operations administratively reported to the Head India Operations, Mr Karl Slym and functionally reported to controller Asia Pacific region.

Mr Vijay Karla, the VP Halol Operations headed the Halol facility. He administratively reported to Mr Karl Slym, Head India Operation based at Gurgoan corporate office. Mr Karla functionally reported to regional manufacturing head based at regional headquarters in Shangai, China and responsible for Asia Pacific region operations.

The manufacturing chief at Halol facility would be responsible for per unit manufacturing cost, delivery schedules and volume and had decision rights related to investments, manufacturing costs, quality and scheduling. For instance, if the current year target would be to make 55,000 cars, the budget for manufacturing cost would be Rs 105 crore at about Rs 16,000 per unit. The manufacturing unit would be responsible for the investment in plant as plant deprecation being booked as part of the manufacturing cost. Apart from conversion cost per vehicle his responsibility included quality and delivery targets. The manufacturing controller presented much needed finance sense to the manufacturing operations to ensure that value creation and targets are met at every functional level. Finance function thus has an important role on ensuring operations efficiency, performance and ultimately the decisions to facilitate value creations.

Other functions include the global purchase and supply chain, taxation, cost, after sales, spares, etc. Sourcing chief responsible for per unit sourcing cost at Halol plant and reported to corporate sourcing chief at Gurgoan. Global purchase and supply had a dedicated controller who would advice and supports the purchase and supply chain head at plant and corporate level in ensuring and enabling efficiencies in procurement. Such kind of dual reporting allowed the GMI to leverage on GMC global scouring know-how and competencies and drive value creation through sourcing. See the typical organizational structure featuring finance control structure of the company shown in Exhibit V. Mr Ajay Masand Controller at Halol Facility reflected:

> The dual reporting for all functional and administrative department facilitates sharing of expertise vertically and thus leverage domain expertise globally. Thus, foster better knowledge management and succession planning for the functional people globally. It also in a sense brings global integration despite business unit structure. Such structure facilitates GMI Global head quarters' operational and financial control over its operations globally.

Business plan deployment (BPD)

GMI globally uses a unique tool to facilitate implementation of its strategy and priorities across all functions with cascading BPD.

The GMI internal document defines BPD as:

> A process that enables the total organization to set targets, integrate plans and remain focused to achieve company wide goals and manage change. The purpose of the BPD is to align and integrate all employees (with strategy) to work together, to take action and to develop a culture of continuous improvement.

The operation budget is prepared based on BPD and contains financial numbers and targets for key result areas (KRA) on about six different dimensions. Those KRA are manifestation of company's vision in operational terms across various levels and functions. Budgeted department are required to work on continues improvement rather then static targets. Typical operations units' BPD may contain KRA on safety, productivity, quality, reliability (delivery), cost and environment (SPQRCE). Each of this KRA is charted on a template along with specific objectives and methods to accomplish, person responsible, targets and schedule and control points and performance indicators. The performance statuses on targets are displayed in different colors. Red indicates significant shortfall or targets missed, yellow stands for need for improvement and green color for being on or exceeding the targets. A large size BPD board is displayed at prominent place at functional area/locations with details on performance and responsibility. A sample format of BPD board can be seen in Exhibit VI.

A noteworthy feature of the BPD is that each team members is responsible for one or more of the SPQRCE KRA on revolving basis. Collectively, each member of the team is responsible for all SPQRCE KRA. Every member of the team champions at least one of the KRA at a point of time.

Mr Rakesh Mehta, General Manager, HR once reflected:

> This (BPD, SPQREC and KRA) leads to participative management and planning at all level and grooms employees for higher responsibility in future. It also adds sense of ownership among the employees across all levels and facilitates team work.

The BPD is prepared and cascaded at five different levels along the organizational hierarchy. Top leadership appears at level 1, while level 2 are department managers and functional chiefs. Level 3 and 4 appears at group leader and team levels, respectively, and so on (Exhibit VII)

- The level 1 is company wide and is the responsibility of the MD, President/Corporate office. It is drawn from the GMI's mission and objectives laid by policy committee.

- Level 2 emerge at different functions and site wide or say plant locations. It manifests the corporate wide mission, objectives and improvements into functional and location specific terms to facilitate harmonization with other functions and sites or plant locations.

- The functional heads of respective locations leads the Level two initiative (e.g. Halol and Talegona operations).

- The level 3 is department wide and relates to departments like CPE, body shop, after sales, manufacturing engineering, manufacturing finance controller and so on. Department lead at their respective location pilots the BPD at this level.

- Sections, group leaders and area-wise BPD appears at Level 4 such as trim line, chassis line, PE workshop and so on falls at this level.

- Level 5 is generally at team level or group level and each team in area of operations is responsible. Such teams may consist of a typical work group on an assembly line.

The BPD unto Level 4 and 5 are usually for production and operations areas. For all other support functions, BPD shows up to level three. Usually, BPD is displayed on large size board at the prominent place in respective work areas. In case of functions like legal, communication, BPD is displayed on respective desktops.

> It is evident that such levels facilitate the clear translation and cascading of company mission and objective across various levels from top to bottom. Such cascading gives a idea about significance of ones role and its impact on overall company strategy and objectives. (Quipped Mr Ashutosh Tripathi, Division Manager, Assembly Shop).

Detailed actions plan and counter measures are prepared from lower levels to higher levels, say a bottom up approach. The strategies and objectives are cascaded from higher levels to lower levels. As one goes from Level 1 to Level 5, the targets become more task specific and clearer. Thus, the BPD is a cascading process (Exhibit VIII).

Operational excellence

To ensure sound execution of new vision, mission and strategic priorities GMI took several initiatives. The initiative on operational excellence in manufacturing had various activities like quality circle, suggestion scheme, Kaizen, and Kanban. Important vendors were persuaded to locate their facility nearby to ensure just in time delivery of the component and parts. Process improvement, quality improvement remained regular features of operations. All plant operators participated in quality and process improvement drive. The initiatives, improvements and achievements were eloquently displayed on the notice board along side the assembly line. A unique future of implementing such initiatives was BPD board. The BPD encouraged shop floor employees to work on continuous improvement on the important KRA like SPQRCE.

Planning cycle and budgeting

The BPD is initiated immediately after global vision and mission statements are developed. Every region prepares its vision and mission and eventually cascaded to country specific vision and mission.

The planning cycle starts in June, with strategic direction laid down by policy committee every year. The budgeting cycle follows calendar year. Review of mission statement, long-term plan and strategy takes place in second quarter, starting July every year. By August, mission, plans and strategy for staff heads and division heads are communicated. Based on this planning and budget is initiated in August. Budget is prepared by September every year and BPD is developed across different levels. Clear goals, objectives, targets and methods/actions are laid down by the month of October. By November, divisional targets are cascaded down across the organization. The preliminary annual plans are developed. By December, annual plans are reviewed, approved and finalized by respective staff heads or division heads. By December end, next years' BPD plans are rolled out and communicated to the all the employees. In January, implementation of annual plans takes place across all at all levels and functions. By early February, respective departments conduct first monthly reviews. Review takes place every quarter as well with first quarter being reviewed by early April and second quarter review by early July and so on. Exhibit IX gives the sketch of annual BPD planning cycle.

All the functions and department controllers are responsible for preparing budget. The budgets are prepared based on guidelines, assumptions and projections prepared through operational analysis by corporate budget department.

The budgets (BPD) contain financial and non-financial objectives. Financial objectives mainly consist of volume and value, profitability, quality, delivery and cost measures. Non-financial targets, targets for various initiatives are based on SPQRCE. All departmental budgets are presented, discussed and approved at higher levels. Once budgets are consolidated, they are presented to corporate CFO and MD. The GMI budget is presented and approved at Asia Pacific region headquarters and regional budgets are presented to GMI Global headquarter at Detroit, USA. Budgets are reviewed quarterly and variances are analyzed. Rolling forecast is prepared for reminder months and budgets are adopted accordingly.

Plans do check and action and rectification (PDCA) is done through BPD board. People take pride in maintaining and tracking the BPD. One makes sure that every detail reaches on time. Each detail is updated on regular basis:

> It's like the horoscope for plant and one must study BPD to understand the pride in maintaining respective function or operations. BPD is followed religiously. The BPD has evolved over several years and now GM'ites have mastered the tool.

Mr Vijay Karla reflected on the BPD:

> BPD is like DNA to the GM Culture. It's like back bone for GM globally. Every metrics is captured and translated from macro to micro level. Indeed, a wonderful cascading tool that brings accountability and clarity at each level and individuals. It integrated and aligns explicit strategy with implicit strategy (emerges from the way managers implement the corporate strategy).

Reward and compensation

Every employee is eligible for pay hike promotions and bonus. The manager's reward and bonus is based on two criteria, corporate performance and individual performance. Managers' performance is appraised based on his KRA and the increment is determined based on his position charted on the normal distribution bell-shaped curve made after considering every ones performance. Based on appraisal manager can be classified in the category of outstanding performer, good performance, satisfactory performer and so on. The level of increase in pay and bonus is based on company performance in terms of profits and volume. The increments and bonus are declared in terms of percentage (per cent) of monthly basic pay. The company pays bonus in cash or through stock options. Stock options are available for senior positions. The bonus is determined with combination of formula based and subjective criteria. The bonus base is linked to company profits.

Monthly two day meeting with CEO/MD

Apart from an elaborate formal control systems, the GMI have woven informal control initiatives into its management planning and control system. The head India operations (President) visits the plant every month for two days. His visits are schedule well in advance and are made know to all. Several interactions and formal meetings are organized. The president shares a formal presentation on business related issues with an update on performance and upcoming initiatives with all. The regular monthly review meetings are held followed by value engineering and analysis meetings, manufacturing review meetings, etc. Meeting on organization review, HR department review, paint vendor review and so on as well takes place.

One of the unique feature of his visit is a diagonal slice meeting where in each employee stands a chance to be part of depending upon whether his birthday falls in that month. Informal interactions take place with MD along with celebrations. Leadership shares the performance, outlook and new initiatives followed by an open house. Employees are allowed to talk on any issue the think worthwhile. Suggestions and feedback from all are invited. The meetings are held on round table and minutes are prepared. Proper follow-up and required action are taken. New joiners are introduced and formally welcomed in these meetings:

> Such meetings offers MD, the feel of grass root level issues, grievances are heard and handled and thus reduces the grievances. Employee involvement and engagement gets the boost and they have a fine access to leadership team.

Reflected a young joiner in the production department.

Top six initiatives of 2008

With stretched mission, capacity expansion and rise in activities, the company has taken 6 initiatives for 2008:

1. employee engagement;

2. bench strength for critical positions;

3. improvement in plant ambience;

4. improve communication with use of face to face communication rather then e-mails. Develop and train people on communication;

5. internal customer concept for level six and above; and

6. seamless organization.

As HR head Mr Rakesh Mehta is in charge of the initiatives and delegates them to his HR officers and other departments.

The recent scenario

The year 2008-2009 has been the year of global melt down with systematic failure of financial sector giants and the economies across the globe. Wrapped in contagious recession, India and GMI operations have also not remained immune. At the same time, the meteoric rise is salary of employees across companies have been replaced by pay cuts and lay-offs which only promises lower demand for automobile sales while India operations remains more or less disconnected with GMC bankruptcy, the Indian market remains depressed if not buoyant. One does not deny signs of recovery in India. Competition is getting aggressive with Maruti, Honda, Hyundai launching models across small and medium size car segments. The competition for Spark, the model on which GMI is betting its fortune in India is getting intense with Maruti and Hyundai launching two cars each in the segment followed by Tata, Honda, etc. launching a model per year. With GMI's car sales in India for year 2007-2008 at about 100,000 units, CEO wondered what would happen to the company vision to sell 200,000 units in by 2010. Will the control systems do wonders for GMI? What changes in the control system do you envisage given the recent developments?

Questions

1. Evaluate the control systems of GMI.

2. Will GMI prevalent control system support the aggressive strategy in the depressed market situation and realize its dream position in the Indian market needs to be seen?

3. How will GMI respond to the impact of GMC bankruptcy on its India operations, customers, suppliers and employees?

4. Will GMI be able to maintain same consumer enthusiasm and confidence?

5. With the changed scenario and bankruptcy in US operations will the prevailing control systems work for GMI and its growth plans?

Notes

1. www.gm.co.in/content_data/AP/IN/en/GBPIN/999/about_gm.html

2. www.carazoo.com/article/2810200801/Passenger-Car-Market–in-India

Exhibits

Exhibit I. Overview of GMC

Founded in 1908, General Motors Corporation (GMC), the world's largest vehicle manufacturer, designs, builds and markets cars and trucks worldwide.

GMC's vision is to be the world leader in transportation products and related services, by unveiling new products and the most exciting line-up in its history. The company will earn its customers' enthusiasm through continuous improvement driven by the integrity, teamwork, and innovation of GMC's people.

GMC today employs about 324,000 people around the world. It has manufacturing operations in 32 countries and its vehicles are sold in 200 countries. In 2004, GM sold nearly nine million cars and trucks globally, up to four percent and the second-highest total in the company's history. In 2004, for the fourth consecutive year, GMC set industry sales records in the USA, its largest market, for total trucks, pickup trucks and sport utility vehicles. GMC's global headquarters are at the GMC Renaissance Center in Detroit.

GMC's major markets are North America, Europe, Asia Pacific, Latin America, Africa and the Middle East. Its largest market is North America, where it is in its 78th year as market leader. GMC cars and trucks are sold under the following brands: Cadillac, Chevrolet, Buick, GMC, Holden, Hummer, Oldsmobile, Opel, Pontiac, Saab, Saturn and Vauxhall.

GMC is investing aggressively in high technology and e-business within its global automotive operations and through such initiatives as e-GM, GM BuyPower, OnStar and its Hughes Electronics Corp. (NYSE: GMH) subsidiary. GMC also operates one of the world's most successful financial institutions, General Motors Acceptance Corporation (GMAC). Other major subsidiaries include GMC Locomotive Group and Allison Transmission Division.

The GMC group of global partners includes Fiat Auto SpA of Italy, Fuji Heavy Industries Ltd., Isuzu Motors Ltd. and Suzuki Motor Corp. of Japan, which are involved in various product, power train and purchasing collaborations. In addition, GM is the largest shareholder in GM Daewoo Auto & Technology Co. of South Korea. GM also has technology collaborations with BMW AG of Germany and Toyota Motor Corp. of Japan, and vehicle manufacturing ventures with several automakers around the world, including Toyota, Suzuki, Shanghai Automotive Industry Corp. of China, AVTOVAZ of Russia and Renault SA of France.

GM brought brand differentiation to the world back in the 1920s, when Alfred Sloan created the price ladder of GMC marques that offered "a car for every purse and purpose".

Recently, the GMC product revolution again is strengthening its brands, with more innovative marketing that better understands the customer. Witness the incredible renaissance of Cadillac, led by all-new cars and trucks that have gone in a unique design direction, and by marketing that really connects with potential buyers.

Building on the success of the CTS sedan and Escalade series of SUVs, Cadillac's renaissance was enhanced further last year with the highly praised XLR roadster, the SRX

performance utility vehicle, and the stunning sixteen concept car. To reclaim the mantle of ''Standard of the World,'' Cadillac must continue to further upscale the ultimate statement of luxury. Stay tuned.

Lessons learnt at Cadillac: in short, develop distinctively designed, high-quality vehicles that truly delight the customer, create an ownership experience that reflects and reinforces the brand's image, support this with strong and innovative advertising, and the buyers will come.

The same lessons are now being applied in North America to the volume leader, Chevrolet, to the performance-oriented brand, Pontiac, and to Buick, which is restoring its reputation for refined, dignified elegance. This emerging multi-brand strategy is being played out around the world. In Europe, the Opel and Vauxhall brands are being rebuilt with a more upscale image through an entire new line-up of exciting products. That effort began with the Zafira, Vectra and Meriva, and continues this year with the all-new Astra and Tigra.

Around the world, from Thailand to South Africa and to Russia, Chevrolet is establishing itself as a truly global, mainstream brand that across its line-up offers great value and quality that consumers can trust.

Designing, building and selling great cars and trucks that people really want to own. That is the fundamental business of GMC.

Compelling designs excite customers and connect with them on an emotional level. Well-designed vehicles turn heads and fire the imagination. GMC's goal is to develop cars and trucks that have an emotional appeal for a new generation of consumers – cars and trucks that people feel they must have.

Here is a sneak preview from our latest lineup of some great looking cars.

Chevrolet Corvette

The sixth-generation 2005 Corvette advances the sports car driving experience in every dimension. With its high precision built, it is the most powerful standard Corvette ever made. The Corvette is available in two body styles – coupe and convertible.

Chevrolet SSR

The 2005 SSR comes with a new 6.0L LS2 small block V8 that whips up 390 hp. A power-retractable hardtop, cast-aluminium 19-inch front wheels and a five-link rear suspension define the vehicle that is part pick-up, part roadster and pure Chevrolet.

Opel Insignia

The Insignia embodies the Opel brand's three core characteristics – excellent driving dynamics, exceptional versatility and expressive styling. An automobile of the future, it features numerous innovations including extensive use of light-emitting diode (LED) lighting technology.

Opel Speedster

The Speedster breaks through the barriers of ordinary thinking and conventional technology with a stylish, futuristic design and a road-holding experience like no other. It puts the excitement back into driving with its high performance engine.

Buick Velite Concept

The Velite Concept is a new expression of Buick's longstanding heritage in understated yet sophisticated designs. Its aggressive stance emphasizes contemporary design while retaining readily identifiable heritage cues of refined elegance.

Buick Park Avenue Ultra

The Park Avenue Ultra draws from a rich design heritage to reveal a modern interpretation of a classic Buick with an artist's attention to detail. Carrying on the Buick legacy of strong workmanship, it comes with a higher torsional rigidity than before.

Cadillac Sixteen Concept

The Cadillac Sixteen Concept embodies the timeless qualities of a luxury sedan with its sleek appearance and a powerful XV16 engine that generates 1,000 hp. It's sculpted design evokes memories of an era when luxury cars were hand built.

Cadillac XLR

The Cadillac XLR is a luxury roadster that is not just a head turner but also brings a smile on any performance driver's face, with its 320 hp 4.6L Northstar V8 VVT engine. An automatic retractable hardtop can transform the XLR from a coupe to an open-air roadster.

Pontiac Solstice

The Solstice delivers its promise of open-air thrills and the exhilarating freedom of roadster driving. It comes equipped with a powerful 2.4L Ecotec DOHC engine belts out up to 170 hp. It's bold, striking exterior lines are clearly Pontiac.

Pontiac Firebird

The Firebird is bold, beautiful, passionate and rebellious. From the first models, to the spellbinding Trans Am, to the magnificent madness of the Super Duty 455, there is a story in each and every Firebird.

Holden Monaro CV8

The Monaro CV8 is a very stylish high-performance sports coupe that boasts of a 5.7L Gen V8 engine. Its power train delivers a more forceful launch feel, more mid-range torque and a sharper sports character balanced by an upgraded braking system.

Holden Torana TT36

The Torana TT36 is a mid-sized hatch concept car that demonstrates the versatility of Holden's design talent to a worldwide audience. Its experimental power plant belts out 280kW of power, and is a twin turbo, intercooled version of the 3.6L Alloytec V6 engine.

Source: www.gm.co.in/content_data/AP/IN/en/GBPIN/999/about_gm.html

Exhibit II. Passenger Car market in India

Some of the leading car manufacturers like the Tata Motors, Hyundai Motors, Honda Seil India and Maruti Suzuki have also proved their worth in terms of production, designing, and marketing across the globe. These manufacturers have good number of cars crossing boundaries and winning appreciations. Many other global auto manufacturers have made their debut to India with their slew of car launches. The global car manufacturers are investing on Indian market eyeing the growing earning potential, strong technological capability, availability of cheap and trained human resources. This further gave a boost to Indian car exports. Low cost of production along with low cost of designing and research has also contributed to increasing car exports. According to the industry reports, the fiscal 2001-2002 recorded an increase of 5.3 million units, which increased to 10.8 million units in the fiscal 2007-2008. The financial year 2007-2008 recorded a growth of 19 per cent. The production of passenger cars in India is expected to grow to over 14 million units in 2014-2015 and the sales are expected to increase at a rate of 10 per cent per annum. The manufacturing of passenger cars in Indian car industry has recorded an overall growth of over 8 per cent. Every year, the rate of production is increased because of the advancing technology and increasing number of establishments in terms of production houses and design centers. Recently, many car manufacturers like Hyundai, Maruti Suzuki and Fiat have established their design centers in the country. Furthermore, most of the car manufacturers are eyeing India as a hub for small car production. The rising cost competition in the developed car markets coupled with high input cost pressure contributed to the increasing sales figure of passenger cars in the country. During financial year 2005-2006, passenger vehicle sales witnessed a growth of 7.55 per cent over the previous year. The major players are still in the process of expanding their production capacity and roll out more car models in response to the needs and aspirations of Indian car consumers.

Source: www.carazoo.com/article/2810200801/Passenger-Car-Market-in-India

Exhibit III Auto industry growth: Indian automobile domestic states growth rate (per cent)					
Category	*2003-2004*	*2004-2005*	*2005-2006*	*2006-2007*	*2008-2009*
Total CVs (%)	36	22	10	5	− 21.7
M and HCVs (%)	39	23	5	0	− 33.0
LCVs (%)	32	21	19	12	− 7.0
Total passenger vehicles (%)	28	18	8	12	0.1
Passenger cars (%)	29	18	8	12	1.3
A1 (%)	17	− 31	− 23	− 12	− 29.0
A2 (%)	23	34	15	14	3.1
A3 (%)	51	26	7	15	7.1
A4, A5, and A6 (%)	209	60	7	4	− 13.3
Utility vehicles (%)	29	20	10	11	− 7.9
MPVs (%)	14	9	2	21	5.7
Total two wheelers (%)	11	16	14	− 8	2.6
Scooters (%)	7	4	− 2	12	9.1
Motorcycles (%)	14	19	17	− 12	1.2
Mopads (%)	− 9	5	3	16	4.2
Three wheelers (%)	23	8	17	− 10	− 4.1

Source: Society of Indian automobile manufacturers

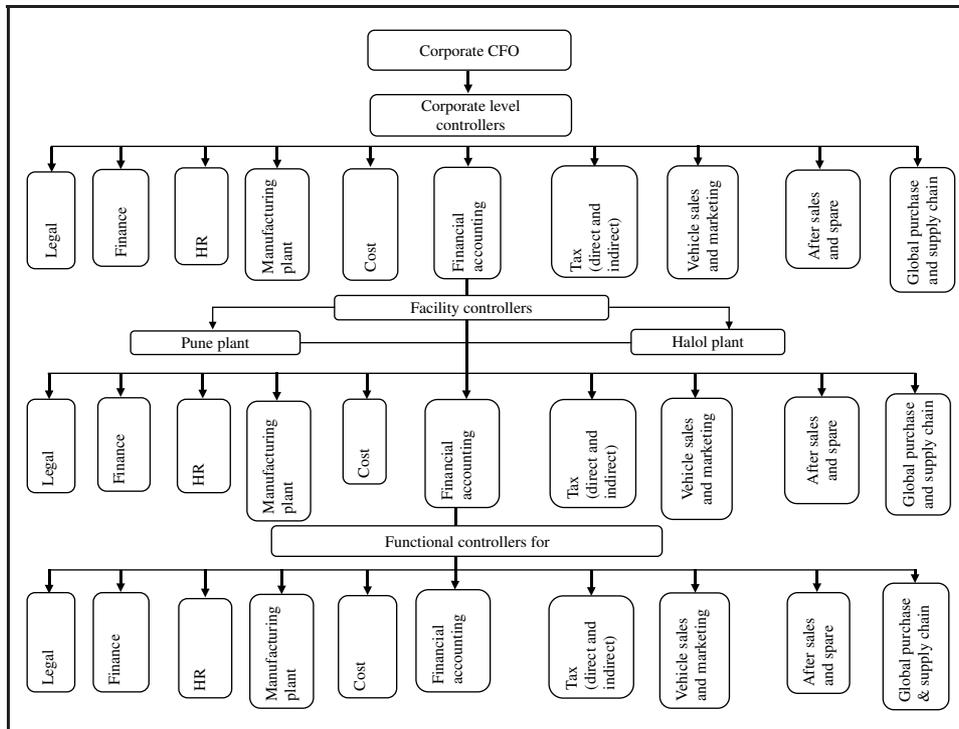| **Exhibit IV** Cars sold by GM India		
CARS		
Chevrolet-Aveo	Chevrolet Optra	Chevrolet Tavera
Aveo 1.4 E	1.6 Elite	Tavera B1
Aveo 1.4	1.6 LS Elite	Tavera B2
Aveo 1.4 LS	1.6 LT Royale	
Aveo 1.6 LT	1.8 LT	
	1.8 LT AT	
Opel Astra	Opel Corsa	Chevrolet Captiva
Chevrolet Tavera Neo	Chevrolet-Spark	Chevrolet SRV
Neo LS-B3	Spark 1.0 E	Chevrolet SRV 1.6
Neo SS-D1	Spark 1.0	Chevrolet SRV 1.6 with Option Pack
	Spark 1.0 LS	
	Spark 1.0 LT	
Chevrolet Aveo U-VA	Chevrolet Optra Magnum	
Aveo U-VA 1.2	Chevrolet Optra Magnum 2.0 MAX TCDi	
Aveo U-VA 1.2 LS	Chevrolet Optra Magnum 2.0 LS TCDi	
Aveo U-VA 1.2 LT	Chevrolet Optra Magnum 2.0 LT TCDi	

Exhibit V Finance function chart

Exhibit VI Business plan deployment display

Exhibit VII BPD and its levels

GMI mission and objectives ↔	Level 1	Company wide	MD/corporate office
Harmonize with other functions ↔	Level 2	*All function + site* Based Halol, Pune, Bangalore	Staff head/their location
	Level 3	All departments like CPE, Body shop, SQA, After sales, PDC, ME Manufacturing finance controller	Department lead at their locations
	Level 4	Section/group leader/group area	Trimline, Chasis line, PE workshop
	Level 5	Team leader/team area	Each team area of operation

All functions

For areas similar to operations, to integrate team e.g. : production, SQA, PE workshop

Functions like legal, communications etc. can have their BPD on desktop

Exhibit VIII The cascading process

Detailed action plans and countermeasures

Cascading strategies and objectives

Level 1

Top leadership
- Mission/strategy
- Goals and objectives
- Clear targets
- Action plans
- Review process

Level 2

Department manager
- Goals and objectives
- Clear targets
- Action plans
- Review process

Level 3

Group leader
- Action plans
- Clear targets
- Review process

Level 4
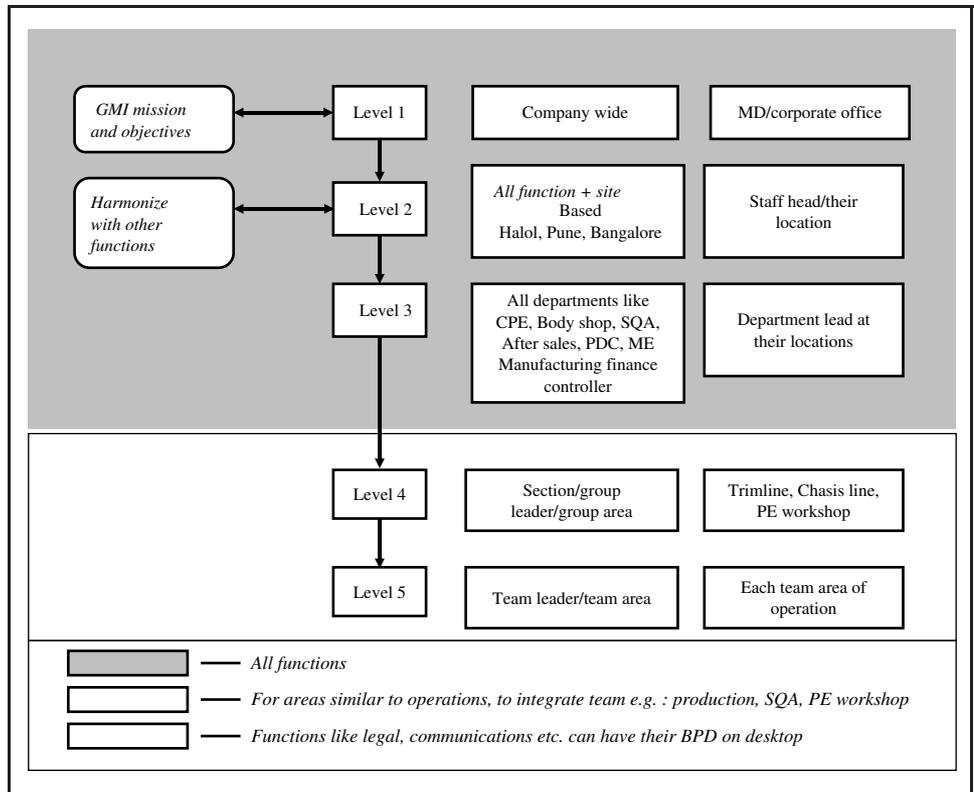
Team
- Clear targets
- Review process

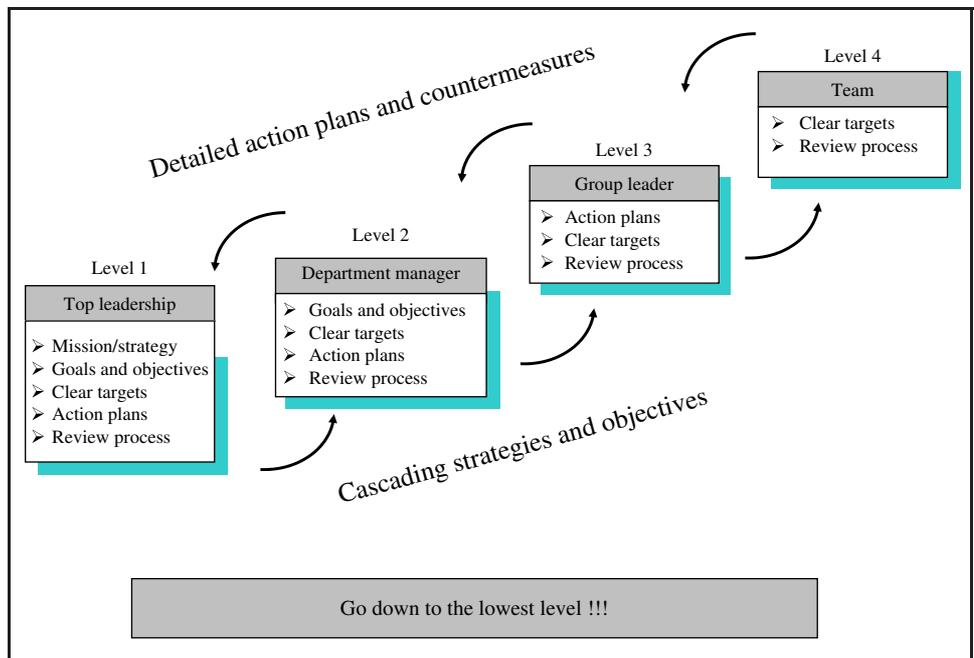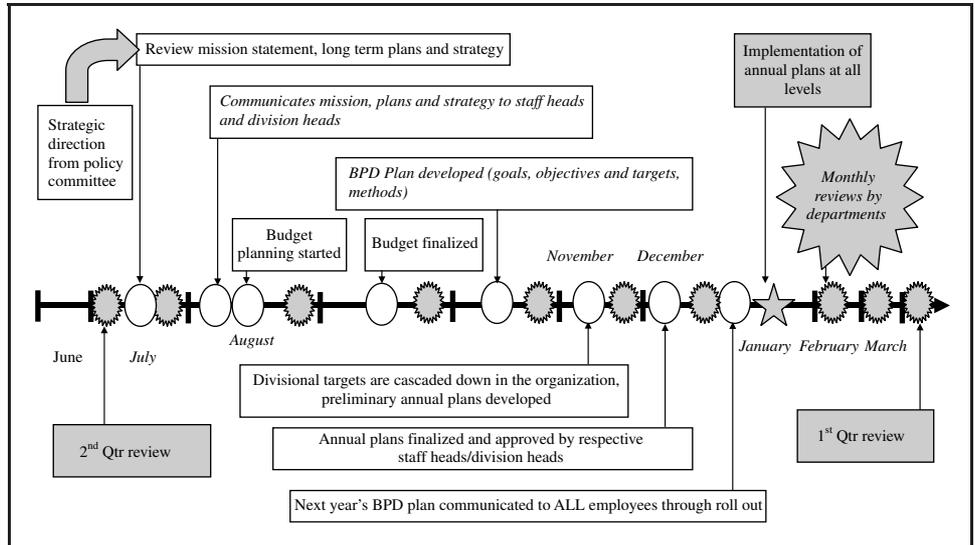Go down to the lowest level !!!

Exhibit IX Annual B.P.D. planning cycle

Corresponding author

Keyur Thaker can be contacted at: thakerkeyur@yahoo.com