

Paper Title: Volvo
No. of Pages: 8 Pages
Paper Style: APA Paper Type: Research
Taken English? Yes English as Second Language? No
Feedback Areas: Focus/Thesis Statement, Transitions & Fluency
Paper Goals: you are to choose a major problem/issue affecting an organization of your choice, and then utilize your detailed knowledge of human resources and strategic planning to develop a comprehensive plan that minimizes, and hopefully eliminates, this threat to your chosen organization's ability to meet its

Proofing Summary:

Hi Elliot,

I'm Maggie, your writing tutor for the Writing Center. I have reviewed your submission and have several suggestions that will help you revise. Please feel free to contact us through a 24/7 live writing session with any follow-up questions or for any clarification.

Below, you will find a revision plan along with margin comments within your paper. Use my suggestions as a starting point for the revision process. Note that I have not proofread the draft for minor errors, but rather, focused on larger concerns such as idea development. For a complete look at grammar and punctuation, please use the Grammarly software available under "Writing Center" in your classroom.

You have done a nice job of using evidence to substantiate your claims!

For your revisions, I suggest focusing on:

1. Thesis. In your introduction and specifically in your thesis, you need to 1) state your main point or purpose, and 2) state the main points you will discuss in the paper. A thesis conveys your position on a topic and provides focus for your essay—basically, it is what you are hoping to accomplish or prove in this paper. A simple equation for a thesis statement might look something like this: Specific topic + your opinion or the claim+ your reasons = Thesis. Try adding a thesis like this to the end of your introduction. For help writing a thesis, click here:
<http://writingcenter.bridgpointeducation.com/writing-a-thesis>

2. Body Paragraphs. Please improve the development and/or structure of some of your paragraphs. A good rule of thumb for college papers is that paragraphs should be about 7-11 sentences long. In general, all paragraphs need to have 3 pieces (in this order):

P-Point—also known as your topic sentence where you state what the paragraph is about

I-Information—where you present your information (facts, details, quotes, and reasons)

E-Explanation—where you explain the relevance or importance of your information

Please be sure to do all of this when writing your paragraphs. For help with this, click here:

<http://writingcenter.bridgpointeducation.com/body-paragraphs>

3. Lack of Flow and Cohesion. There seem to be some issues related to the structure and flow of your document. As you revise, be sure that your sections are logically connected. For more information, click on this source:

<http://writingcenter.bridgpointeducation.com/transitional-phrases>

Good luck in the course!

Running head: VOLVO GROUP

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Volvo Group

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MGT 490: Strategic Human Resource Planning

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Volvo Group

Overview of the Organization

Volvo Group is a multinational manufacturing company based in Sweden that deals with production, distribution, and marketing of cars, trucks, buses and construction equipment. The company was established in 1924 with a focus on Truck production but started distributing the first truck in 1928 (Volvocars.com). Over these years, the company has expanded into other sectors and has also advanced its technologies to be able to compete with other leading brands in the world. Currently, Volvo is one of the leading companies in the provision of transport solutions and is even now providing financing and serving solutions to its partners. The group has a mission that is embedded on value where it believes that the value created for customers

will be translated to the shareholders. The main focus of the company is to produce transport solutions that are of superior quality, safe and environmentally friendly. The company has a set of values that are followed right from the production to distribution.

I suggest further developing your thesis by stating a central argument and supporting points that reflect what is discussed in your body paragraphs.

Volvo has developed its brand around safety which major concern in designing products that are safe for use by its customers. The company has further invested funds into advertising its major products detailing how safe they are and the benefits in which the customers will derive from using these products. Despite using safety issues has a marketing strategy, the company is still faced with other challenges ranging from IT and infrastructure to competition

(Volvocars.com). If applicable, it is best to cite the author's last name and year of publication rather than the URL. These issues are crucial for the growth of the business as it affects the brand

image as well as sales revenues. In the automotive industry, there is a growing interest in the use of various IT infrastructure in the development and running of the various products marketed by the company. These challenges extend to competition from other established companies globally that are offering efficient autos making it hard for Volvo to penetrate new markets and retain

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already existing markets. The paper discuss the competition and IT infrastructure of Volvo by particular focusing on SWOT analyses, financial analyses and lastly offering recommendations to help the company remain competitive.

How Competition affects the Viability of the Organization

Volvo Group is faced with competition from different sectors that affect the overall viability of the company. The main competitor of Volvo includes Mercedes-Benz, Volkswagen, BMW, and Toyota. All these companies have a competitive edge in certain areas something that adds more challenges to the penetration of the company into new markets. The competition arises from issues to deal with safety, use of IT infrastructure, fuel consumption and carbon emission. There is a growing environmental concern to limit carbon emission, and this is an area in which Volvo still faces challenges (Bergek, Berggren & KITE Research Group, 2014). Besides, the marketing patterns of autos indicate that customers are now interested in fuel-efficient cars and this is an area in which Volvo faces enormous competition from a company like Mercedes-Benz. These areas of competition affect the viability of the company has it portrays the brand as weak and uncompetitive. It additionally denies the company that competitive edge against already established competitors.

Volvo is a company that invests a lot of resources into research to be able to develop better products that can compete favorably in the market. As a result of competition, the company has to incur a lot of costs in marketing and product redesigning to be able to meet the marketing needs. The competition affects the viability of the company as it leads to increased costs while trying to market its products. The company might use massive marketing campaigns as the alternative to countering competition (Baker, 2014). Besides, the company might look into researching more to be able to produce cars that meet the standard requirements in the market.

Be sure to cohesively connect your paragraphs together using effective transitional phrases. For help with making your writing flow in this way, click here:

<http://writingcenter.ashford.edu/making-your-writing-flow>

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As competition intensifies, the company might perform poorly in the stock markets making it hard for the company to attract more investors. The shareholders might also rethink their investment something that could push them into restructuring or changing the management of the organization. Competition has financial implications that extend to impacting investor confidence as well as the confidence of the customers in trusting the products manufactured by the company.

Role of Human Resources

Human resources in an organization referred to the staff who perform different roles to keep operations running and goals achieved. On the issue of competition, human resources provide a valuable incentive in addressing the problem. Competition stems right from research and development, production and marketing. The human resources can help the organization with solutions for improving research that can help enhance the quality of products developed by the company (Holbeche, 2009). They can additionally offer suggestions on better technologies that can be used to allow production of superior products in the market. On the issue of marketing, it is the responsibility of the human resources to develop a viable marketing strategy that can improve the competitiveness of the company in the market (Holbeche, 2009). Human resources are integral in the daily operations of the business, and their ideas can help the company to make decisions that could reduce competition as well as improve sales revenues. Based on their different levels of expertise, the human resources can provide insightful advice that can be implemented by the organization to turn around the fortunes of the organization.

Consider revising the phrasing in one of these instances to improve sentence variety.

SWOT Analysis

Strengths

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Diversification of Products: Volvo has a diversified product portfolio which allows it to balance its revenue sources. The company engages in the production of trucks, cars, buses, construction equipment, and Volvo Penta. Besides, the company offers customer financing which means that it earns additional revenues from the interest that accrues through credit financing (Volvocars.com). The strategy allows the company to increase sales and subsequent revenue.

Strong Market Position: Volvo has established a strong market position in the truck industry with its trucks commanding a 20% market share. The company has also been able to take control of the bus business in major developed countries because of its improved safety. The establishment of this brand allows the company to have a major control in the market.

Global Expansion: The fact that the company has built a solid brand gives it the leverage to expand to new markets. Initially, the company focused on the European market but has now expanded to reach out to Africa, Australia, America, and Asia (Volvocars.com). The expansion serves to increase the sales of the company.

Try to develop these paragraphs more. Generally, paragraphs in college papers should be around 7-11 sentences long. Make sure your paragraph includes a clear topic sentence, outside evidence and/or specific examples, and an explanation of how this information supports your thesis. For more information on effectively developing body paragraphs, click here:

<http://writingcenter.ashford.edu/body-paragraphs>

Enhanced Research and Development: Volvo has a strong research and development department whose task is to identify market needs and channel it to the right units. It is through research that Volvo can develop better solutions in the transport industry for the benefit of its clients (Volvocars.com). The research done by the company helps to deal with competition and further give the company a competitive edge in the market. The investment in research and development is to credit for the continuous growth of the company.

Weaknesses

Bad Reputation due to Product Recalls: Product recall is one of the issues that can taint the reputation and the brand image of the company. Volvo is not new to this issue since it has been

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able to experience cases of brand recall. In 2015, the company resorted to recalling all the truck models that were manufactured between 2014 and 2015 due to defects in their panels. Such cases of recalls had a negative impact on the reputation of Volvo trucks.

The Company is Experiencing Declining Financial Margins: Volvo has had a decline in its profit margins something that has affected the confidence of the shareholders. In the year 2012 and 2013, the company had a major decline in its margins despite the increase in its revenues. The declines mean that the company is incurring a lot of costs which lowers its profits.

Opportunities

Growing Freight Sector: It is anticipated that the freight sector globally is set to grow by 5% in the coming years. The growth of this sector signifies more fortunes to the company that is specializing in the production of trucks. As the sector grows, Volvo will be able to experience an increased demand for its trucks something that will push sales and revenues high. The company could easily tap into this upsurge due to its improved reputation in the truck business.

The Growth of Construction Industry: There is an increasing growth in the construction industry which pushes for the demand for construction equipment. Since Volvo has a segment that specializes in construction equipment, it can capitalize on this growth to produce and distribute more construction equipment (Alkhafaji & Nelson, 2013). As the construction sector booms globally, the company might change its strategy to invest more in this segment and research on emerging trends that are required to thrive in this emerging opportunity.

New Opportunities in Financial Sector: The financial sector is growing with the increasing demand for credit facilities. Since Volvo offers financing services to its distributors, the growth in other sectors will lead to an increased demand for financing solutions which could allow the

Please see note on cohesion to improve the fluency between sections within your paper.

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company to increase its revenue base. The financial sector offers another avenue for growth for this company.

Threats

Cutthroat Competition: There is a growing competition in the auto manufacturing industry due to the presence of other companies. Due to its diverse segments, the company faces competition from Caterpillar, Cummins, CNH, and Hitachi in construction equipment. Mercedes, BMW, and Toyota in cars while Isuzu and Nissan in the bus business (Volvocars.com). The increasing competition from other established companies works against the company. Besides, these companies engage in price wars which affects the overall market share.

I suggest adding more information here to make this sentence fragment a complete sentence for improved syntax.

Environmental Regulations: There is an increasing pressure by environmentalists for auto companies to comply with environmental regulations. The stringent laws that have been put in place to address carbon emission mean that a company like Volvo has to invest more to manufacture engine that is environmentally acceptable (Bergek, Berggren & KITE Research Group, 2014). Besides, the markets in which the company serves have different regulations which increase the costs when it comes to compliance.

Fluctuating Currency in Foreign Markets: Volvo operates in different markets with different revenues. Since the company is established in Sweden, it uses Sweden currency while reporting its financial statements. However, the global market uses the dollar which brings susceptibility in currency fluctuations. These fluctuations affect the business as it could result in losses.

Consider changing the wording to "Swedish" here to improve diction.

Financial Analysis

The problem of competition within the Volvo company has a financial implication on the growth and operations of the company. Competition works against already established strategies

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and the plans put in place by the company. There are three key areas in which competition will affect the company financially.

Increased Cost of Research and Development

Competition arises when an organization is doing certain things wrong. Competitors in the market are coming up with new technologies that rival those of other companies. The impact of such competition will see a company like Volvo investing more resources towards research and development to be able to come up with better techniques (Alkhafaji & Nelson, 2013). Customers will always go for products that are effective and use the latest technologies, and it will be the responsibility of Volvo to conduct more research to be able to understand customer needs. Engaging in research and developing new ideas is costly and requires the company to seek additional finances to be able to remain in business.

The Rise in the Cost of Marketing

As competition intensifies, the company will be required to counter it through rapid marketing. In this case, marketing would involve a series of activities including personal selling, advertising and conducting exhibitions in different regions. The goal of these marketing campaigns would be to increase sales as well as to counter existing competition in the market (Baker, 2014). The campaign strategy will demand that the organization goes against its budgetary allocation. New marketing campaigns will increase costs for the company affecting other operations. When the company diverts its attention towards marketing, it will divert resources from other sectors, therefore, compromising on quality and the growth of the business.

Consider adding a few transitional phrases here to improve the fluency between points. Please click here for a list of effective transitional phrases; <http://writingcenter.ashford.edu/transitional-phrases>

Reduced Profit Margins

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Volvo will experience a drop in its profit margins due to the reduction in sales revenue. Competition signifies a reduction in the market share and subsequent drop in revenues. Since some of the costs remain constant such as wages, the company will incur additional costs in research and marketing which would further affect the revenues (Holbeche, 2009). As a result, a significant drop in profits will be experienced which will affect the overall productivity of the organization.

Recommendations

Volvo should Revamp its Pricing Strategy to Attract and Retain Customers

There is a need to have a pricing strategy that is attractive and competitive in the market. By pricing its products competitively, the company will be able to widen the market. The challenge of this strategy is that it could portray the company's products to be inferior. However, the company can counter this by focusing on quality and assuring its clients on its products.

The Company should harness Cloud Computing as a Tool of Cutting Costs

Cloud computing service can be used as a cost-cutting measure where the company will outsource IT services from independent companies. As a result, the company will focus on other activities leaving It issues to experts. The challenge is that it will portray the company has unreliable. The company can counter this by ensuring that the service achieves customer satisfaction.

Volvo should look to Reinforce Environmental Regulations in its Products

There is a growing interest for companies to produce gas that limits carbon emission. Volvo should ensure that it produces autos that comply with all environmental regulations. It

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should work with all the relevant authorities to be able to meet all the regulations (Bergek, Berggren & KITE Research Group, 2014). In implementing this, it should research the compliance standards in all its markets and align all the production strategies towards achieving this goal.

When possible, try to include a noun after the word "this" to improve clarity. For example, "This taco is delicious" is more clear and specific than simply saying "This is delicious." Try revising this sentence accordingly and check for other instances.

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Hyperlinks are not needed in your citations.

