

TATA
MOTORS

Business Case Study of TATA MOTORS

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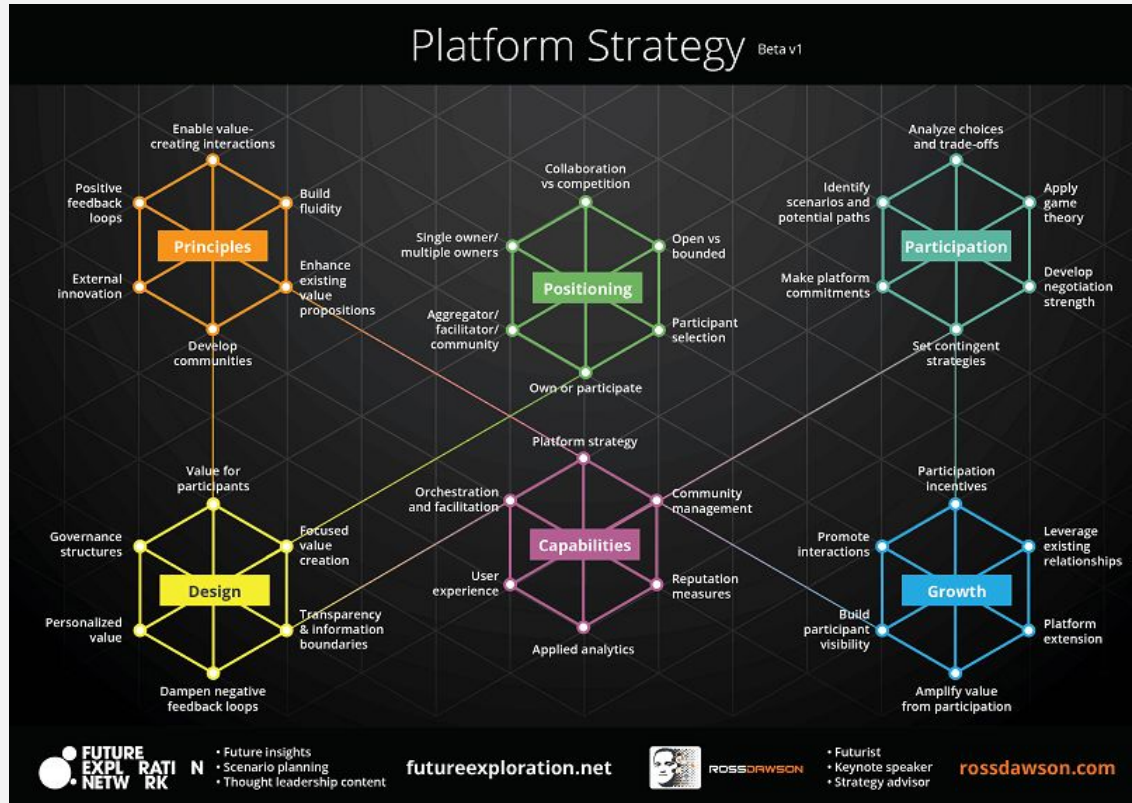
Strugglings of Tata Motors

- Had just 4.6% of market share in FY 2016.
- December 18 quarterly loss of 26,961 crores Rs.
- In next 6 years, they have more than doubled their market share to 12.4%.
- 80% in EV market share.
- Tata is making more money per car than Maruti for the first time.

Dark Truth of Automobile Industry

- Every time an automobile company comes with a new car, massive investments for buying factory floor, buying machinery, ordering parts, deploying labourers.
- No guarantee that the sell will be high, affected by geo-politics and govt policies.
- You have to keep your manufacturing and fixed costs extremely low, keep your profit margins high, without making cars unaffordable, insanely difficult process to master.

Platform Strategy



Order and Cost Relation

- Order 2000 units → Cost \$50 per unit.
- Order 10000 units → Cost \$35 per unit.

Supply 10000 units

Demand 8000 units

Remain 2000 units can be used as

→ Common Parts (Other Model Use), Unique Parts (Waste).

Previous Strategy

- 2017 → Using 6 platforms for 10 products

Number of carry over parts decreases.

Profit decreases.

Costs of making cars increases.

Wastage increases.

Present Strategy

- 2022 → 2 platforms for 8-10 products.
- Fewer parts for company to manage.
- Fewer design changes for new models.
- More volume per tools.
- Less wastage, more profit margin.
- Same seat positions, steering wheel, pedal box position for multiple cars.

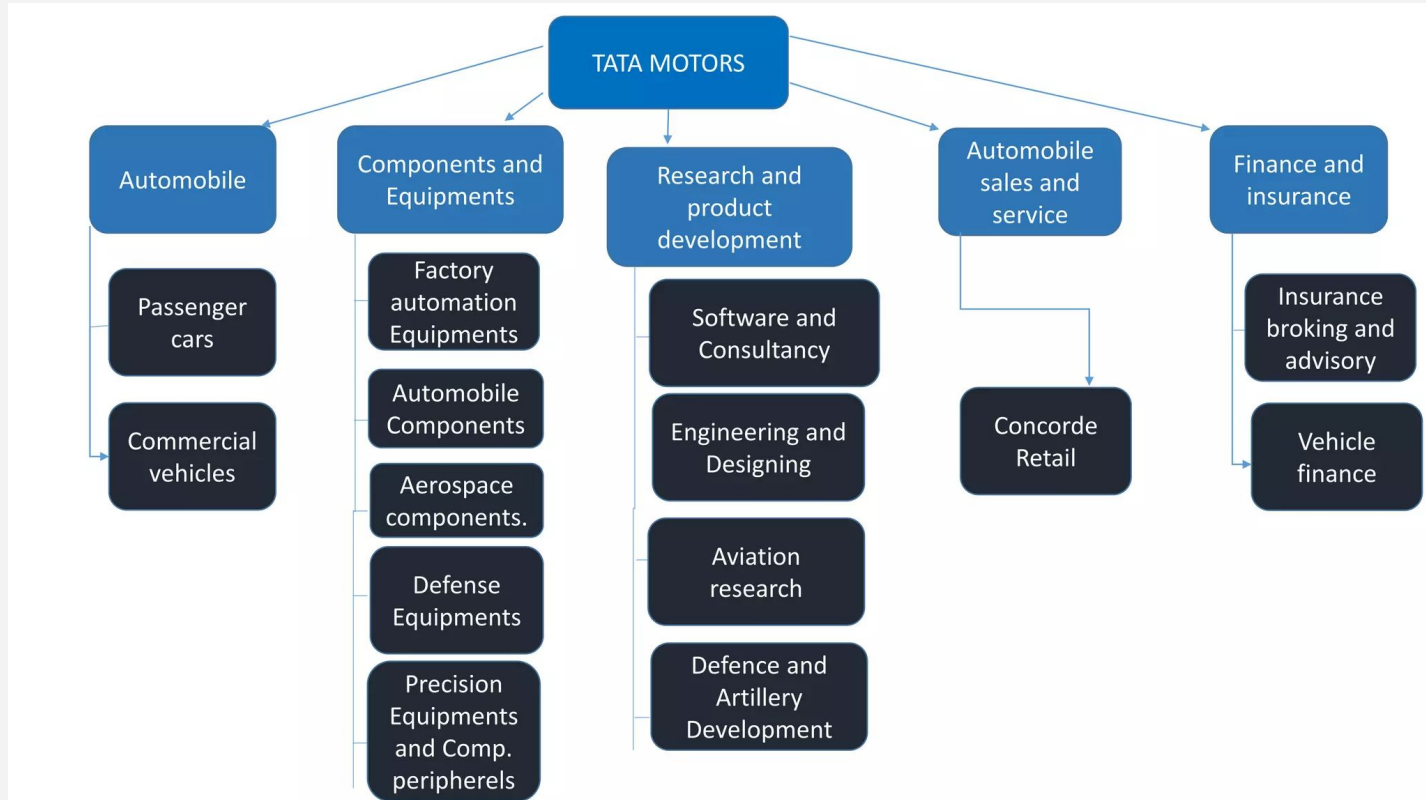
Effects

- Less loss despite any model fails.
- Build on same platform.
- Lot more carrier parts.
- Very less unique parts.
- Save initial platform cost.
- Save unique part cost.

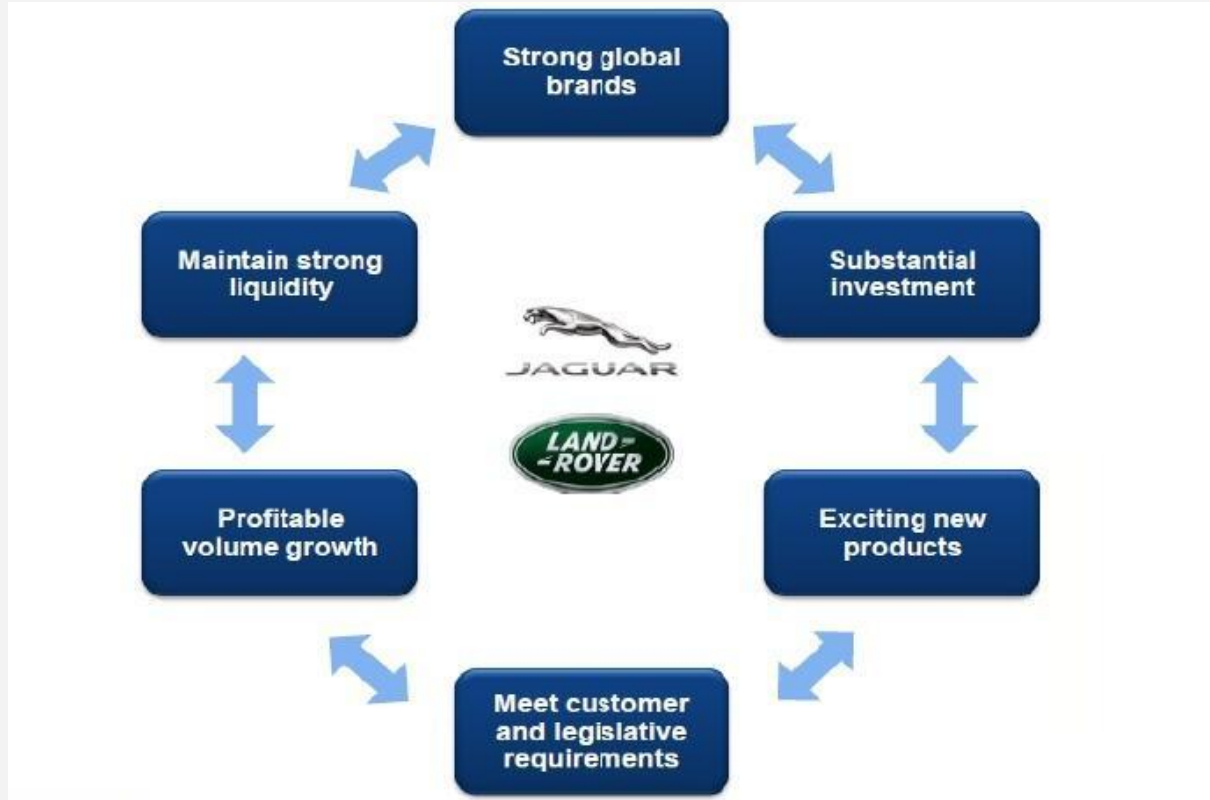
Advantages

- Implementation time reduced as one-third.
- Defective parts per million sharply reduced.
- Warranty costs reduced from 1.14% of revenue in FY 2016 to 0.9% in FY 2021.
- As time passes and volume of new cars in the new platform increases, the profit margin are expected to increase further.

Tata Motors Business Model



Tata Motors Business Philosophy

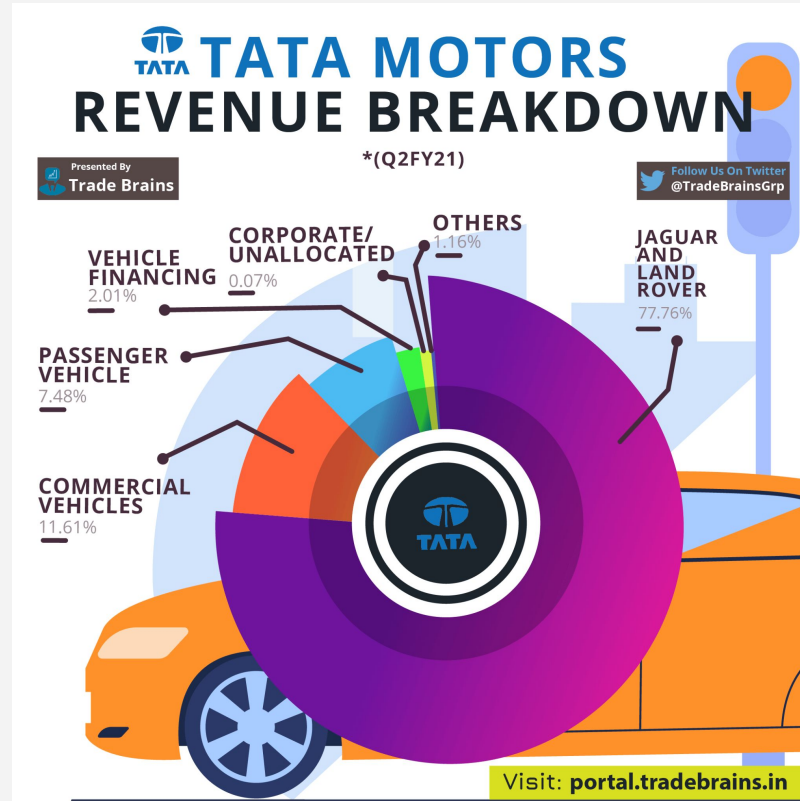


Tata Motors SWOT Analysis

SWOT ANALYSIS OF **TATA** MOTORS

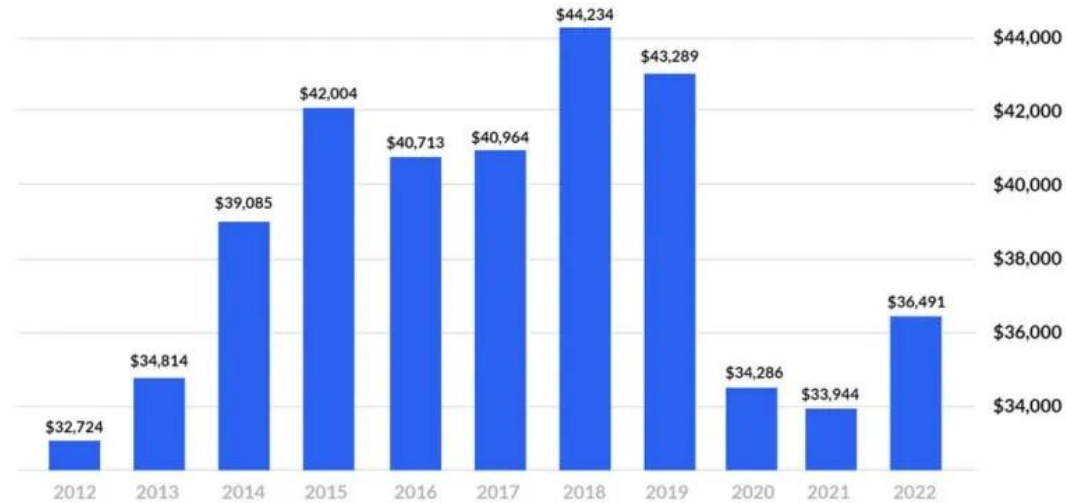


Tata Motors Revenue Breakdown



Tata Motors Revenue

TATA MOTORS REVENUE 2012 - 2022
(in million U.S. dollars)



THE BUSINESS
MODEL ANALYST

Source: Company Documents Submitted to SEC

businessmodelanalyst.com

Business Effects

- Other brands are busy building and designing platform, Tata motors team repurposed an unusual shop floor for the development and production.
- Tata Nexons gasoline bodies are wired and fitted with battery packs.
- Integration between Tata groups (7 Tata companies have come together to share resources).