



TATA STEEL

Business Case Study of TATA STEEL

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Tata Steel Background

- A nation that understood the value of iron would reap its weight in gold.
- 1860s most important decade of 19th century.
- Cost of railway operation and expansion very high.

Issues with Cast Iron

- Very costly.
- Could not carry a lot of load.
- Needed a lot of maintenance.
- Susceptible to rust.
- Steel production was costly.

Revolution in Steel Industry

- British Scientist Henry Bessemer invented cost effective and mass producible technique to make steel.
- Cost reduced by 82%.
- Steel is used from construction to railways.
- When used in railways, it could withstand way more loads as compared to iron.
- Maintenance became cheap.

Revolution in Steel Industry And Jamshedji Tata

- Steel became the most fundamental pillar of western nations development.
- Jamshedji Tata was more keen on building a solid economic foundation for India rather than building his own fortune.
- His company spend 17 years in collecting samples for ores.
- Small village Sakchi, ended up finding 3 billion tons of iron ores, located 45 miles away from railway station.

Why Britishers allowed Tata to operate?

- Real profit making by railways to make money with trade expansion.
- Importing steel from all the way Britain and neighboring colonies was extremely costly and tedious procedure.
- Surveying entire subcontinent not a viable option.
- Liberalised mining laws.
- World War 1.

Philosophy of Tata Company

- Empires may rise and fall, wars may come and go.
- But if a nation strategically invest into industries, they will act as the most important engines of nation's economy, lasting for centuries.
- Tata laid the foundation of three important industries: textile, steel and power.
- Tata steel alone supplied 1500 meters of rail, 3 lakh tons of steel material, thousands of jobs.

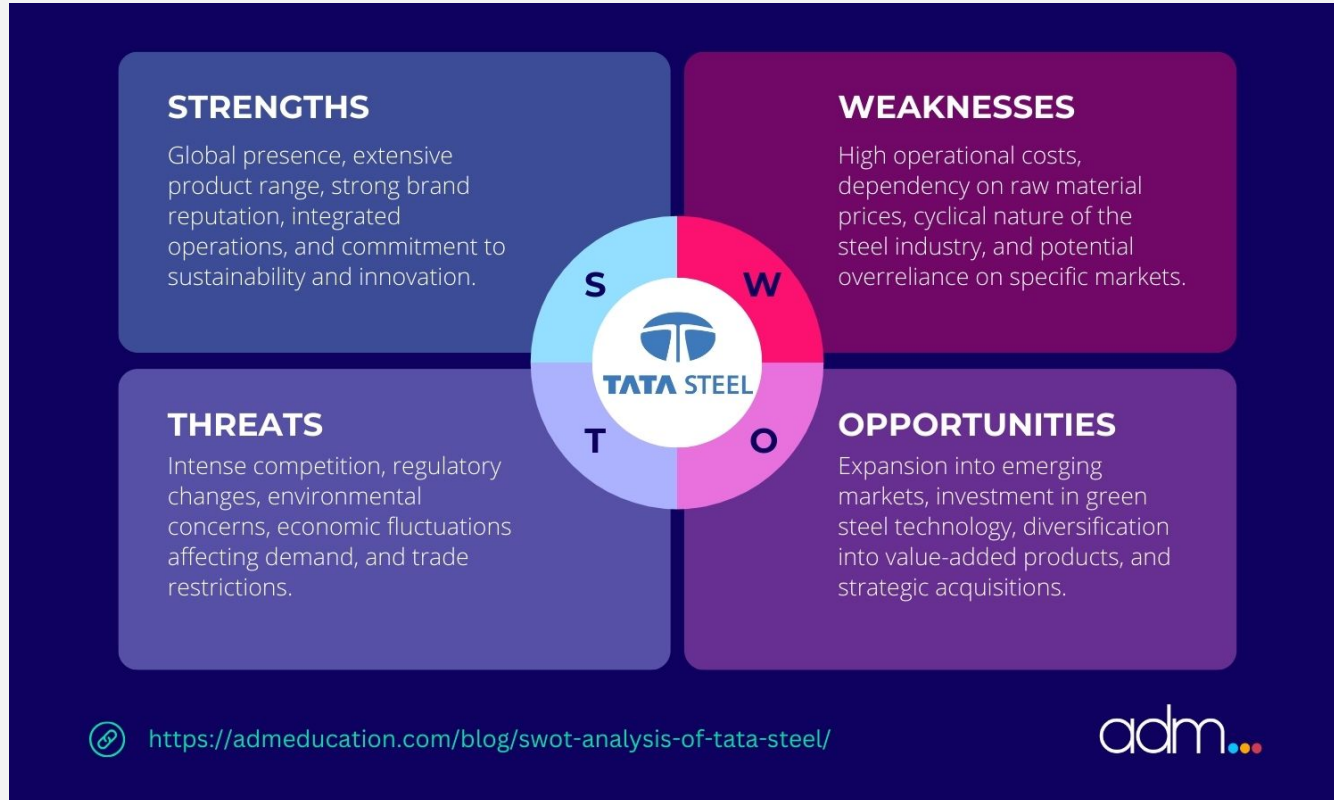
Tata Company & Dignity of Labourers

- Tata did not see a single labour strike during the great depression, and neither in the next hundred years after that.
- Tata authority did everything in their capacity.
- Pay every single worker in time in spite of terrible market conditions.
- Several schemes, free medical aid.
- Retirement graduate scheme, maternity benefit scheme.
- Suraksha scheme to help the injured workers.

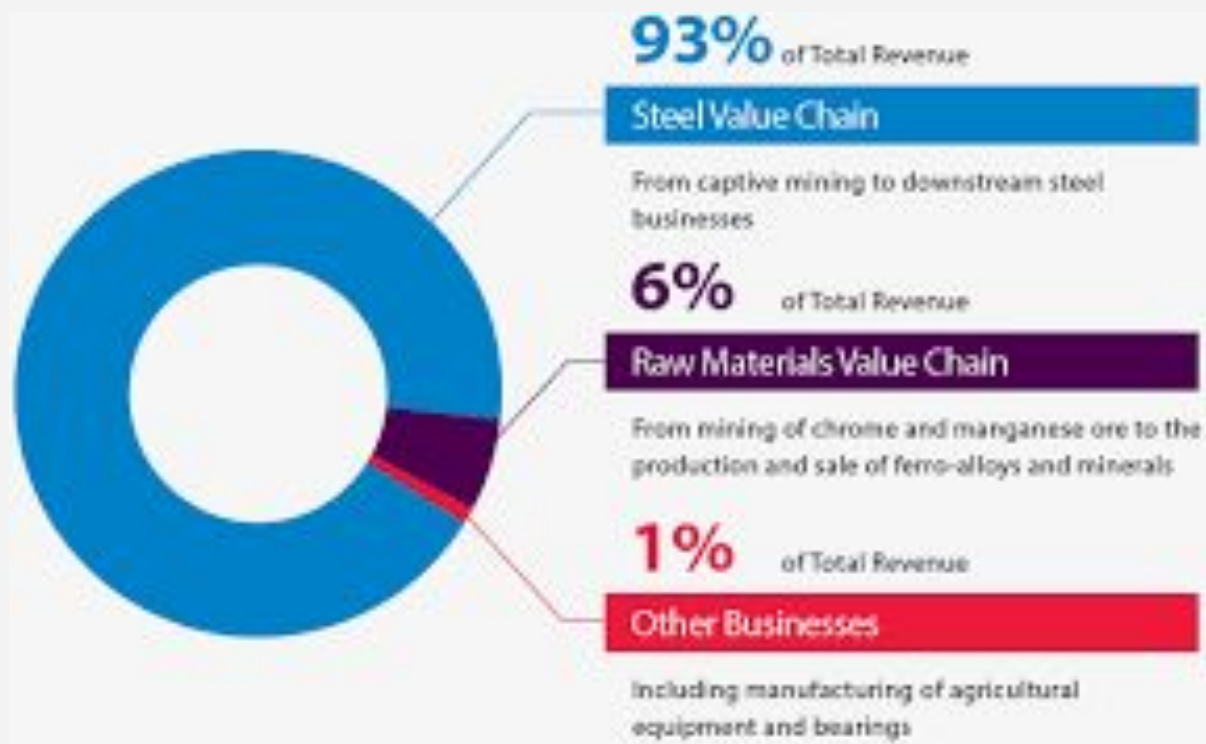
Tata Steel Production



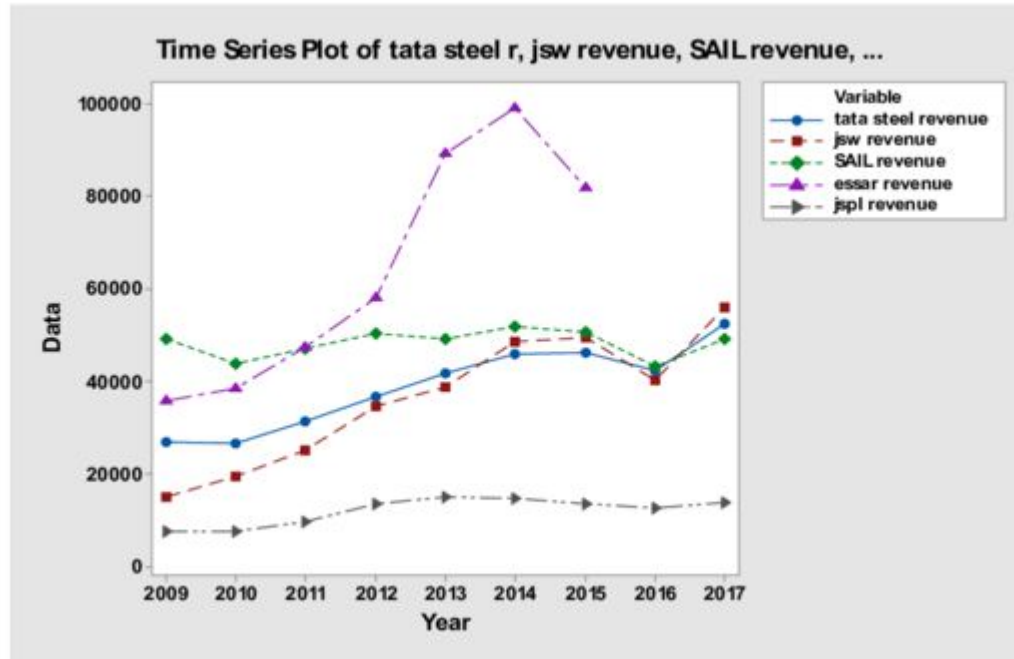
Tata Steel SWOT Analysis



Tata Steel Revenue



Tata Steel Revenue



Business Lessons

- No matter how big or small entrepreneurs you are, if you want to be the best in your sector, you have to be a veracious leader and ardent student of your industry.
- Capitalism is the most powerful weapon of growth for any nation.
- Strategically invest in industries, most important engines in the nation's economy.

Business Lessons

- Good businessmen grow their business to build their fortune.
- Great businessmen grow their business as a service to their nation,
as a service to mankind itself.