

GENERAL MOTORS COMPANY: RESTRUCTURED TO REDISCOVER AMERICAN INNOVATION

DISCUSSION QUESTIONS

1. What were the biggest problems General Motors (GM) had that led to the company's eventual Chapter 11 reorganization?
2. Are any of the problems that led to Chapter 11 still problems in the company today?
3. Trace the history of GM's corporate-level (diversification) strategy from its early origins until today. Why do you suppose the company has chosen to focus on a few brands exclusively in the automotive industry? Do you think that reliance on one industry is a good idea for GM? Why or why not?
4. GM has pursued both successful and unsuccessful alliances. Moving forward, would you recommend that GM continue to pursue alliances? Why? What types of alliances should GM seriously consider, with what types of companies, and for what purposes?
5. What are the most important success factors in the automobile industry? How does GM compare to competitors on these factors?
6. How can GM fix its European operations?
7. What kind of strategy should GM pursue to take advantage of growth opportunities in South America?
8. Do you believe that GM will continue to enjoy improved financial performance? Would you buy the stock in 2012?
9. Common stock shareholders of the old General Motors lost their entire investment when the government took over the company and eventually issued new shares. What are the ethical implications of this action? When is it acceptable for a government to take private assets away from its citizens?