General Motors Essay, Research Paper

GENERAL MOTORS Ever since the beginning of the 20th century, American people have been fascinated with automobiles. This fascination started with people trading their horse and carriage for a brand new automobile. General Motors was aware of this growing industry and took control with the help of William Durant. Now every family, on average, has 2 cars. GM has grown through the years to become a billion-dollar company. William Durant was born December 8, 1861 in Boston, Massachusetts. He grew up and went to school in New York City. At the age of 25, Durant established a carriage company in Michigan in 1886 that produced and sold about 150,000 carriages. In 1903, he took over a small firm and started making Buicks. In 1908, Durant combined his firm with two others: Oldsmobile and Oakland (which later became Pontiac), and created General Motors in the city of Hudson, New Jersey. A young inventor named Charles Kettering set up a small laboratory in Dayton, Ohio in 1909, he laid the foundation for what was to become the automotive industry s first research laboratory. Kettering and his associate E.A. Deeds called their new business the Dayton Engineering Laboratories Company. The name Delco, formed by the initials, has had a long history as a GM trademark. In 1916, Kettering and his associates sold their firm to United Motors Service Company which was then acquired by General Motors and formed the name Delco again. During the next few years, Durant had some problems keeping the company alive. He lost control of the company in 1910 due to financial problems. Then with racecar driver Louis Chevrolet they established Chevrolet Motor Company, which then took control of GM in 1915. During World War I in 1920, he was again forced out of the business. He tried to make another comeback with a new firm called Durant Motor Company, but it never really got going. Amazingly, General Motors actually made a profit during the 1930 s great depression. From 1940 to 1945, GM supported the war effort with materials including: airplane engines, airplanes, trucks, tanks, marine diesels, guns and shells. Profits soared after W.W.II. GM manufactured guidance and navigation systems which guided the Apollo II astronauts to man s first landing on the moon and then safely back again.

Business during the 1980 s had its ups and downs. GM opened its first European assembly plant in Zaragoza, Spain, The largest overseas expansion project ever undertaken. Japanese car production slowed sales during the 80 s causing GM to lose more than six billion dollars in profits. In 1985, General Motors established a medical committee for automotive safety and used a crash dummy to measure forces exerted during impacts. Today, GM owns more than 250 facilities and the headquarters is in Detroit. There are seven different divisions of GM: Buick, Oldsmobile, Pontiac, Chevrolet, Cadillac, Saturn, and Geo. The Geo division has been discontinued as of the 1998 model year. In 1996, GM made the EV1, the first mass-produced, pollutant free, electric vehicle to be sold in America. The downside to this car is that it costs a little over $30,000 and it s only available in a few cities in the U.S. GM makes more than just cars. In 1919, General Motors acquired the Frigidaire Corporation, a popular appliance manufacturer. In 1978, the General Motors Cancer Research Foundation was formed to recognize individual excellence in cancer research (gm.com). GM also owns Hughes Aircraft Company and Electronic Data Systems Corporation. General Motors also has a contract with the military to manufacture trucks, satellites, radar equipment, guided missile systems, aircraft engines, and turbines for ships. Recently, General Motors pledged $37.3 million to the United Way Campaign (gm.com).In 1996, the company employed over 647,000 people and partnered with over 30,000 supplier companies worldwide. As the largest U.S. exporter of cars and trucks, and having manufacturing, assembly, or component operations in 50 countries, General Motors has a global presence in over 190 countries (Young 11). Along with designing, manufacturing, and marketing of vehicles, General Motors has substantial interests in telecommunications and space, aerospace and defense, consumer and automotive electronics, financial and insurance services, locomotives, automotive systems, and heavy-duty automatic transmissions. Solely on the strength of its more than 160 subsidiaries, joint ventures, and affiliates, General Motors, without vehicle sales, would still rank in the top 30 in the Fortune 500 (gm.com).