

Chapter 13 Group Project

Competitive pressures are the norm in business. Lexus automobiles (made in Japan) have cut into the sales of Mercedes-Benz, Jaguar, General Motors' Cadillac Division, and Ford's Lincoln Division. Dell, Gateway, and Compaq computers have siphoned business away from IBM. Foreign steelmakers have reduced the once-massive U.S. and Canadian steel industries to a fraction of their former size.

Indeed, corporate downsizing has occurred on a massive scale. During the past few years, each company or industry mentioned here has pared down plant and equipment, laid off employees, or restructured operations.

Required

1. Identify all the stakeholders of a corporation and the stake each group has in the company. A *stakeholder* is a person or a group who has an interest (that is, a stake) in the success of the organization.
2. Identify several measures by which a corporation may be considered deficient and that may indicate the need for downsizing. How can downsizing help to solve this problem? Discuss how each measure can indicate the need for downsizing.
3. Debate the downsizing issue. One group of students takes the perspective of the company and its shareholders, and another group of students takes the perspective of other stakeholders of the company.