General Motors Financial and Strategic Planning

General Motors Financial and Strategic Planning

General Motors Corporation is a worldwide developer, producer, and marketer of cars, trucks, and parts. They manufacture and market their vehicles through their four automotive segments: GM North America (GMNA), GM Europe (GME), GM Latin America/Africa/Mid-East (GMLAAM) and GM Asia Pacific (GMAP). General Motor’s largest market is the United States in which GM North America is the primary segment that services those customer demands. GM North America offers such brands as: Chevrolet, Pontiac, Buick, Cadillac, Saab, Hummer, GMC, and Saturn. GM also produces cars through their foreign units of Daewoo, Holden, Opel, and Vauxhall (Yahoo Finance, 2009).

**General Motors Historical Background**

In 1908, William Durant created General Motors in Flint. During the early years of the automobile industry, there were many auto manufacturers; each offered a limited selection of cars. Durant believed that if manufacturers banded together they could be more profitable. Durant new idea followed along the lines of the financial principle of valuable ideas, in which large returns are only achievable with new ideas. When competitors continuously emulate each other, only those successful businesses are the ones creating new ideas. Durant bought and acquired 17 companies including Buick, Oldsmobile, Cadillac, and Pontiac by 1910. In 1915, Durant formed and took partial stakes in GM Acceptance Corporation (GMAC), which was the financial and insurance operations of the company (Hoovers, 2010). By acquiring all these companies and creating alliances, Durant gained a comparative advantage in that he was able to manufacture these vehicles more efficiently and at a faster rate.

From the period of 1923-1937 Alfred Sloan took over as president and continued to build the giant GM that we see today. Through a decentralized management system and providing a larger range of models and colors, GM became an industry leader by 1927. GM continued to grow and at times switched their car production activities toward war efforts in the 1940s, by manufacturing defense products and diversified into home appliances and locomotives. Even the post WWII years, GM continued to expand and by 1979, “GM's U.S. employment peaked at 618,365, making it the largest private employer in the country. Worldwide employment was 853,000” (CBS News, 2009).

In the 1970, GM soon gained some competition from Japanese auto makers. GM emulated the Japanese and analyzed if Toyota’s manufacturing techniques would work in the US, thus creating the joint venture of New United Motor Manufacturing Inc (NUMMI) with Toyota Motors in 1984. GM continued to expand by buying and acquiring the following businesses: Electronic Data Systems (1984), Hughes Aircraft (1986), 50% of Saab Automobile (1989), launched the Saturn car in 1990, 20% stake in Fiat Auto (1992), 20% stake in Fuji Heavy Industries- Subaru (1992), and purchases right to the Hummer brand (1999), (Hoovers, 2010). General Motors understood that diversification would be beneficial. They constantly invest in various brand of vehicles, in financial/insurance operations, and were about to produce other products during the war times.

Despite the massive growth of this century old company, General Motors has also experienced some financial challenges and set-backs. General Motors had three large employee strikes during the years of 1937, 1945, and 1998 that had a vast affect on production and auto sales. During the 1980 GM sales declined because of the recession and Arab oil embargo causing a $750 million loss and 26% decline in sales. In 1989 GM complied with federal regulation to install 15% of its vehicles with driver’s air bags, which boosted car prices and cause profits to fall to $4.2 billion (CBS News, 2009).

 **A Struggling Market**

“For 2007, GM reported the largest annual loss in the history of the automotive industry -- $38.7 billion. The loss was largely attributable to a $39 billion third-quarter charge for unused tax credits. GM's remaining stakes in GMAC also hurt the auto giant, as the lender struggled with the US mortgage crisis” (Hoovers, 2010). For many decades, General Motors, Ford, and Chrysler had a strong hold on the automotive industry. GM especially carried a strong momentum through the 20th century, but the success of the company became a blessing and a curse. As the financial principle of risk-return trade-off states to earn a higher one must bear a higher risk. Although GM rapidly expanded, they had to take some risk investing in other companies to expand their profits. In 2008, GM’s total sales were nearly $149 billion dollars; however, it had income losses of about $31 billion dollars with diluted earnings-per-share at $53.32 and its cash dividend at a measly $0.50 per share (SEC, 2009).

The recession in the United States along with fluctuating oil prices and a decrease in employment rate had a negative effect on the automotive industry. These economic factors influenced the consumers’ buying decisions. As a result, consumers delayed purchasing vehicles causing a decline in vehicle sales. “Some principal factors that determine consumer preferences in the markets in which we operate include price, quality, style, safety, reliability, fuel economy and functionality. Our estimated worldwide market share was 12.4%, 13.3% and 13.5% in 2008, 2007 and 2006” (Yahoo Finance, 2009). In addition, mortgage markets also played an indirect role in the decline in vehicle sales. The mortgage market suffered a reduction in housing values that in turn decline consumer confidence. Along with the low employment rate created a decrease in household incomes, which contributed to the significantly lower vehicle sales in the United States. The loss and US Mortgage Crisis hurt GM. GM tried to cut cost by providing employees buyouts, offering to finance early retirement for unionized workers. GM also offered merger proposals to Chrysler and Ford; however the merger talks with Chrysler was abandon.

In 2008, it was announced that the following GM brands would discontinued Hummer, Pontiac, Buick, Saab, and Saturn (Mello, 2008). According to the 2009 Form 10-K, GM loss about $39 billion dollars (SEC, 2009). Without any money at the end of the year, the company executives asked for government aid. The Canadian and US governments provided billions of loan dollars. In 2009 the company completed a Chapter 11 reorganization and created a new entity “with fewer brands, less debt, and lower operating costs” (Hoovers, 2010). The “New GM” emerged from the Chapter 11 with $17billion in debt and $8billion owed to government lenders. Other government loans turned into equity in the new company, giving the US government a 61% stake in GM. The Canadian federal governments hold 12% and the remaining is held by a retiree health care trust (General Motors, 2010).

**Reformation**

CEO Rick Wagoner was forced to resign by the US government to continued government aid. Frederick Henderson replaced Wagoner. Henderson was the company's COO since 2006. Henderson had an enormous amount of company experience in finances and operations that help bring GM out of bankruptcy. Unfortunately, in December 2009 Henderson resigned from all positions and Ed Whitacre became his replacement. Whitacre used to be the long time CEO of AT&T.

Currently, GM is under a loan agreement with the United States Treasury (UST) (SEC, 2009). The loan was contingent upon GM’s promise to have a set plan of action and strategy to get the company back on its feet. This plan is called The Viability Plan and the following actions are a few of which will take place:

* Repayment of all UST loans, over a period extending beyond the current maturity date of December 30, 2011;
* Our ability to comply with federal fuel efficiency and emissions requirements and commence domestic manufacturing of advanced technology vehicles;
* Our achievement of a positive net present value, using reasonable assumptions, and taking into account all existing and projected future costs;
* Rationalization of costs, capitalization and capacity with respect to our manufacturing workforce, suppliers and dealerships; and
* A product mix and cost structure that is competitive in the U.S. marketplace.

GM also produced a Restructuring Plan as well; part of goes as follows:

* A dramatic shift in our U.S, product portfolio, with 22 of 24 new vehicles launches in 2009-2012 being fuel efficient cars and crossovers;
* Full compliance with the Energy Independence and Security Act of 2007 (EISA) and extensive investment in a wide array of advanced propulsion technologies;
* Reduction in brands, nameplates, and dealerships to focus available resources and growth strategies on our profitable operations;
* Full labor cost competitiveness with foreign manufacturers in the U.S. by no later than 2012;
* Further manufacturing and structural cost reductions through increased productivity and employment reductions; and
* Balance sheet restructuring and supplemented liquidity through temporary federal assistance.

The previous data was obtained via GM’s Form 10-K, which was submitted to the Securities and Exchange Commission. General Motors has devised a plan that should greatly enhance its long-term viability. GM is taking measures to raise capital and cover loses, by limiting the amount of brands and reducing the amount of US Dealerships. GM is also looking for markets outside of the United States such as China, India, and South America. For example, they are experiencing substantial growth in their Chinese Market and are seeking to venture with Chinese partner Shanghai Automotive Industry Corporation (SAIC). General Motors should also continue to seek short-term financial options as well as their long-term investments.

**Business Valuation**

It is important to be able to measure the value of General Motors in order to determine how to maximize the business profits. Also is vital to know the value of securities so the company knows how much to issue. Valuation of the business is not only significant to the company but for outsiders who are interested in investing. In order to valuate General Motors it is important to consider three factors that affect future earnings such as size of cash flows, timing of cash flows, and risk association with receiving cash. Through reviewing the financial ratio of General Motors we can get a better understanding of the health of the business. In addition, we will be analyzing General Motors’ current liabilities, present value of long term debt, present value of preferred stock, and present value of stockholder’s equity, to analyze the total value of the Business Assets.

**Financial Ratios**

Reviewing the financial ratio of General Motors, can gives us a better understanding of the health of the business. We will explore the following financial ratios: liquidity ratios, leverage ratios, profitability ratios and market ratios to get to this determination.

**Liquidity Ratios.** Liquidity ratios measures a firm’s liquidity for the purposes of determining if a firm is able to meet its financial obligation on time. There are four ratios to measure the liquidity of the business: current ratio, working capital, quick ratio, and the cash ratio. We will be examining and assessing General Motors’ working capital in a later section but for the moment review some of the other liquidity ratio to determine the health and value of the business. Please see ***Appendix 1*** for the daa used.

The current ratio is the number of times the company’s current assets are able to cover its current liabilities or short term debt/obligations. A rule of thumb is that a current ratio of 2.0 is a good target for firms (Emery, Finnerty, Stowe, 2007, Ch. 3). Some companies prefer to use the quick ratio to determine liquidity. They subtract the inventory from the current assets since inventory are less liquid than marketable securities and accounts receivables, meaning the inability to quickly change the inventory to cash. In this case a quick ratio of 1.0 would be a good standing for a business. A firm can also determine liquidity by it cash ratio. Cash and cash equivalents are the most liquid form since they are cash or close to cash. As you can see on **Table 1.0** the Liquidity Ratio for General Motors is very low for 2007 and 2008, therefore GM is maintains a poor standing in meeting its short term financial obligations.

**TABLE 1.0**

**GENERAL MOTORS LIQUIDITY RATIO FOR 2008 and 2007 (Dollars in millions)**

|  |
| --- |
| **Current Ratio** |
| **Current Assets/ Current Liabilities** |
| 2008 | 2007 |
| $41,224/$73,911 | $60,135/$69,510 |
| 0.56x | 0.87x |

|  |
| --- |
| **Quick Ratio** |
| **(Current Assets-Inventories)/ Current Liabilities** |
| 2008 | 2007 |
| $41,224-$13,042/$73,911 | $60,135-$14,939/$69,510 |
| 0.38x | -0.13x |

|  |
| --- |
| **Cash Ratio** |
| **Cash and equivalents/ Total assets** |
| 2008 | 2007 |
| $13,953/$91,047 | $24,549/$148,883 |
| 0.15% | 0.16% |

**Leverage Ratios.** Leverage Ratios measures how much of the company (or times) is financed with debt. Basically the more debt the firm has, the more likely it will have trouble meeting its obligation which could lead to financial troubles and at the extreme bankruptcy. The three common leverage ratios are debt ratio, debt/equity ratio, and equity multiplier. The debt ratio ranges on a scale of zero to 1.0. The debt ratio I best if it is closer to zero, meaning less debt to assets. Debt/equity ratio and equity multiplier represent the same information but at different stand points. For example the debt /equity ratio looks at the total debt compare to stockholder’ equity and the equity multiplier show how many total assets the firm has for each dollar of equity. In Table 2.0 General Motors ratios are high meaning that that have a lot of debt compared to assets and equity. Stockholders equity is in the negative as well.

**TABLE 2.0**

**GENERAL MOTORS LEVERAGE RATIO FOR 2008 and 2007 (Dollars in millions)**

|  |
| --- |
| **Debt Ratio** |
| **Total Debt/ Total Assets** |
| 2008 | 2007 |
| $176,387/$91,047 | $184,363/ $148,883 |
| 1.93x | 1.24x |

|  |
| --- |
| **Debt/Equity Ratio** |
| **Total Debt/ Stockholder’s Equity** |
| 2008 | 2007 |
| $176,387/ -$86,154 Stockholder’s deficit | $184,363/-$37,094 Stockholder’s deficit |
| -2.05x | -4.97x |

|  |
| --- |
| **Equity Multiplier** |
| **Total Assets/Stockholders’ Equity** |
| 2008 | 2007 |
| $91,047/-$86,154 Stockholder’s deficit | $148,883/-$37,094 Stockholder’s deficit |
| -1.06x | -4.01 |

**Profitability Ratios.** Profitability Ratios “[focuses] on the profit generating performance of the firm” (Emery, Finnerty, Stowe, 2007, Ch. 3). There ratios determine the effectiveness of the business to generate profits. There are two ratio generally used for profitability ratios which are gross profit margins and rate of return ratios. Gross profit margin represents the percentage of money left over to pay the operating and financial costs and taxes. Rate of return focuses on the measure of performance relating to some type of investment. For General Motor purposes we will analyze the return on assets.

**TABLE 3.0**

**GENERAL MOTORS PROFITABILTY RATIO FOR 2008 and 2007 (Dollars in millions)**

|  |
| --- |
| **Gross Profit Margin** |
| **Gross Profit/ Sales or****(Sales-Cost of Goods Sold)/Sales** |
| 2008 | 2007 |
| ($149,311-$147,732)/$149,311 | ($165,573-$177,594)/$165,573 |
| 1.06% | -7.26% |

|  |
| --- |
| **Return on Assets** |
| **Net Income/ Total assets** |
| 2008 | 2007 |
| Net loss -$30,860/$91,047 | Net loss-$38,732/$148,883 |
| -33.89% | -26.02% |

**Market Value Ratio**. Market Value Ratio is the value of the firm’s common stock “to earnings per share (EPS), dividends per share (DPS), and book value per share, which is the total common equity divided by the number of common shares outstanding” (Emery, Finnerty, Stowe, 2007, Ch. 5). Market value ratios are as follows: market value leverage ratio, price earnings ratio, earnings yield, dividend yield, dividend yield, and market to book ratio.

**Stock Data**

Market Cap(Mil) **378.55**

P/E Ratio **0.0**

Dividend Yield **0.0%**

Latest Dividend **$0.0**

Pay Date of **n.a.**
Latest Dividend

Last Stock Split **100% stock div.**

Date of Last Split **03/29/89**

Shares **610.56**
Outstanding (Mil)

Public Float (Mil) **604.5**

Source: Wall Street Journal (2010).Retrieved from http://online.wsj.com/quotes/main.html%3Fsymbol%3DGJM%26type%3Dusstock

**Working Capital**

 What exactly is working capital? Working capital is a company’s assets minus its liabilities; the management of working capital “Involves the administration of current assets and current liabilities” (Emery, 2007, p.639). In general, businesses are usually in need of money to provide its goods and services. So, in order to do that, the business needs “capital”. Capital does not always have to be in the form of actual cash, but can be a number of assets such as credit (e.g. accounts receivables), inventory, or stocks/securities. When a business assess risk, working capital can be especially important because a creditor is likely to look at that business’ current ratio (Bizhelp24, 2005). Current ratio =$\frac{current assets}{current liabiliites}$. Although acceptable current ratios vary by industry, a ratio of less than 1.0 is generally unacceptable (Investopedia, 2010). This is just one of the many ways to assess risk of how a company handles its working capital.

Another way is to look at the cash conversion cycle, which is the amount of time it takes for a company to actually receive payment for a product, which is typically measured in days (Emery, 2007, p.643). The formula for the cash conversion cycle equals the total of the inventory conversion period plus the receivables collection period minus the payables deferral period. How a company manages working capital is important to its future success. When it comes to a company’s budgeting, working capital management plays a huge role (Oppedahl, 1990, p. 1). For example, if a company is basing its financial plans on the reliability of the accounts receivables, then the financial managers should be aware that consumers usually only pay a portion of what is owed per month (Oppedahl, 1990, p. 1). What is the status of GM’s financial health?

**General Motors and Working Captial**

 In a recent interview of GM’s vice chairman for global product development Robert Lutz, Larry Printz, of the Virginian-Pilot (newspaper) asked Lutz how did GM plan to pay for the production of the new cars they unveiled at the 2009 North American International Car Show in Detroit. He replied by saying, “These cars are paid for. Their development work is behind them, their manufacturing investment is done and the hope is that they’ll do what the Malibu did” (Printz, 2009). This line of thinking is what that got GM into their present financial troubles. In 2008, the US government bailed out GM with a $13 billion (Quinn, 2008). Printz continued to ask more tough questions, but Lutz always gave “the correct” answer. Lutz showed humility on GM’s behalf, something the American public probably needed to see in order to have compassion for the automaker. The importance of Printz’s first question is to make readers aware of General Motors’ current financial position. According to Advanced Financial Network (ADVFN, 2010), GM’s working capital, current ratio, and cash conversion cycle for the last twelve months are as follows:

Working Capital per share = -51.52 million

Current Ratio = 0.19

Cash Conversion Cycle = 55 days

 The figures in the previous are atrocious in comparison to Toyota. Currently Toyota is the leading automaker (Autonews, 2010), despite its recent recalls. Toyota has the following numbers:

Working Capital per share = 4.58 million

Current Ratio = 1.1

Cash Conversion Cycle = 134 days

The working capital and current ratio jump out immediately. As stated earlier, a current ratio of less than 1.0 is considered to be risky. Although Toyota is doing well now, the recent recalls to their vehicles could be detrimental to the financial position of the company. General Motors did a poor job in managing its working capital, before the ex-CEO Fritz Henderson took over. According to a recent Business Week report, in the time that Henderson was in charge, he “stabilized market share and reduced the company’s losses significantly” (Welch, 2009).

**Alternatives.** The company should take a lesson from the Japanese automakers. One such strategy is to obtain its short term loans from Japanese banks. Typically, Japanese banks offer lower interest rates than American banks; this is likely due to the fact that “Japan has more capital than the U.S.” (Kim, 2001, p89). The next strategy is lower inventory. With the current state of the economy, it is wise to follow a just-in-time inventory system. Of course, economic forecasting plays a key role in this methodology, but if done correctly this may lower costs. The reason for this is because GM is struggling to get out of debt. There is no sense in keeping hundreds of thousands of cars sitting in dealership lots. Right now, there is a very low demand for automobiles, especially American-made cars, so keeping a low inventory and even investing into custom orders is a great strategy. Another strategy is to setting aside an adequate amount of working capital in anticipation of sales. As already known, there is no perfect forecast. So, GM must find a number in which it is comfortable with for what amount of working capital to keep on hand. Current GM CEO Ed Whitacre could make a vast improvement for the company if they so choose to follow these strategies for short term success, in addition to their long term goals.

**Capital Budgeting**

 In general, the goal of a company is to maximize shareholders’ wealth. One way to achieve this goal is by doing capital projects; before the project can be executed, upper management must develop the capital budget. Capital budgeting is “the process of whether a company should invest in projects such as new facilities or new products” (Connaughton, 2008). Since General Motors is really struggling, they need to consider a capital project but must be cautious to not allow their working capital to be exhausted. The following four methods should be evaluated before taking on a capital project:

* Net present value
* Internal rate of return
* Discounted cash flow
* Payback period

Net present value (NPV), which Connaughton describes as the difference in the present value of cash inflows and outflows can also be understood as the present value of the expected future cash flows minus cost; if the net present value is negative then the project will likely be denied by upper management (Emery, 2007). In other words, present value is what future money is worth today.

Connaughton explains internal rate of return (IRR) as “the discount rate that renders the net present value of all cash flows for a specific project equal to zero”. In practice, businesses usually take the higher IRR if presented with two or more options (Investopedia, 2007). There are special cases when one may choose a lower IRR (e.g. when the amount of investment of the higher IRR produces only a slightly higher, or lower, actual return than on the lower IRR project).

Discounted cash flow (DCF) is where future cash flows are to come in at their respective present value (Connaughton, 2008).

The payback period is the length of time in which it takes a company to get their money back, so to speak. Of course, the project with the quickest payback period is likely to get more attention (Connaughton, 2008).

These four methods are important in the long-term growth of a company because the business world is constantly growing and if you want to be the best, then you must beat the best. Without working capital, this goal may be tough to achieve. The decisions we make today will affect us tomorrow.

**Alternative Methods**

A couple of alternative evaluation methods that can be taken into consideration are the profitability index and equivalent annual annuity. The profitability index relates costs and benefits in the form of a ratio; it is equal to the present value of future cash flows divided by the initial investment. The number that you get is the amount of money that is returned on each dollar that is invested (e.g. if you get a number of 1.2 then you can expect to get a return of $1.20 on each dollar that is invested) (Wisegeek, 2010). Generally, a result of 1.0 is the lowest acceptable value since a number lower than 1.0 is an indicator that the project’s present value is less than that of the initial investment (Investopedia, 2010). GM’s management should use the profitability index as a way to rank the importance of its capital projects. “Equivalent annual annuity - annualized amount over some years; the net present value of an investment calculated in terms of the discounted yearly cash flows it produces. This method is often used when comparing the potential cash flows from two or more investments with different lives” (MSN, 2010).

**Risks**

With anything in business, there are risks associated with using any of these methods. A few of these risks are as follows (Investopedia, 2010):

* Corporate risk – the liabilities and dangers that a corporation faces.
* Standalone risk – risks associated with a single operation unit or asset.
* Competitive risk
* Market risk – the risk for an investor to experience losses from fluctuations in securities prices.
* Project-specific risk

**Capital Spending Plan for GM**

General Motors should join the likes of its competitor, Nissan, and tap into the Middle East’s market. Currently, Nissan has a sport-utility vehicle that goes by the name of Patrol. The Patrol is a long-running SUV that has historically only been available in Australia, Central and South America, South Africa, Southeast Asia, Western Europe, and is now being heavily marketed in Iran and the Middle East (Wikipedia, 2010). It is a military vehicle that rivals and outperforms the Hummer and is specifically designed for the elements of the Middle East, according to MSNBC. Next year’s capital spending plan should include a budget to research and develop this vehicle.

Weighted Average Cost of Capital

 The cost of capital can sometimes be misinterpreted as a company’s historical costs, but it is actual the opportunity costs which is the required return on a particular capital budget (Emery, 2007). The weighted average cost of capital (WACC) is what an investment group will use to determine the average risk of each investor’s contribution. The equation for WACC is as follows:

WACC = (1-L)re + L(1-T)rd where L is equal to financing debt and T is equal to tax rate, while re is the after tax return and rd is the pretax return. To determine the WACC, it is necessary to calculate the cost of debt and the cost of equity (Emery, 2007). First, to find the cost of equity there are two methods; the capital asset pricing model (CAPM) and the DCF. The following information was obtained from the 2009 balance sheet (ADVFN, 2010):

* \*Current Market Value of common stock = $0.92
* Total market value of equity = 457.9 Million
* Expected cash dividend = $0.50
* Expected constant annual dividend growth = 17%
* Current market value of bonds (WSJ, 2009) = $1000/bond
* Bond yield maturity (WSJ, 2009) = 8.4%
* Total market value of debt{225 bonds \*$1000} (WSJ, 2009) = $0.225 Million
* Current total market value = 458.1 Million
* Corporate tax rate = -6.0%

\*-since GM is currently not publicly traded, the previous high/low stock average and tax rate is used.

re = D1/P0 + g = $\frac{\$0.50}{\$0.92}$ + 0.17 = **0.713**

L = D/D+E = = $\frac{0.225}{458.1}$ = **0.000491**

WACC = (1-L)re + L(1-T)rd =(0.9995)(0.713) + (0.9995)(1.06)(0.084) = 0.802 or **80.2%**

References

CBS News (2009). General Motors: Timeline. Retrieved from

<http://www.cbsnews.com/stories/2009/05/29/in_depth_us/main5049636.shtml>

Cherry, Jim (April 2009). Why General Motors Failed. Retrieved from

<http://www.examiner.com/x-6882-LA-Classic-Cars-Examiner~y2009m4d17-GM-near-bankruptcywhat-happened>.

Current Ratio (2010). Retrieved from <http://www.investopedia.com/terms/c/currentratio.asp>.

Emery, Finnerty, Stowe. (2007). Corporate Financial Management (3rd ed.). New Jersey: Pearson-Prentice Hall. Chapter 2, 3, 5, 6, &7

General Motors (2010). Company website. Retrieved from <http://www.gm.com/corporate/>

GM Lost Nearly $31 Billion In 2008 (Feb. 2009). Retrieved from <http://www.cbsnews.com/stories/2009/02/26/business/main4830422.shtml>

Hoovers (2010). General Motors Corporation. Retrieved from

<http://premium.hoovers.com/subscribe/co/history.xhtml?ID=ffffrfjcfxytcckxrt>

Mello, Tara B. (July 2008). GM Brands Up For Sale: Should Buyers Beware. Retrieved from

 <http://www.nadaguides.com/Garage-Blog/GM-Brands-for-Sale.aspx>.

Oppedahl, Richard A. (Dec. 1990). South Dakota Business Review (Vol. 49, Issue 2, p1).

 Working Capital Management.

Printz, Larry.(Jan. 2009). The Virginian-Pilot (Jan. 2009). Retrieved from

 <http://hamptonroads.com/2009/01/gms-robert-lutz-talks-about-gms-current-state>.

Quinn and Ruddick. UK Telegraph. US Government bails out General Motors and Chrysler with

$17 billion loan. Retrieved from <http://www.telegraph.co.uk/motoring/3852647/US-Government-bails-out-General-Motors-and-Chrysler-with-17bn-loan.html>

Toyota in Trouble (2010). <http://www.autonews.com>

United States Securities and Exchange Commission (2009). General Motors Corporation.

Retrieved from <http://www.sec.gov/Archives/edgar/data/40730/000119312509045144/d10k.htm>

Wall Street Journal (2010).Retrieved from

 <http://online.wsj.com/quotes/main.html%3Fsymbol%3DGJM%26type%3Dusstock>

Working Capital (Oct. 2005). Retrieved from

<http://www.bizhelp24.com/accounting/working-capital.html>.

Yahoo Finance (2009). General Motors 10K. Retrieved from