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THE EVOLUTION OF THE LARGEST US CORPORATIONS IN THE PERIOD 2011-2012

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Abstract

Since the end of the nineteenth century and the beginning of the twentieth century, big corporations have evolved into one of the main business organizations of the world. Moreover, large corporations started to dominate many industries in the United States (US). Today, in the globalization era, they have become much more powerful as in the past. The US corporations are major players in the business world and influence our lives. The aim of our paper is to analyze the evolution of the first ten largest US corporations by their revenues and profits in the 2011-2012 period. The research type is a literature review.

INTRODUCTION

Since the end of the nineteenth century and the beginning of the twentieth century, big corporations have evolved into one of the main business organizations of the world. In the United States (US), the following two main factors highly influenced this rapid progress: “State and federal laws and judicial decisions created a legal atmosphere that favored incorporation, while technological developments and organizational innovations in transportation, communications, and manufacturing made large business enterprises possible as well as profitable” [1]. Many US corporations started as surprisingly small and medium enterprises. For example, Sam Walton established the Wal-Mart business by beginning with a single store in Arkansas in 1962. In essence, “the two traditional explanations for the growth of the firms have been economies of scale and economies of scope” [2].

Moreover, large corporations started to dominate many industries in the US. In spite of the fact that there were many examples of monopoly in the 1900s, such as American Tobacco or Standard Oil, and many Americans disliked the concentration of corporate power, the US corporations “plainly improved the living standards of millions of ordinary people, putting the luxuries of the rich within the reach of the man in the street” [3]. The social and economic changes resulting from the rise of big corporations were generally beneficial to most of the American people. On the one hand, huge US corporations created millions of jobs. On the other hand, these corporations contributed in a significantly manner to the substantial economic development of the country. That is why the US became the world’s leading industrial capitalist nation in the first decades of the past century. However, two main obstacles arising from capitalism itself blocked this developmental path: “(1) a growing working class which increasingly insisted on sharing the fruits of industrial production and (2)

competition among existing firms,..., grew extreme” [4].

Today, in the globalization era, the US corporations have become much more powerful as in the past. They enhance “the American economy by their capital investment, their research and development, and by supporting good-paying American jobs” [5]. Also, they are major players in the business world and influence our lives.

The aim of our paper is to analyze the evolution of the first ten largest US corporations by their revenues and profits in the period 2011-2012. The research type is a literature review.

Second part of the paper is dealing with the evolution of these major US corporations in the global market. Conclusions are presented in the final section of the paper.

1. THE EVOLUTION OF THE FIRST TEN US CORPORATIONS AFTER THEIR REVENUES AND PROFITS IN THE PERIOD 2011-2012

It goes without saying that the biggest US corporations are among the main actors involved in the expansion of the globalization process and represent a powerful part of the global economy. These corporations have also come to play a significant part in our lives- the products and services we buy, the jobs they provide us and so on.

In the period 2011-2012 most of the ranking of the top 10 US corporations after their revenues has not changed significantly. In 2011, the top was dominated by Exxon Mobil with total revenues of 452,926 \$ millions (Table 1). The corporations belonged to different sectors as follows:

- 3 corporations were from the petroleum refining industry (Exxon Mobil, Chevron, ConocoPhillips);
- 2 corporations were from the auto industry (General Motors, Ford Motor);

- 1 corporation was from retailing (Wal-Mart Stores);
- 1 corporation was from the computers and office equipment industry (Hewlett-Packard);
- 2 corporations were from diversified financials (Fannie Mae, General Electric);
- 1 corporation was from insurance (Berkshire Hathaway).

Table 1. The top 10 US corporations after their revenues in 2011

No.	Corporation	Revenue (\$ millions)
1.	Exxon Mobil	452,926
2.	Wal-Mart Stores	446,950
3.	Chevron	245,621
4.	ConocoPhillips	237,272
5.	General Motors	150,276
6.	General Electric	147,616
7.	Berkshire Hathaway	143,688
8.	Fannie Mae	137,451
9.	Ford Motor	136,264
10.	Hewlett-Packard	127,245

Source: Fortune, 04.06.2012

In 2012, the top was dominated by Wal-Mart Stores with total revenues of 469,162 \$ millions (Table 2). The corporations belonged to different sectors as follows:

- 4 corporations were from the petroleum refining industry (Exxon Mobil, Chevron, Phillips 66, Valero Energy);
- 2 corporations were from the auto industry (General Motors, Ford Motor);
- 1 corporation was from retailing (Wal-Mart Stores);
- 1 corporation was from the computers and office equipment industry (Apple);
- 1 corporation was from diversified financials (General Electric);
- 1 corporation was from insurance (Berkshire Hathaway).

Table 2. The top 10 US corporations after their revenues in 2012

No.	Corporation	Revenue (\$ millions)
1.	Wal-Mart Stores	469,162
2.	Exxon Mobil	449,886
3.	Chevron	233,899
4.	Phillips 66	169,551
5.	Berkshire Hathaway	162,463
6.	Apple	156,508
7.	General Motors	152,256
8.	General Electric	146,874
9.	Valero Energy	138,286
10.	Ford Motor	134,252

Source: Fortune, 20.05.2013

In sum, the top 10 corporations after their revenues was dominated by the same 3 American corporations (Wal-Mart Stores, Exxon Mobil and Chevron) in the period 2011-2012. The giant Exxon Mobil lost its first place being surpassed by another giant, Wal-Mart Stores.

In the period 2011-2012 the ranking of the top 10 US corporations after their profits have changed. In 2011, the top was dominated by Exxon Mobil with a profit of 41,060 \$ millions (Table 3). The corporations belonged to different sectors as follows:

- 2 corporations were from the petroleum refining industry (Exxon Mobil, Chevron);
- 2 corporations were from the computers and office equipment industry (Apple, International Business Machine);
- 2 corporations were from commercial banks (J.P. Morgan Chase & Co., Wells Fargo);
- 1 corporation was from retailing (Wal-Mart Stores);
- 1 corporation was from the computer software (Microsoft);
- 1 corporation was from the auto industry (Ford Motor);
- 1 corporation was from insurance (American International Group).

Table 3. The top 10 US corporations after their profits in 2011

No.	Corporation	Profit (\$ millions)
1.	Exxon Mobil	41,060
2.	Chevron	26,895
3.	Apple	25,922
4.	Microsoft	23,150
5.	Ford Motor	20,213
6.	J.P. Morgan Chase & Co.	18,976
7.	American International Group	17,798
8.	Wells Fargo	15,869
9.	International Business Machine	15,855
10.	Wal-Mart Stores	15,699

Source: Fortune, 04.06.2012

In 2012, the top was also dominated by Exxon Mobil with a profit of 44,880 \$ millions (Table 4). The corporations belonged to different sectors as follows:

- 2 corporations were from the petroleum refining industry (Exxon Mobil, Chevron);
- 2 corporations were from the computers and office equipment industry (Apple, International Business Machine);
- 2 corporations were from commercial banks (J.P. Morgan Chase & Co., Wells Fargo);
- 1 corporation was from retailing (Wal-Mart Stores);
- 1 corporation was from the computer software (Microsoft);
- 1 corporation was from insurance (Berkshire Hathaway);
- 1 corporation was from diversified financials (Fannie Mae).

Table 4. The top 10 US corporations after their profits in 2012

No.	Corporation	Profit (\$ millions)
1.	Exxon Mobil	44,880
2.	Apple	41,733
3.	Chevron	26,179
4.	J.P. Morgan Chase	21,284

	& Co.	
5.	Wells Fargo	18,897
6.	Fannie Mae	17,220
7.	Wal-Mart Stores	16,999
8.	Microsoft	16,978
9.	International Business Machine	16,604
10.	Berkshire Hathaway	14,824

Source: Fortune, 20.05.2013

In sum, the top 10 corporations after their profits were dominated by the same 3 American corporations (Exxon Mobil, Apple and Chevron) in the period 2011-2012. The giant Exxon Mobil preserved its first place. Unlike the American economy, the largest US corporations have shown “quicksilver agility, rapidly shifting their product mix and producing more goods at little new cost” [8].

2. CONCLUSIONS

Since the beginning of the past century, the US economy has been dominated by a huge number of large corporations. In a highly competitive business world these corporations proved to be the main actors especially due to their assets, revenues and profits.

During the period 2011-2012 there have been no significant changes in the top 10 US corporations after their revenues and profits. Most of the corporations were the same and few new corporations entered the top.

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