

History samsung group



Brief History Samsung Group

Important facts:

- Samsung Group was founded in South Korea by Lee Byung-chul in 1 March 1938
- It was initially named as Samsung Store and the first store was opened in Taegu with 30, 000 won
- In 1951, Samsung Corporation was established
- In 1953 Samsung started with production of sugar and later it had evolved into the CJ Corporation
- In 1958 Ankuk Fire & Marine Insurance was acquired
- In 1963 the first Shinsegae department store, a South Korean department store franchise, opened in Seoul and DongBang Life Insurance was also acquired with it
- In 1964 Samsung established Tongyang Broadcasting Company (TBC), which is currently merged with KBS
- In 1965 Samsung started a daily newspaper called Joong-Ang Ilbo
- In 1966 Joong-Ang Development was established and currently it is known as Samsung Everland
- In 1969 Samsung Electronics was established

- In 1974 Samsung Heavy Industries was incorporated and Samsung Petrochemical was established too and began the productions of washing machines and refrigerators

- In 1976 the company was rewarded for their success by getting an export prize

- In 1977 Samsung Precision Co. was established, now known as Samsung Techwin, started the exporting of colour televisions, and furthermore Samsung Fine Chemicals was also established. In addition to those two, Samsung Shipbuilding was also formed.

- Samsung Group entered the global market in the 1980s

- In 1983 they began production of personal computers (PCs) and produces its first computer chip: a 64k DRAM chip

- In 1984 Samsung Data System was established thus it being renamed as Samsung SDS

- In 1987 Samsung Advanced Institute of Technology was opened for research and development purposes

- In 1988 Samsung Semiconductor & Telecommunications Co decided to merge with Samsung Electronics. It was then when Home appliances, semiconductors and telecommunications were chosen as the core business lines

- In 1989 Samsung BP Chemicals founded

- Samsung Group evolved from a trade export of dried food, vegetables and fruits to Beijing and Manchuria to one of the world's best electronic companies

- Samsung Group contributes more than twenty percent to South Korea's exports and took the leading roles in many domestic industrial areas

- The influence of the company was so great in South Korea that the country is referred as " Republic of Samsung"

- The combination of the three multinational business of Samsung Electronics, Samsung Heavy Industries and Samsung Engineering and Constructions reflects the meaning of Samsung, which means ' three stars' or ' tri-Star' in Korean

- Samsung is known to be the world's most popular consumer electronic brands since 2005

Mission: To be the best “ digital-εCompany”

Mission/Vision Statement: To lead the digital convergence movement.

Values: Follows strict guideline of codes of conduct to value people, excellence, changes, integrity and co-prosperity.

Objectives: Have evolved from profit maximisation to sales growth with survival depending on the time.

Mission of Samsung Group

According to the Samsung Group, everything they do is guided by their mission; to be the best “ digital-εCompany”, for more than 70 years.

Simple Chart of Samsung Group’s Mission

<http://www.samsung.com>

The current era we are going through is known as the age of digital technology. The age of digital technology has brought revolutionary changes and opportunity to business globally, and Samsung Group has responded to this with advanced technologies, competitive products, and constant innovation. Samsung Group faced every challenge as an opportunity to push past their current limits with the beliefs that they can be one of the best among the digital technology industry. Even during the recession, they invested heavily to create more new products, which is something very risky to do during the bad times and they even managed to pull it off due to their healthy cash flow and minimal debt.

When Samsung Group grew into a Global Corporation, they faced the challenges head on. For several years, the dedicated people working in the Samsung Group diligently embraced every challenge with creative and innovative ideas, to develop better products and services in order to be on the top.

They were committed to get into the position of the world’s best and this drive has bear the fruits by winning the 1st position in the global market share for 13 of their products such as monitors and mobile phones. They even made a historical advance in the field of research and development for their overall semiconductor line, such as DRAM and was also known as the best world class LCDS, appliances, etc.

With the company not only surviving all the recessions that came about over the years but also succeeding in being the most popular electronic brands since 2005, Samsung Group has proven that their mission was not only appropriate for the company but they even managed to implement the mission to an overwhelming succession.

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On top of it, Samsung Group is guided by a singular mission/vision statement: to lead the digital convergence movement.

Through the advanced technology innovation available today, they are consistently on the road of improving their products in order to stay ahead of the competition. Their aim is to utilise the latest technologies available to improve people's lives.

Performance of Samsung Group for the Past 5 Years

<http://markets.ft.com>

This graph shows the performance of from 15 September 2004 to 15 September 2009. Based on the trend we can see, Samsung Group managed to survive throughout the lowest point of their performances (around the end of 2004 and 2008) where the whole world was going through a huge recession.

United States Top 5 Innovators 2008

Rank	# of records	COMPANY	COUNTRY OF ORIGIN
1	7404	Samsung Electronics	Korea
2	6576	IBM	United States
3	2931	Microsoft	United States
4	2421	Toshiba	Japan
5	2019	Canon	Japan

<http://en.wikipedia.org>

Europe Top 5 Innovators 2008

Rank	# of records	COMPANY	COUNTRY OF ORIGIN
1	2753	Siemens	Germany
2	2619	Bosch	Germany

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3	1475	Samsung Electronics	Korea
4	1250	Daimler	Germany
5	905	Renault	France

<http://en.wikipedia.org>

Judging from the two tables I have presented here, you can clearly see that Samsung Group has made an impact in the Global market, especially in the Europe market, Samsung Group is the only Asian company to be on the top 5. You can see that they have been working hard to make their mission/vision statement come true.

Values in Samsung Group

In Samsung Group, they believed that in order to have a successful business, there must be a strict and strong set of values they should abide with. They use a rigorous code of conduct and core values for every decision they make.

Their codes of conduct are:

People

Quite simply, a company is its people. At Samsung, we're dedicated to giving our people a wealth of opportunities to reach their full potential.

Excellence

Everything we do at Samsung is driven by an unyielding passion for excellence—and an unfaltering commitment to develop the best products and services on the market.

Change

In today's fast-paced global economy, change is constant and innovation is critical to a company's survival. As we have done for 70 years, we set our sights on the future, anticipating market needs and demands so we can steer our company toward long-term success.

Integrity

Operating in an ethical way is the foundation of our business. Everything we do is guided by a moral compass that ensures fairness, respect for all stakeholders and complete transparency.

Co-prosperity

A business cannot be successful unless it creates prosperity and opportunity for others. Samsung is dedicated to being a socially and environmentally responsible corporate citizen in every community where we operate around the globe.

<http://www.samsung.com>

On top of implementing these codes of conduct in Samsung Group, they even went one step further and created five business principles to ensure the realisation of their codes of conducts.

Samsung Business Principles

<http://www.samsung.com>

It is truly admirable to see how much effort Samsung Group is putting to show how serious they are about strictly following their values. Once again, their global success is the very proof that shows they are working very hard to keep it realise their core values.

To simply put it, the company is a powerful influence on the country's economic development, politics, media and culture, being the major driving force behind the Miracle on the Han River. Due to this, many businesses today use its international success as a role model.

FYI: Miracle on the Han River refers to the period of highly accelerated economic growth, industrialisation, technological achievement, urbanisation, skyscraper boom, modernisation, globalisation and successful transformation from the ashes of the Korean War to a wealthy developed country that took place in South Korea beginning from the first Five-year plan in 1961 to the Global financial crisis of 2008-2009.

<http://en.wikipedia.org>

Objective of Samsung Group

When Samsung Group was founded, it was in at an age where people start a business to make a profit since during those times, there was not much competition. From here, I can conclude that Samsung Group started as a profit maximising business. Starting from 1951, it became a corporation and entered the global market in the 1980s. To broaden the business and diversifying the industries to get more customers shows that they changed their objective from profit maximisation to sales growth. We have to also keep in mind that every time there was recession, all the businesses in the world is will change their objective into survival so that they will not die out during the bad times.

During the sales growth, you will also notice that they have changed from food industry to electronic and heavy and engineering industry. They changed their products according to the age in order to make more sales. Doing this, they have kept up to the latest technology and make most of it to meet their objectives.

Their survival for more than 70 years shows that they made appropriate objectives to keep up to the current trends and become one of the best innovators in the world. To keep up with today's stiff competition and continuously introducing new products through research and development is a feat only the most committed businesses could accomplish for such a long period of time.

Impact of Stakeholders

Stakeholders are known to play a vital role in a business, be it from an employee, manager or even the supplier. I will take customers/consumers as an example to show how much a stakeholder influences how a business runs. Let us look into some points in the brief history I have provided:

- In 1951, Samsung Corporation was established**
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- In 1958 Ankuk Fire & Marine Insurance was acquired**
- In 1963 the first Shinsegae department store, a South Korean department store franchise, opened in Seoul and DongBang Life Insurance was also acquired with it**
- In 1964 Samsung established Tongyang Broadcasting Company (TBC), which is currently merged with KBS**
- In 1965 Samsung started a daily newspaper called Joong-Ang Ilbo**
- In 1966 Joong-Ang Development was established and currently it is known as Samsung Everland**
- In 1969 Samsung Electronics was established**
- In 1974 Samsung Heavy Industries was incorporated Samsung Petrochemical and established too and began the productions of washing machines and refrigerators**
- In 1976 the company was rewarded for their success by getting an export prize**
- In 1977 Samsung Precision Co. was established, now known as Samsung Techwin, started the exporting of colour televisions, and furthermore Samsung Fine Chemicals was also established. In addition to those two, Samsung Shipbuilding was also formed.**
- Samsung Group entered the global market in the 1980s**

- **Samsung Group evolved from a trade export of dried food, vegetables and fruits to Beijing and Manchuria to one of the world's best electronic companies**
- **Samsung Group contributes more than twenty percent to South Korea's exports and took the leading roles in many domestic industrial areas**
- **Samsung is known to be the world's most popular consumer electronic brands since 2005**

When we look into the history of Samsung Group, we can see that they made a drastic change from selling food industry to financial, chemical, retail and entertainment industries.

As you can see, Samsung Group has adopted the sales growth objective for a very long time. In order for a sales growth to be a success, it is vital that Samsung Group sells something the customer/consumer wants. They have to supply the customer/consumer with what they demand.

Demands for supplies change over the time and age. When Samsung Group just started, it was around the World War 1. During those times, people earned a living for basic survival; to have a place to live, food to eat and clothes to cover themselves. Hence, with that thought in mind, Lee Byung-chul, the owner of Samsung Group, started the business of selling and exporting food.

As you can notice, Samsung Group objective changed drastically after two major World Wars and started diversifying their products to different industries. Right from the very beginning, you can see that they were always trying to be the ones leading the innovation and always staying ahead of the competition.

For more than 70 years, they always did their research and tried to create products that the customers/consumers demanded. In order to do that, an R&D department was created.

The fruit of their hard work is the result of being one of the innovators for many years down the road.

From here, you can deduce that in order to form an outline of what kind of products that a company wants to sell depends on the targeted audience (customers/consumers). Hence, the core objective is heavily influence by what the customers/consumers demanded. Necessary steps can only be taken after taking necessary points have been taken into account.

There will be also cases where problems may arise due to productions of defect products. There were especially many cases of defect Samsung home appliances products in India. Cases like these will cause many customers/consumers being extremely dissatisfied with the products. However, negative feedback is even more crucial than positive feedback as it can help the business to realise where they went wrong and what measures to take in order to correct them. Hence, a customer/consumers evaluation and feedback is very important in order to improve and create a better a product. With this, I can conclude that a stake holder heavily influences a business, especially when it comes to decision making and introducing new products.