

Liandfung case study analysis

Business



Our key recommendation here is for Lie & Fun to reevaluate its past strategy and realign it more effectively. In the current situation, reduce costs by utilizing systems it already has in place and by targeting specific markets in such a way that they can experience potentially great reciprocal gains.

Recommendations 0 The first step that Lie & Fun should take in order to continue expanding its business and reach its target requires us to look back at factors that have successfully contributed to the current formation of Lie & Fun, namely through acquisitions.

Throughout its history, Lie & Fun has actively pursued and relied on acquisition to grow its business by expanding its supplier network and customer base.

While this was a great strategy in the past, continued implementation in this economic climate is risky and could impart devastating results. Thus, Lie & Fun should discontinue the acquisition strategy for now and implement a more natural or traditional evolution. In order to stimulate this more natural evolution of growth, Lie & Fun should focus on recalling its autonomy and its dustless approach on the entrepreneurial mindset. As the entrepreneurial mindset is one of the factors that led to so much of Lie & Fun's successful growth it should not be eliminated completely, but rather realigned.

Rewards and incentives should be kept in place but with more emphasis on encouraging managers to collaborate with other businesses in their area, all under the umbrella of Lie & Fun.

This strategy would strengthen the business and positioning of Lie & Fun businesses in various regions through cooperation, resource and strategy sharing. 0 Next, Lie & Fun should focus on its information technology system. In our opinion, this information technology system has been the backbone of Lie & Fungus successful management of so many business units around the world. This information system is already established and would require very little investment in order to amp it up a little to accommodate the aforementioned collaboratively-focused management style. The information system could smoothly and easily facilitate greater interaction between business models not only in the same region, but also around the world.

These business units should be connected through the information technology system which would facilitate greater communication and also more accurate monitoring, thereby encouraging greater efficiency and productivity. Coupled with he entrepreneurial nature of the business, managers could also be given incentive to collaborate with business units across borders to streamline processes, develop new business and create stronger synergy. 0 Lastly, Lie & Fun should maintain its focus on the US and Europe but, at the same time, also increases its focus on emerging markets. According to “ Exhibit 2: Lie & Fun Offices Worldwide”, Lie & Fun already has offices establish in a number of emerging countries.

In the current economic environment, demand is sure to come and has already been coming from these countries which used to be producers.

Lie & Fun needs to refit its current supply chain so that it is selling even in the countries where it is sourcing. We believe that this will lead to a situation

where the supply chain will have to move or at least become more expensive. Lie & Fun needs to accept this fact but understand that consumers will tolerate a higher supply chain cost in exchange for the supply of goods they want, when they want them. There is more of a focus on speed and availability. In conclusion, we believe that Lie & Fun is definitely well-positioned and capable to intention expanding its business and reach its target of IIS\$20 billion for the period 2008-2010.

By reevaluating its past strategy and realigning it to be more effective in the current situation, reducing costs by utilizing systems it already has in place, and by targeting specific markets in such a way that they can experience potentially great reciprocal gains, Lie & Fun is sure to have a bright future ahead.

2) Explore the growth opportunities available to Lie & Fun. Lie & Fun believes that the emerging markets of Brazil, Russia, India and China(Burl) re open to an avalanche of new merchandise from organized international retailers. In west economic powerhouses were Tulle, on ten toner nana, tenure are much chances in BRICK consumers. At present, GAP growth in China is above 10%, with India and Russian markets more growing at 8-10% and Brazil up 5%. Also, there are many populations total billion.

Especially, China is billion, India is about billion, Brazil is about billion, and Russia is 1 billion.

Through the above figures are closely BRICK market has determined that potential and growth. Also, the concept of China as the world's factory is well established. We are now going into the next wave though, which is China as <https://assignbuster.com/lifung-case-study-analysis/>

potentially the world's largest consumer market. Also, the urban population of China expected to increase from 40% to 50% by 2011, organized retail outlets and brands from overseas can prosper. Meanwhile, Lie & Fun in the European and U.

S. Markets high and mid market has maintained a policy. However, compared to Europe and the U. S. Due to low levels of GAP should expand into low-cost market.

Also, we should consider value added services. For example, Lie & Fun has the ability o provide designs to its customers and support them in marketing, on top of its traditional trading role. We also should reflect their own culture in BRICK when we provide products to consumers. In summary, like China, in BRICK market demands of consumers change radically and would become important consumers themselves forcing supply chain masters like Lie & Fun to source as well supply to these places. The company that activities may be focused in the future could be India, Brazil, China and Russia. These are the countries which are showing the fastest increase in demand growth.