

Business practice essay

[Business](#), [Management](#)



In this economic systems, business are owned by the state to make sure the business practice and investment will benefit the country, despite the outcome is often contradictory.

Command economy system also creates an environment where little motivation exists to improve customer service or introduce innovative ideas. The second challenge in order for Hairier to become successful in international business is because of the dilapidated infrastructure. Hairier is originally known as Kingdom Refrigerator Plant, an old refrigerator maker company. Before Ghana Ruin was appointed as the managing director of the company in 1984, the factory was a near-bankrupt enterprise with total loss suffered up to 1.47 million ARM. When Ghana Ruin entered the company, he had to find loans to pay the salary for total 600 workers of that company.

He had to borrow money from village farmers to cover up the worker's salaries as it is impossible to get credits from regional banks. The third challenge faced by Hairier is the poor management and lack of knowledge in international business environment. Hairier has been the first Chinese manufacturing company that start to internationalist aggressively without any prior international experience, that lead them to a failure. This can be seen when Harrier's entering the Indonesian and Yugoslavian market. Because of the poor management and lack of experience in international business environment, major political instability in that country had forced Hairier to shut down its operation in both countries. The fourth challenge faced by Hairier is the lack of quality control over its products. There was once when a customer bought a refrigerator from the company and soon after that, the customer complaint that the refrigerator is not working.

Ghana Ruin ask the customer to personally select to the refrigerator from 400 of total refrigerator they produced at that time to replace the faulty one. During the process, Ghana found that, there are 20% failure rates on their merchandise. QUESTION 2 : Discuss FOUR strategies that Hairier have implemented to compete in global business. The first strategy used by Hairier is by implementing aggressive managerial control veer quality assurance of their merchandise.

One of the strategies implemented by Ghana Ruin is, if defectives products were produced, the employee salary will be deducted by 20%. In order to avoid deduction in their salaries, employees are working hard to make sure that there is no defection in product that they produce. The second strategy implemented by Hairier is to expand internationally. When they become established and profitable in their home country, Hairier sought to expand internationally. In 1996, Harrier's begin their first Foreign Direct Investment in Indonesia, followed up by the Philippines, Malaysia, and Yugoslavia in 1997, and in 1999, they enter the Iran market. In 2000, they opened a production plant in South Carolina, in the United States, followed up by Bangladesh, Pakistan, and Italy in 2001. The third strategy that Hairier implemented in order to compete in global strategy is by creating Joint venture with a German company, the Libber Group. Hairier, also known as Kingdom Refrigerator at that time, under Ghana Ruin leadership, together with the Libber Group, had bringing refrigeration technology and equipment to the country.

The fourth initialization strategy implemented by Hairier is by using a very creative strategy. In order to increase its presence, Hairier had expanding into such remote regions such as Tunisia, Nigeria, Egypt, Algeria, South Africa, and Venezuela, or specifically going where many U. S. Multinationals are either hesitant or politically constrained.

Hairier also is currently proceeding with green product development in countries such as India in an attempt to penetrate the second largest market in the world. QUESTION 3 : Provide THREE different strategies that you could recommend to Hairier in order to compete in global business. The first strategy that Hairier could do is to maintain continuous brand building initiative in global market.

In order to compete in global business, Hairier must maintain and increase their product quality, adaptability, and flexibility, and also become a more customer driven/focused firm. Second strategy that Hairier could use is by making continuous innovation on their products. By having a research and development (R) activities and continuous innovation on their product range, Hairier will be able to compete and stay in global equities for a long time because they will always bringing a new innovation to their customers, which other companies don't have.