

Research paper on unicord plc company

[Business](#), [Company](#)



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Executive summary

Unicord Public Limited Company PLC, was initiated in 1978 and its headquarters at Thailand. The organization was set up with the objective of processing seafood and its' first attempt was to process tuna, a worldwide commodity that is consumed by many people. It specialized in manufacturing a wide variety of canned tuna and frozen seafood products and its' factory was located in Samutsakhon. Unicord PLC was the main manufacturer, producer, and exporter of canned seafood in Thailand before it was taken over by Sea value Co. Ltd on 15 September 2005, at that time the production capacity of the company was 400 tones per day, and capital of 520 million baht. The success of the company was majorly as a result of its' geographical location and its' proximity to the prime fishing grounds and also because of committed staff who were labor cost effective and a strong top management skills. With continuous operation of the company, it diversified its' products to include: pet food for worldwide markets,

wholesale exporter of frozen shrimp, and the distributors in turn sold it to restaurants and institutions under private labels.

Problem statement

Unicord PLC being one of the largest producers of seafood and the need to maintain its global objectives had several difficulties in its decision-making. How was it going to effectively maintain the market and at the same time be able offer low priced goods to its consumers? Dr. Dumri, the CEO and decision maker of Unicord was an intelligent business man but controlling imports and venturing into foreign markets was the greatest problem owing to the fact that there was many import restrictions, competition, and many environmentalist fighting for the conservation of nature.

Analysis

Business industry is one of the very challenging fields that require commitment and proper strategic planning by the management team. The fall of Unicord Company can be aligned to many causes: one, the Company had poor coordination of activities in its subsidiary stations. The subsidiary stations operated solely by means of corporate managers with minimal supervision hence being short sighted on the major objective of the company. This problem was attributed to the negligence by the board of directors to solely entrust one person on major decisions of the company. Although Dr. Dumri was the initiator of the firm, he needed support and advice on major decisions of the firm. Challenges are better solved when shared than when one person handles it alone. This is because ideas are shared and suggestions are made, with proper debating on new ideas the

firm can come up with a concrete solution which favors everyone and the economy at large (Sak & Shaw, 2004).

The environmentalists groups came up to defend the rise of dolphin killings. This was a critical issue in the foreign country and needed to be solved amicably. The group seeks to protect the aquatic lives and therefore had greater influence at the government level. For many years, the dolphins were killed and went unnoticed until late 1980s when the environmentalists reach out for their conservation. The government-introduced sanctions for those who were not obeying the rules and this reduce production of Tuna as many suppliers faced many restrictions in the prime fishing grounds. The problem was brought about by traditional methods used in fishing which did not conform to the conservation laws. Being a foreigner, there are many complications that a firm should undertake to be given full access to its operations, failure to which they can be expelled and loose many assets invested (Sak & Shaw, 2004).

The bumble bee acquisition was a great boost to the Unicord Company. This is because initially the company only sold the products to the United States as a foreign company, but this acquisition enabled them to operate internally and cut cost of tariffs. This could also see them improve sales since they were now close to the vast American market and definitely, the transportation cost would be minimized which in turn would increase the profits margin. The idea did not happen as it was expected, instead there was change of events; the local investors departed the country selling their fleets to foreign buyers and this led to introduction of embargo and it did not

favor the Thai tuna company. Thai financial institution had invested a lot of funds to Unicord but due to the restrictions imposed, they declined to help the company further hence causing them incur a lot of financial constrains and further loss of effective operations and downfall of then firm. Unicord in this case did not foresee this as a threat early enough due to their selfish interest of venturing into new markets and wanting to access the entire continent within a very short time (Nandi & Shahid, 1998).

In addition, business endeavors depend on proper utilization of resources and maintaining then company's goodwill. When the environmentalist group sorts the government's support on fight against dolphin killings, Unicord did not took the measures seriously, instead they just lied to the government and public that they had complied to the rules but doing the opposite by still using the rejected purse-seine fishing technique. The public in support for the movement purchase less of the tuna's products and this lead to reduced sales and increased rate of competition for the inadequate market resulting to drop in price of the tuna. The consequences were too much to bear and to fight for the losses, Unicord turn to the media and advertise their products claiming that they had complied with the environmental laws and regulations. The advertisements also deem increased expenses for the company and low returns, which were not favorable to the organizational objectives (Nandi & Shahid, 1998).

Competition is the other key factor that can never be ignored when it comes to business. Whenever a firm is on the verge, of success, other competitors emerge to derail the whole process and if not careful, the business will nose

dive without reverse gear. Unicord faced a lot of competition, which made their operations difficult. There were mother companies like the American tuna industries that had deep roots in the market and penetrating it was so problematic. This led to fluctuation of prices and slowed the growth rate of the Unicord firm.

Discussion of alternatives

For the growth and expansion of a business enterprise, there need to be proper rules and regulations. At any given point, the company's management needs to be checking the operations and formulate ways of overcoming difficulties. The set rules should be flexible and at the same time have the power and authority to be implemented within a stipulated time. Since the company is multilateral and operates across all the continents, the laws should be harmonized to suit all the investors and in particular, the major stake holders so as to stabilize their resources and maintained sustainability. The set rules should go hand in hand with the targets to be met by subsidiary companies in different countries of operation (Sak & Shaw, 2004).

The other alternative of solving problems is to embrace the diversity of ideas and share challenges. The decision making should not be left at the hands of one individual, man is to error, and everyone should accept corrections. Restructuring the hierarchy of needs of each country and working towards satisfying each separately is the best, i. e. the knowing the interests of a particular group and determining their wants depends on the openness of the top management and how each should be handled for people's likes and

likes varies from one country to the other and it's only upon the accommodating the directors opinions that their needs can be satisfied.

With new technological inventions in the market, the business industry should not be left behind. Applying modern technologies to manufacturing processes can be very beneficial and efficient. Unicord should have immediately used the acceptable methods of fishing other than purse-seine method. The legislation does allow the alternative method as long as it safe guards and protects the dolphins. This could have maintained the company's image, reputation, and goodwill hence gaining trust of the customers who are the company's major stake holders (Nandi & Shahid, 1998).

Recommendations

We are living in a fast moving world and to attain the globalization goals and objectives, I recommend that the international law organizations should come up with harmonized international laws and regulations governing the business industry and the economy at large. The laws should allow free movement of people and transfer of technology. This will also lead to great awareness and reduce cases of ignorance where individuals assume that they can do anything in other countries without facing legal action. The laws should have the power to protect and promote everyone's interests and reduces cases of hatred, racism, and corruption (Sak & Shaw, 2004).

Technology is very necessary for any organization to thrive in the world today. Unicord PLC has over the years faced the challenge of maintaining a good technological system, which is geared towards beating its competitors. The company should also implement the e-HR system which is powerful and

which it allows the company to manage its employees in an efficient and effective manner. The e-HR system is also a method of making work easier by making sure that the process of recruitment and arrangement of workers is concerned. This will enable the company to expand and operate in foreign countries with much easier coordination of activities and the general productivity of the company. Technology is a modern tool that should be used in all levels for continued success of any company (Sak & Shaw, 2004).

In addition, since this is a food industry, I recommend that the company should joint hands with the environmentalists and support the conservation of nature. So instead of just harvesting the tuna it should determine other techniques of multiplying them by carrying out research and analyze how they can be made to mature faster hence avoiding the issues of destroying the young ones and the dolphins. The management should also ensure a conducive environment for the workers and promote team work by motivation and rewards to make them loyal and committed to their work (Sak & Shaw, 2004).

References

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