

# Htc company analysis

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HTC Corporation (originally High Tech Computer Corporation) is a smart phone manufacturer founded in 1997 and based in Taiwan, as an outsourcing company. HTC Corporation prides itself on offering open source mobile phones which are easy for both developers and users, and has quickly established its reputation as a leading company behind many of the markets most popular operated branded-devices. According to the HTC profile on the Wikipedia Online Encyclopedia HTC retains approximately 13,000 employees.

They follow the typical tall organizational structure with many layers between workers and the CEO. It is highly centralized: top decisions are made by the CEO of the company. HTC Corporation has launched several major HTC- Branded products on the international market with the intention of becoming the leading innovative supplier of mobile information and communication devices. In fact, HTC Corporation was the first on the

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international market to offer the Android mobile device platform through its HTC Dream hardware, marketed as the T-Mobile G1 model.

In support of this, HTC Corporation has expanded its technological and marketplace strength through partnership with major player Microsoft and leading mobile phone operators of Orange, O2, T-Mobile, Vodafone, Cingular, Verizon, Sprint and NTT DoCoMo (“ HTC. Com”). Most recently in Australia, HTC Corporation launched its three latest handsets- HTC Snap, HTC Touch Diamond2 and HTC Touch Pro2 to add to its 11 devices currently in the Australian market. The new technology founded in these highly popular products is designed to be finger-touch friendly, with improved mobile integration technology, and dual microphone and speakers.

The HTC Corporation’s newest feature is the “ inner circle” which allows the users to bring emails from a preselected group to a top of their inbox, making business on the go even easier (“ mobile. com”). HTC Corporation Product Innovation includes: Open Handset Alliance Smartphone S Series ( Smartphone) T Series (Touch Phone) P series (PDA Phone) X Series ( Mobile Computer) A Series ( Android Phone) According to the source of mobile. com, HTC now specializes in providing its own and other operator branded products in addition to its original equipment manufacturer partners.

HTC has a subsidiary company, Dopod, a Taiwan-based manufacturer of Windows Mobile Smartphones. As a company, HTC Corporation has gone from strength to strength, with HTC receiving recognition as the second-best performing technology company in Asia in 2007 by BusinessWeek, and the number three spot in its Global Listing in 2006. Running head:

## **HTC Corporation**

The size of the corporation can be classified in two ways: (I) by revenue and (II) by market capitalization. According to the report from Taiwan Economic News, HTC's Market Capitalization has recently climbed to \$438 billion. Also the corporation shipment and revenue continues to grow to \$9. 449 billion.

## **Company Perspective**

Their mission is to become the leading supplier of the mobile information and communication devices by providing value added designs, world-class manufacturing and logistics and service capabilities. HTC continues to establish a high volume manufacturing facility and its focus on high wireless capability. They intend to develop a software team capable of creating a world class consumer and business application that will enhance the value of their hardware.

HTC is dedicated to the belief that each mobile device needs to fit its owner. Their goal is to make a product of observing, honoring how individuals choose to interact with a technology. Their mission is to strengthen the relationship through innovative design strategies and sophisticated branding initiatives (" HTC. com") HTC's vision is to address the communications and administration needs of a professional organization of all sizes with intuitive platforms and sophisticated branding initiatives. Their focus is to make people's lives easier through mobility and convenience. They want users to be able to talk to friends and relatives, read books and access the internet on one device. With their smartphone they have started to see this vision come true (" HTC. Com"). HTC's values: Excellence in everything they do

Commitment to clients, brands, projects and industry. Honor in dealing with clients, suppliers, employees (“fastcompany.com”)

## **Culture at HTC**

HTC prides itself on its cutting-edge technology and innovative spirit. From studying its own website, HTC's culture is competitive and diverse.

Under the “Careers” tab, nine different employees' pictures are featured with a video advertising HTC's appeal as an employer. Five of the nine employees pictured are women; three are women of color, and all nine employees appear to be under the age of 40. HTC's culture is hip, diverse, and fastpaced. The video stressed that technology is constantly improving and the “best idea” rather than the “biggest title” moves forward. This shows that the culture at HTC values creativity and competition (“HTC.Com”).

HTC makes annual donations to the Social Welfare and Charity Foundation or Educational Foundation. This foundation funds leadership and character training for elementary, junior high and senior high students, cosponsors local community development and urban cultural revitalization efforts, targets the special needs of disadvantaged groups, and provides disadvantaged children opportunities to further their academic careers. The HTC Foundation established the nation's first institute dedicated to character-building and English training in the Hualien's Meilun District.

The institute provides character-building and English enhancement curricula free of charge to fourth grade elementary school students from around Hualien County. In addition, the Foundation offers scholarships for children

with special financial needs and financial aid to low-income families and sponsors after-school tutoring programs. Each year, Foundation disbursements benefit over 2, 000 youth from disadvantaged families both in Taiwan and overseas (“ HTC. Com”).

## **HTC Strategy**

HTC Corporation uses a differentiation strategy to attract customers looking for more choices.

HTC expects differentiation product in terms of innovation and execution. They focus on innovation and execution to enhance product proposition and offer consumers a variety of products. When they think of increasing the quality and the variety of the product, they first consider what the customer will value. They are offering a wide range of product lines to outperform their competitors like Apple and Nokia. HTC has produced an amazing number of phones, all of which have an impressive array of applications and features. They do have the cutting edge when it comes to hardware, but if a consumer can't afford these more expensive versions HTC's older models (like the Hero) are still well built and functional. In addition, HTC offers a variety of body forms and builds, including some devices with physical keyboards (“ htc. com”).

## **Financial Position**

To shadow on the financial stability of the HTC CORP I used liquidity ratio and leverage ratio. The liquidity ratios measure the company's ability to cover its expenses. The two main liquidity ratios I used to analyze the company's

financialhealthare current ratio and quick ratio (“ investing. businessweek. om”).

- The Current Ratio is a reflection of financial health. It is the number of times company’s current assets exceeds the current liabilities, which is the indication of the solvency of that business. The formula to compute the current ratio is Using the earlier Balance Sheet data of the HTC CORP, we can compute the company’s current ratio as 1.3 times This tells us that the current liabilities are covered by current assets by 1.3 times. The HTC CORP is able to cover their short term expenses which are meant to be covered with in a period of one year.
- The Quick Ratio is also called the acid test ratio.

This is because it looks at the company’s most liquid assets and compares them to current liabilities. The quick ratio tests whether a business can meet its obligation even if adverse conditions occur. The formula to compute the quick ratio is: Assets considered being quick assets include cash, bonds, stock, and accounts receivable. Using the Balance Sheet data of the HTC CORP, we can compute the quick ratio of the company as 1.5 times. This indicates that the ratio is considered satisfactory, as long as the collection of the receivables is not expected to slow.

So the HTC CORP seems to have adequate resources to cover its debts. In order to identify the long term coverage of the company, we are focusing on one of the main leverage ratios. Leverage ratio measures the stability of a company and its ability to repay its debts. These ratios are of particular interest to banks. They should be of interest to shareholders as well since it

gives the strong indication of the financial health and the viability of the business.

- The Debt-to Equity Ratio is a measure of how dependent a company is on a debt financing as compares to owners equity it shows us how much of a business is owned and how much is owed.

The Debt-to-Equity ratio is computed as follows: Using the Balance Sheet data of the HTC CORP we can compute the debt-to equity ratio: Times Since the Debt-to-equity ratio is greater than 1, i. e. , (1. 8 times), the capital provided by the lenders exceeded the capital provided by the owners. But because of the greater ratio it has high risk defaults too. It varies with the type of business and the risk attitude of management. Year over year HTC has been able to grow over their bottom line from \$29 billion to \$59 billion primarily through revenue growth (\$142. 9 billion to \$277. 7 billion).

For a while the costs associated with cost of goods sold, and income tax all increased as a percentage of sales, the growth in top lines revenues contributed enough to still see net income. HTC Corporation uses little or no debt in its capital structure and may have less financial risk than the industry aggregate. Accounts Receivable is typical for the industry, with 58. 31 days worth of sales outstanding. Lastly, HTC Corporation is among the least efficient in its industry at managing inventories, with 30. 39 days of its Cost of Goods Sold tied up in Inventories (“ investing. businessweek. com”). Therefore the overall financial tability of the corporation is stable and healthy. They have adequate resources to cover their debts and unforeseen uncertainties.



## My Career at HTC

Yes, HTC could be good place to obtain my firstcareeroriented-position. HTC is the part of the global market that breeds flexibility, new technologies and innovation. It will create a platform for the new opportunities to explore and do creative things. I fit the HTC profile of being young, educated and a global citizen: while growing up in Kashmir and going to college in America, I've relied on technology and most recently, my own smartphone, to navigate my day. I would bring creativity and a fresh perspective to HTC's worktable.

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