

Case study on lincoln electric

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Lincoln Electric Case

Lincoln Electric is the largest manufacturer of welding equipment in the world. Founded in 1895, Lincoln Electric leads the world in design, manufacture and development of arc welding products, robotic welding systems, and oxyfuel cutting equipment. Lincoln's mission is to retain the global leadership as a total quality supplier of superior products and services. The vision for Lincoln Electric is to be the international leader in quality welding and cutting products with new products and services, shareholder value, and global sales volume.

One of the external opportunities Lincoln has is investing in a factory in the country of Indonesia. This Indonesia investment would open up a lot of opportunities for Lincoln to reach their goals. Indonesia has a very large population of two hundred-fourteen million, which means a lot of consumers. Indonesia is also a large market of welding products, the demand is high and the country is growing fast and would need much more developed machines in the future. The threats that Lincoln Electric faces is the international competition and the technology that is used for the welding products.

The core competencies of Lincoln Electric is the incentive system which consists of four key components. The first one I got is piecework, which is paid employees on the number of pieces and the quality that they produced. Annual bonus would be another one. Annual bonus awards the employees according to their contribution to the company performance in terms of output, ideas, cooperation, dependability and quality. Lincoln gives limited benefits by giving workers more cash wages and bonuses than fixed

benefits. The last one would be guaranteed employment. Guaranteed employment allows a worker to work more efficiently, if that worker is assured of his job. Lincoln Electric also wants to be known as a family-oriented company that way it's a better work environment and can relate to consumers better. All these core competencies created an environment of trust and where workers could bring forth newer ideas that would help the company.

A generic strategy that looks like it would fit with what Lincoln Electric is trying to do would be focused differentiation strategy. Focused differentiation strategy is an action plan the firm develops to produce goods or services that a narrow group of customers perceive as being unique in ways that are important to them.

This strategy fits the best to me because Lincoln is trying to invest in a factory in Indonesia. Indonesia is a huge population with a lot of competition in that area, so if Lincoln is looking in to moving into Asia they need to put there focus on the consumers there. I feel there core competencies will work in the Indonesia environment. I would say they should get to know that culture first and implement a traditional management of Indonesia, which would be a better fit to that culture and it will reduce risk.