

## **BU5601 TUTORIAL 1 & 2 GUIDE** for Semester 2, AY21-22

### **CASE STUDY: WECARE INTERNATIONAL (FOR TUTORIAL 1 & 2)**

(This is a fictitious company, based loosely on information about real companies.)

Wecare International (“Wecare”) was founded in Singapore in 1980 as a trading company and today is a healthy lifestyle company with a network of over 1,200 stores in more than 30 countries worldwide. In Asia, it is most famous for its high-quality massage chairs for home use, as well as a range of healthcare products from air purifiers, and fitness equipment, to health supplements. The company founder, Mr Mark Tan, is the CEO.

Before he founded Wecare, Mark Tan got to know many people in diverse home appliance and trading companies throughout Singapore and Asia. He took every opportunity to socialize with the people he had met. In the 1980s, he met an established manufacturer of massage chairs in Japan. He discussed the benefits of selling these chairs in the Singapore market for both the manufacturer and Wecare and, eventually, they formed a partnership.

Today, Wecare has long-standing relationships with some of the best design experts in the world. Wecare works closely with these designers to make sure that their products suit customer needs in a given geographical market. For example, for massage chairs, size considerations vary according to the countries where they will be sold. In Hong Kong and Singapore, where apartments tend to be smaller, the chairs are not as bulky as those sold in North America.

Wecare’s overall strategy is to provide premium healthcare products that appeal to a certain type of customer: One who wants the best products that money can buy. In its marketing, Wecare uses a famous Hong Kong actor to promote the brand, emphasizing its superior experience for the customer. Competitors can produce similar products to Wecare, but they do not have the brand image for high quality that Wecare’s products have.

In Wecare’s retail stores, staff are well-trained in knowing how to best store, take care of, and maintain their products at home. In fact, they are called Wecare consultants who provide free advice to customers on these matters. Customers are also encouraged to call Wecare’s 24/7 hotline number for advice on the use and maintenance of products after they have bought them.

Recently, the Executive Management team had high hopes for the production and sales of “MyCare”: a state-of-the-art massage chair of the highest quality. The management team knew it would be expensive to produce, so they decided it would be sold at a premium price, targeting at a certain segment of their existing customers, as well as new customers. Wecare projected that they could sell at least 1000 chairs in the first year and achieve 20% growth after that.

In 2017, Wecare commissioned a design team based in Japan and, after 12 months, the design was sent to a factory in India where a special production team was selected to produce the chair. Employees were managed in a way that highlighted how each employee was contributing personally to a luxury product that would be sold around the world. A Total Quality Management (TQM) process was used to monitor the quality of the product.

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When the MyCare massage chair was released for sale in April 2018, it did not sell as well as expected. After two months, Wecare's management team was informed that a competitor had put a similar massage chair onto the market about the same time, at a lower price. The management team discussed how to market the MyCare chair more aggressively. The immediate answer was to use television and social media advertisements with their famous actor commenting on all the features of the new chair. They hastily put together a promotional campaign to emphasize the superior quality of the MyCare chair.

Sale figures remained low for the rest of 2018, and eventually the management team decided to stop development of the chair and sell the remaining chairs which they had in stock at a lower price, in order to clear the stock.

Mr Mark Tan felt personally responsible for this poor outcome. Mark Tan is described as someone who lives, eats, and breathes Wecare! He always wants the best for the company, and most of the time, the company's strategies do succeed. However, Mark Tan is very humble and never takes credit for the successes of the company. Instead, he is quick to praise the work of colleagues or a regional office or a team. He is not proud or arrogant, despite the company's overall success. He insists that his employees are paid well, and he makes sure they enjoy good working conditions. There is an internal award system that recognises staff achievements (such as customer compliments and successful sales).

There are also generous company perks for employees, such as 20% staff discounts on all products sold in the retail stores. Employees who show potential for taking on other job roles or responsibilities are given the opportunity to do so, supported by mentors who are senior people within Wecare. This mentoring system supports their personal and career development.

As Wecare grows bigger, it is becoming more of a virtual network. It already outsources design to independent firms, and it gets its products manufactured by existing manufacturing companies capable of producing high quality goods. Soon, other specialist organisations will take over other functions (eg. staff recruitment and training, legal, and accounting), leaving Wecare to focus on its core business of marketing and selling its premium products through its large network of stores. This business is best carried out by a series of teams who are each responsible for marketing and selling the products in a geographical region.

To assist in providing the best possible customer experience in the retail stores, Wecare is working with I-Robotics to develop a virtual assistant robot that can be used in stores and a companion program online. In both cases, customers will be able to interact easily with this virtual assistant, so that it can direct them to the product range that best matches their needs. Armed with tablet computers, in-store sales assistants can act as sales consultants straight away. Instead of asking "How can I help you?" a sales consultant can discuss and demonstrate the features of the product(s) that most interest the customer. Wecare's CEO says this is an exciting and innovative new area of using technology in retail.

### **END OF CASE STUDY**

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### TUTORIAL QUESTIONS

Before each tutorial, please answer the relevant questions indicated below in a Word document titled tutorial\_1\_yourname (tutorial\_2\_yourname etc.). You are to submit your Tutorial Answers into the relevant Turnitin Folder in the Assessment folder in the NTULearn site. "Turnitin" is a software program that will check your submission against every written document (including websites) on the worldwide web! It will show up any significant overlap between what you have written and what is elsewhere on the web (including all past and present university assignments). If the overlap is high enough to suggest "plagiarism", your instructor will have a serious talk with you! Please make sure that your Tutorial Answers are *your own work*!

Note that you are required to complete and attach the "Cover page for Tutorial Answers" to the front of a Word Document that has your answers to the case study questions.

Your Tutorial Answers will be used as the basis for group discussions, so please do your assignment before each tutorial.

Some of the questions are based on application of management concepts to the case study, while some require you to do extra research or thinking about other situations.

#### **Tutorial 1 (Covers Lecture 1 – Management and Managers)**

Q1. Describe how each of the four (4) functions of management was used in relation to the design and development of the MyCare massage chair.

Q2. From the case study, using Mintzberg's managerial roles, cite the examples of the roles that CEO Mark Tan and his Management Team in bringing success and also managing incidents.

#### **Tutorial 2 (Covers Lecture 2 and 3)**

##### Lecture 2 – Organisational Environment, Globalisation, Ethics and Social Responsibility)

Q1. Wecare operates within an external business environment that includes a "task environment" and a "general environment". Identify two (2) elements in the task environment, and one (1) element in the general environment, in which Wecare operates in Singapore. Explain how each element influences Wecare's operations.

Q2. Based on your understanding of Wecare's business model, using the 4 level of Corporate Social Responsibility model (Criteria of Corporate Social Performance), propose a Wecare's CSR strategy.

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Q3. Referring to the evidence presented in the case, make an inference on the type of corporate culture of Wecare. Describe the CEO Mark Tan's cultural leadership.

### Lecture 3 – Managerial Decision Making

Q4: The design and development of the MyCare chair were not effective. Using information from the case study, identify three (3) steps in the 6-step decision-making process for this product that were not done well. Suggest one practical way in which the Wecare executive management team could have completed each step more effectively.

Q5: What are some reasons that managers, and people in general, make poor decisions? Provide one personal example of poor decision that you have previously made. Explain what caused you to make that poor decision and suggest some ways that can help you to prevent such bad calls in future. (Hint: Make use of the theories that were covered in the lecture.)