**INDIVIDUAL CONSULTANCY REPORT**

# Executive summary

The report aims at discussing various threats relating to the Operational management (OM) of Samsung. Operations management refers to administering business thought, practices, frameworks and policies which are aimed at bringing the highest efficiencies in the organisation. The OM policies in an organisation aimed at converting the raw materials and labour into products and services with the adoption of efficient means and techniques which will help the company to maximise its profit. The report has discussed various critical issues which are being faced by Samsung. The report provides an overview of issues which are causing hindrances in the OM of Samsung. This report will critically analyse various issues which are causing hindrances in OM of Samsung. The issues which have been critically identified in this report are rising input costs, lack of skilled manpower, logistics delays or supply chain disruptions and improper inventory management. The report also focuses on providing various recommendations and solutions which can be adopted by Samsung to enhance its OM efficiency. The recommendations made in this report consist of sourcing of raw materials and other factors of production from other vendors and suppliers at a concessional rate. The report recommends the usage of AI tools in order to increase the efficiency of Samsung in its supply chain process. The report emphasises Samsung setting up training institutes near its factories and sites, which will impart vocational education and training programmes. Through the establishment of vocational schools, Samsung will be able to create skilled manpower as per their industries. These recommendations may help the company in mitigating its OM threats. Which will ultimately lead to the growth and prosperity of Samsung.

**Table of Contents**

[Executive summary 1](#_Toc133007716)

[Introduction 3](#_Toc133007717)

[Issue identification 3](#_Toc133007718)

[Recommendations 4](#_Toc133007719)

[Conclusion 5](#_Toc133007720)

[Reference list 6](#_Toc133007721)

# Introduction

The report aims at discussing the critical issues which are being faced by a company to manage its operations. The report will also help to identify the critical issues which are faced by organisations while managing their operations. The report will help in delivering various recommendations which will be feasible operational solutions and analytically sound measures which will help the company in improving its operational management (OM) practices. The report will aim at offering a value proposition to its customers. The company on which the report is based is Samsung. The report will analyse the critical issues which are being faced by Samsung. The report will have various recommendations and solutions which can be adopted by Samsung in order to improve its OM efficiency.

# Issue identification

Issue identification is an important factor which is to be considered by a company in order to ensure OM efficiency. Proper identification of the critical operational issues being faced by an organisation helps the management to frame policies and strategies which could help in minimising operations management threats. The adoption of feasible operational solutions helps the company to adopt operational management efficiency (Reid and Sanders, 2019).

**Rising Input Costs**

One of the OM threats to Samsung is the rising input cost. Rising input costs are an important management threat which disrupts the smooth functioning of the company. Samsung has been affected by rising input costs, which is becoming a threat to this global technological giant. Rising input costs have affected the sales of the company. Rational consumers always aim at spending less and receiving good products(Ngoc and Binh, 2019). Due to the rising input costs the selling price of companies' products is increasing as a result of which consumers are shifting to less expensive products offered by substitute companies(Boehm and Sonntag, 2023).

**Lack of skilled Workforce**

The lack of skilled labourers is an important threat to the company OM. Samsung is a global technology company which requires skilled manpower to undertake its operations. The lack of skilled labour has hampered the operational efficiency of Samsung in many developing and underdeveloped countries. The unavailability of quality manpower has hampered the production process and innovation in various countries. Facing the heat of skilled labour shortages in many countries has led to a decrease in the profit and sales volume of the company. Samsung due to these critical management issues has been unable to set up its operation in various countries(Kurt, 2019).

**Logistics delays or supply chain disruptions**

Logistic delays and supply chain disruptions are significant management threats which hamper the operational efficiency of the company. Samsung is not an exception to this OM threat. This is a significant reason which has stagnated the growth of the company. |The company has to depend on numerous vendors and suppliers to source raw materials. Non-receipt of raw materials at a certain period delays the total production chain. The companies are unable to deliver products as per the specified time of customers. This leads to a decrease in the brand image of the company(Alabi and Ngwenyama, 2023).

**Improper inventory management**

Inventory management is an important process which is to be adopted by the management of any company in order to operational level efficiency. This has affected the global technology giant company Samsung. Samsung has been facing the heat of these issues due to the piling up of unsold stocks in its godowns. On the technological front consumers always prefer new and technologically advanced products. Piling up obsolete stocks has minimised the profit of the company (Srivastava and Kumar, 2020).

# Recommendations

This part of the report emphasises the recommendations to the company in order to mitigate its OM threats:

Samsung can conduct a market survey on the quality of raw materials being offered by other vendors and suppliers at a reasonable rate. The company will get in-depth knowledge regarding alternative materials offered by other suppliers which will help the company to source and procure quality materials at a lower cost. This will decrease the cost of production of Samsung, which will help this multinational technological giant to achieve its goal of profit and sales maximisation. Offering quality products to consumers at an affordable rate will help the company to maintain its brand image, position and market. Adoption of procuring raw materials at a considerable rate from alternate vendors and suppliers will help in improving the OM efficiency of Samsung(Bi *et al*, 2019).

*Setting up of vocational training centres and colleges*

Samsung can set up schools and training centres near their factories and plants which will help in imparting skills and knowledge to the local people. Training people as per companies' own requirements will help in getting the required and desired work performance from their employees. This will help Samsung to develop new and innovative products. Through the adoption of this policy, the technology company will be able to penetrate into untapped market areas which will ultimately increase the profit of the company. Samsung by adopting training programs will be able to develop and skill manpower according to their industrial needs. Adoption of the aforesaid process will help in mitigating OM issues persisting in the company, which are becoming a major cause of hindrance and barrier in the growth of the company (Delbanco, 2023).

*Bringing automation into the supply chain process*

The company can bring operational efficiency by adopting automation in its supply chain and logistic process. This will help Samsung to mitigate the OM issues arising out of disruptions in the supply chain process. Samsung can involve Artificial intelligence in the supply chain process which will reduce the dependence on manpower. The adoption of AI tools will help Samsung to get an overview of its total supply chain process which will help the management to adopt and take steps arising out of the disruption in the supply process. This will help Samsung to offer products to customers on time. The adoption of AI tools and automation will help in bringing efficiency and effectiveness to the production process, which will ultimately help Samsung to bring OM efficiency (Fatorachian and Kazemi, 2021).

# Conclusion

The report aims at concluding the various OM threats which are being faced by the global technologically giant company Samsung. The report critically analyses various issues and concerns which are becoming a cause of OM threat. The report helps in providing various recommendations to Samsung, which can be adopted by the Company in order to bring efficiency and efficiency in its OM. The recommendations in the report will help in mitigating various OM threats to the company.

# Reference list

Alabi, M.O. and Ngwenyama, O., 2023. Food security and disruptions of the global food supply chains during COVID-19: Building smarter food supply chains for post COVID-19 era. *British Food Journal*, *125*(1), pp.167-185.

Bi, J.W., Liu, Y., Fan, Z.P. and Zhang, J., 2019. Wisdom of crowds: Conducting importance-performance analysis (IPA) through online reviews. *Tourism Management*, *70*, pp.460-478.

Boehm, J. and Sonntag, J., 2023. Vertical integration and foreclosure: Evidence from production network data. *Management Science*, *69*(1), pp.141-161.

Delbanco, A., 2023. *College: What it was, is, and should be*. Princeton University Press.

Fatorachian, H. and Kazemi, H., 2021. Impact of Industry 4.0 on supply chain performance. *Production Planning & Control*, *32*(1), pp.63-81.

Kurt, R., 2019. Industry 4.0 in terms of industrial relations and its impacts on labour life. *Procedia computer science*, *158*, pp.590-601.

Ngoc, T.T.B. and Binh, D.T., 2019. Vietnam's Electronics Industry: The Rise and Problems of Further Development. *Humanities & Social Sciences Reviews*, *7*(4), pp.01-12.

Reid, R.D. and Sanders, N.R., 2019. *Operations management: an integrated approach*. John Wiley & Sons.

Srivastava, K., Kumar Choubey, D. and Kumar, D., 2020, March. Implementation of Inventory Management System. In *Proceedings of the International Conference on Innovative Computing & Communications (ICICC)*.