Strategic Management

Student Name

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Sing Tao News Corporation

Sing Tao News Corporation is listed news company listed in Hong Kong. The company operates business of media ownership and services, human capital management and broad content and distribution services (Li & Lui, 2005). Sing Tao news corporation majors mainly on media related operations such as newspapers, magazines, recruitment, books and content services. Sing Tao News Corporation’s main objective is to become a leading news corporation serving all Chinese globally. The company was formerly known as Global china group holdings limited until 2002 when it was changed to Sing Tao news corporation to better represent their course as media institution that focuses in providing the Chinese people quality and worthy news content (Li & Lui, 2005). The company is listed in Hong Kong’s stock exchange and the company recorded a market capitalization of $2.28 billion according to 2010 financial report.

There are numerous challenges that Sing Tao News Corporation faces in the media industries in china’s market. The major challenge Sing Tao news corporation faces is competition, which has made it difficult for Sing Tao News Corporation to expand their services to the Chinese people (Stone, 2000). Competition in the Chinese market has increased as technology advances and new methods of reporting news content to the people of china has developed. This has encouraged many small and medium companies such as south china morning post, television broadcast limited and Asia television. However, Sing Tao have managed to counter new market entrants in the media industry in china with incorporating new technologies within the Sing Tao News Corporation (Salaman, Storey, & Billsberry, 2005).

The company’s strategy in managing the rapidly increasing competition and advanced technology is to incorporate new technologies such as the adoption of computer systems and upgrading of information technology department (Rugman & Verbeke, 2003). The company has also employed new information technology staff who are well trained and aware of the technology advancement in the industry. These new team in the technological sector within Sing Tao news corporation have been able to make significant changes within the organizations. Sing Tao is now able to keep up with current information speed, which is essential in the delivering effective services to the consumers (Stone, 2000). Sing Tao is also able to keep in touch with various level of Chinese communities with the adoption of the new computer system.

Sing Tao News Corporation have also seen significant growth since the adoption of the new systems within its operations. As a result, the company have developed branches in various regions in china, which has enabled it to receive real time information and updates on current events in those regions (Li P. , 2008). The growth of the company have also enabled Sing Tao News Corporation to build a strong relationship with the consumers, especially the youth. The cost of investment has also reduced as the computer system make Sing Tao News Corporation spend less in human power. The system can perform more efficiently and only make employees more productive in doing their services.

Since the incorporation of the new computer system within the operation of Sing Tao News Corporation, the company’s competitive advantage in the media industry has improved. The company is among the most competitive media station in the Chinese market (Rawnsley & Rawnsley, 2003). the competitive advantage of Sing Tao news corporation have also increased the marketshare for the news group as more new customers are tuning to Sing Tao news corporation for receiving up to date information on the current local and global news content (Hutcheon, 2010). Information technology have affected not only the user’s productivity but also the operations of different subsidiaries of Sing Tao group.

Strategic issue

Despite the numerous advantages, sing Tao News Corporation have faced difficulties of continuously maintaining the 1200 computers that are connected with every network of sing Tao News Corporation (Hitachi Ltd, 2007). Because of the difference in configuration, operating system, installation set-up, office this system and business applications are installed because of numerous purchase of data over a long period. In order to ensure the productivity of the user’s and all operations of different subsidiaries of sing Tao News Corporation (Hoskisson, 2010). The system and the information technology department need to be continuously updated to ensure real time information.

The sing Tao News Corporation’s finance and information technology have found it difficult to manage information system and technology assets (Hill, Jones, & Schilling, 2014). This is because the information technology devices and application system are continuously changing and have a short life cycle. It is therefore essential for the sing Tao News Corporation to ensure that their system are continuously maintained to ensure productivity and high performance. The sing Tao News Corporation requires the system in order to stay ahead of the corporation. This means sing Tao News Corporation are faced with challenge of ensuring that their hardware configuration and operating system are installed (Haberberg & Rieple, 2008). The company is also challenged to ensure configurations and legitimate software applications are well updated whenever required. These have slowed operations, which has led to the reduction of productivity of the user’s and other subsidiary company.

The stiff competition of the media industry in Hong Kong and china in general makes the upgrade of information system challenge a major strategic issue that requires to be addressed (Fung & Lee, 2010). According to the sing Tao’s chief executive officer, the company have failed to come up with a strategic solution on how to better approach the upgrade of the information system and its department. In its strategic approach, the company wants to set a very high requirements for the overall information technology system, but failed to come up with the best approach to ensure these happens (Fung A. , 2002 ). In addition, the company has a large number of information technology staff as compared to the information technology system. Therefore, this creates the problem of human resources, effort, cost and time.

As the result of the increase competition in the market, any failure to develop a strategic approach in ensuring that information technology is compliant with updated information on time can hurt the corporation’s earnings (Freeman, 2010). Therefore, sing Tao News Corporation hopes to ensure that it will come up with the best strategic approach to enhance information technology compliance, stability and security level with minimum personnel involvement. This problem have affected the sing Tao News Corporation in terms its competitive position in the media industry in Hong Kong (David, 2014).

In order to ensure that the company gains its competitive advantage in the market, the company must be willing to acquire desktop management software is that will tailor the company’s performance in the market. The change in technology on computer system devices makes it difficult for the company to adjust to the high competition posed by other new upcoming or already existing media corporations (Choo & Bontis, 2002). Sing Tao News Corporation can enjoy numerous opportunities from the change in information technology in the media industry. Sing Tao News Corporation will be able to reduce its cost of the services, which will focus the company on maximizing shareholder’s value (Fung & Lee, 2010). Cost associated with human resources allocation, cost of acquiring information and cost of accounting for the company’s finances are able to be reduced significantly and increase profits.

Strategic management questions

Question 1: What External Changes Affects Sing Tao News Corporation?

Sing Tao News Corporation is affected by the change in the technology where computer system require to be updated due its short life cycle. The change in information technology in the media industry affects the sing Tao News Corporation’s performance in the media industry. The change information technology and computer system in the media industry encourages stiff competition in the media industry, especially in Hong Kong where technological advancement is high (BurgeSmani, Christensen, & Wheelwright, 2004 ). Stiff competition in the market limits the capability of sing Tao News Corporation to expand due to inadequate marketshare to increases the revenue of the news group.

Question 2: what are the opportunities sing Tao News Corporation will have from this external situation?

Change in information technology can create opportunities for Sing Tao News Corporation through exploring new markets for the company. Advanced technology creates new markets in the media industry such as availability of the internet and smartphones. Sing Tao News Corporation is able to discover new ways to reach out to consumers without involving more human resources (Barney & Clark, 2007). Technology also enables sing Tao News Corporation to reduce its costs as new technological gadgets such as computer system and its software applications are easy to acquire and makes information technology staff more efficient in their work.

Sing Tao News Corporation will have the opportunity to improve the quality of how they produce their information content to their audience. Using computer system in the media industry will make information easier to acquire in real time basis. This is because as technology improves, consumers taste and preferences on the type of information they get also changes, which makes it, provide sing Tao News Corporation and opportunity to diversify their content to satisfy different type of consumers (Hitachi Ltd, 2007).

Question 3: what are the threats that sing Tao News Corporation will be facing because of this external situation?

In the media industry, failure to keep up with the technological advancement in the industry can affect sing Tao news corporation financial position and performance in the market. This is because the productivity of the staff will reduce since every activity will have to be done manually. Computer systems require to be continuously updated because every software applications have a short life cycle (Hitachi Ltd, 2007). This means that un-updated computer system will be using old software system, which will reduce employee’s effective and efficiency in how they work.

Furthermore, sing Tao News Corporation will reduce its competitive advantage in the media industry if they fail to keep up with the changes in technological advancement in the industry (Hitachi Ltd, 2007). This is because change in technology in the media keeps every firm ahead of competition because of the numerous benefits that come with it. Therefore, lack of investment in changes in technology within sing Tao News Corporation will mean that the corporation is using out of date computer system, which are slow and reliable in maintaining accurate data processing due to the high purchase of data over a long period.

Conclusion

The change in technology is a common practice in the media industry and sing Tao News Corporation is greatly affected. The company requires adopting a new information technology assets that can help the company grow and expand its marketshare in the industry (Li & Lui, 2005). The high competition that other new and old firms in the media industry can also affect sing Tao News Corporation if the company fails to implement the appropriate strategic approach.

Competition in the media industry also requires internal change in how sing Tao News Corporation operates in the industry. The change in technology in the media industry requires sing Tao News Corporation to adopt new computer systems that will enable the company to effectively and efficiently deliver its services to clients. Sing Tao News Corporation will also be required to continuously update its computer system and upgrade its information technology department. The human resource in sing Tao News Corporation is required to be streamlined to match the 1200 computer system available in the news corporation (Li & Lui, 2005).

In order to work efficiently, sing Tao Corporation have strategized to improve the information technology efficiency of the operation. This is because the information technology administrators were focused with telephone and onsite troubleshooting support-handling systems, which were repetitive, and most of the incidents were simple (Hussey, 1994). This affected the operational efficiency and cost effectiveness. Sing Tao News Corporation is also strategizing to enhance the capability of the management of information technology inventory. This is to eliminate the dozen and time-consuming information technology audits, which strained information technology staff. The staffs were to conduct manual inventory audits, which mostly focused on hardware machine counting.

The most important aspect in ensuring effectiveness of information technology in sing Tao News Corporation is by strengthening the security management of information technology operation environment (Li & Lui, 2005). This means that the software patches and virus list should be updated on a timely basis in respond to increasing virus attacks that have been slowing down sing Tao news corporation’s operations.

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