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You will be submit solution of the given problems within 2000 words in a pdf or doc file. You may include banner, poster, leaflet etc. in an additional for the promotional purpose of your solution.

Submission Form: <http://bit.ly/33zPNQW>

Problem Description:

"X" Co., Ltd. is a Chinese multinational technology company that provides telecommunications equipment and sells consumer electronics, including smartphones and is headquartered in Shenzhen, Guangdong province.

X has deployed its products and services in more than 170 countries, and as of 2011 it served 45 of the 50 largest telecom operators. Its networks, numbering over 1,500, reach one third of the world's population. X overtook Ericsson in 2012 as the largest telecommunications-equipment manufacturer in the world and overtook Apple in 2018 as the second-largest manufacturer of smartphones in the world, behind Samsung Electronics. It ranks 72nd on the Fortune Global 500 list. In December 2018, X reported that its annual revenue had risen to US\$108.5 billion in 2018 (a 21% increase over 2017).

Although successful internationally ,has X faced difficulties in some markets, due to cyber security allegations—primarily from the United States government—that X's infrastructure equipment may enable surveillance by the Chinese government. Especially with the development of 5G wireless networks (which China has aggressively promoted), there have been calls from the U.S. to prevent the use of products by X or fellow Chinese telecom ZTE by the U.S. or its allies. X has argued that its products posed "no greater cyber security risk" than those of any other vendor and that there is no evidence of the U.S. espionage claims. Nonetheless, X pulled out of the U.S. consumer market in 2018, after these concerns affected the ability to market their consumer products there.

As of the end of 2018, "X" sold 200 million smartphones. They reported that strong consumer demand for premium range smart phones helped the company reach consumer sales in excess of \$52 billion in 2018.

"X" announced worldwide revenues of \$105.1 billion for 2018, with a net profit of \$8.7 billion. "X"'s Q1 2019 revenues were up 39% year-over-year, at US\$26.76 billion.

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X's Moto

Customer First Attitude

Strong leaders provide a sense of purpose to their people, and “Mr. Founder” is no exception. His first and foremost concern is the customer. Many companies adopt a customer-focused attitude, but how many of them truly live it? “X” distinguishes itself from the competition in this regard. In our conversation, “Mr. Founder” mentioned repeatedly how in the early years of “X” everyone in the company had to turn their eyes to the customers and their backs to the bosses. For example, several years ago an institutional investor delegation led by Stephen Roach, chief economist for Morgan Stanley, visited the “X”’s headquarters in Shenzhen. Such visits were usually made by venture investors hoping to get a buy-in to “X”. “Mr. Founder” asked Fei Min, his executive vice president of R&D, to entertain the delegation. Later, Roach said, in disappointment, “He was rejecting a team with \$3 trillion.” The explanation by “Mr. Founder” was quite telling: he told us that he would meet any customer in person, no matter how small they were, but that Roach was not a customer.

Another example of this customer-first attitude comes from another early episode in their history that’s since become something of a company legend. In desert and rural areas in China, rats often gnawed the telecom wires, severing customers’ connections. The multinational telecom companies providing service at that time did not consider this to be their problem, but rather that of the customer. “X”, in contrast, viewed the rat problem as one the company had the responsibility to solve. In doing so, they acquired extensive experience in developing sturdier equipment and materials – such as chew-proof wires – which helped them later on to gain several big business accounts in the Middle East, where similar problems stymied the multinational firms.

Since then, there have been other projects where “X” experienced severe climate challenges, such as building the highest wireless communication base station in the world (6,500 meters high on Mount Everest) and building the first GSM network within the Arctic circle. These, too, have helped acquire useful knowledge. For example, when “X” expanded their 3G market in Europe, they noticed that European carriers expected base stations to be more compact, easier to install, greener, and more energy efficient, while offering wider coverage. Based on these customer needs, “X” became the first company to launch the concept of distributed base stations that enables radio access for large to small private networks. This innovation made it cheaper for carriers to deploy base stations, and was popular with European carriers.

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Employee dedication

"X" emphasizes that the only way to obtain opportunities is through hard work. For example, in the early years of the company, every new employee was given a blanket and a mattress. Many of them would work late into the night, then sleep in their offices, perhaps taking a catnap during lunch again the next day. As one "X" employee said: "The pads were to us a representation of hard work in the old days and this idea has now been translated into the spirit of being dedicated to do the best in anything we do".

Knowing that a dedicated and committed work force makes companies more competitive is not a too difficult concept to understand. The way to promote dedication and make it accepted by its employees – as it is the case in "X" – is, however, a more difficult nut to crack. "X" does it in part with the type of incentive performance system the company employs. "X" is not a public company, and is in fact owned by the employees. "Mr. Founder"'s shares account for nearly 1.4% of the company's total, and 82,471 employees hold the rest (as stated in "X"'s 2014 Annual report). This employee shareholding system is referred to within "X" as the "silver handcuff." It is a system that is different from the more common stock option arrangement, which is often termed the "golden handcuff." The idea underlying this scheme is that "Mr. Founder" wants to share both responsibilities and benefits with his colleagues. As he puts it, he wants everyone to act like the boss. Important to note, however, is that that only those who perform well enough qualify to participate.

There's a shared belief within the company that an IPO would result in only a few people getting very rich, and the majority losing their motivation. "Mr. Founder" has emphasized that avoiding an IPO and hewing to the current employee-ownership structure is what helps the company maintain a strong collective fighting spirit.

Long Term thinking

The employee-ownership arrangement not only helps "X" attract and retain dedicated employees, but also allows the company to plan for the long term. "Mr. Founder" has also credited it with allowing them to stay close to their goals and long-term vision. For example, "X" plans the development of the company by decade, whereas most of their competitors such as Ericsson and Motorola plan it by financial quarter or year. Being privately held has allowed "X" to work on its 10-year plans, while its competitors struggle to follow near-term fluctuations of the capital market.

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For example, "X" has introduced the use of a rotating CEO system in which three deputy chairmen take turns acting as CEO for six months each. At the same time "Mr. Founder" maintains his oversight role, acting as a mentor and coach for the acting CEO. This innovative management structure is inspired by a book on new leadership called Flight of the Buffalo (authors James Belasco and Ralph Stayer). While it will make the company less vulnerable if one chief fails or derails, it's hard to imagine a publicly held company getting away with such an unusual plan.

Gradual Decision-Making

"Mr. Founder" is known for avoiding quick decisions and forcing himself to take time to reflect. His company reflects these traits. Again, he ties this in part back to their ownership structure: it keeps the decision-making power under company control – no outside investor will gain relative control over "X". As we've seen, they have much more freedom and less pressure from the market to consider their next steps to take. Their system of rotating CEOs helps support a gradual, more democratic decision-making process. It also helps "Mr. Founder" make a gradual decision about his ultimate successor.

"X" also emphasizes what they call "the power of thinking." The company philosophy is that the most valuable thing is the power to think. For example, efforts are made to ensure that intellectual exchange happens as a matter of routine. Executives are urged to read books outside their area of expertise and books have to be present in each office. Furthermore, ideas are communicated frequently to every employee by both senior executives and "Mr. Founder". Importantly, however, and demonstrating the international character of a once-Chinese company, feedback is always invited across the company to improve those ideas that will ultimately feed the future vision of the company.

As many people know, "Mr. Founder" is a man with an army background – he served in the People's Liberation Army – an experience he credits for his drive to fight and survive, qualities that are reflected in one of his favorite slogans in the early days of "X": We shall drink to our heart's content to celebrate our success, but if we should fail let's fight to our utmost until we all die .So far, "X" has had many successes to celebrate.

Current situation:

In August 2018, the National Defense Authorization Act for Fiscal Year 2019 (NDAA 2019) was signed into law, containing a provision that banned "X" and ZTE equipment from being used by the U.S. federal government, citing security concerns. "X" filed a lawsuit over the act in March 2019, alleging it to be unconstitutional because it specifically targeted "X" without granting it a chance to provide a rebuttal or due process.

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On 15 May 2019, the Department of Commerce added "X" and 70 foreign subsidiaries and "affiliates" to its entity list under the Export Administration Regulations, citing the company having been indicted for "knowingly and willfully causing the export, re-export, sale and supply, directly and indirectly, of goods, technology and services (banking and other financial services) from the United States to Iran and the government of Iran without obtaining a license from the Department of Treasury's Office of Foreign Assets Control (OFAC)". This restricts U.S. companies from doing business with "X" without a government license

Various U.S.-based companies immediately froze their business with "X" to comply with the regulation, including Google—which removes its ability to certify future devices and updates for the Android operating system with licensed Google Mobile Services (GMS) such as Google Play Store, as well as Broadcom, Intel, Qualcomm, Microsoft, Xilinx and Western Digital. The German chipmaker Infineon Technologies also voluntarily suspended its business with "X", pending "assessments". It was reported that "X" did have a limited "stockpile" of U.S.-sourced parts, obtained prior to the sanctions.

On 17 May 2019, "X" voluntarily suspended its membership to JEDEC, as a temporary measure, "until the restrictions imposed by the U.S. government are removed". Speaking to Chinese media, founder "X" accused U.S. politicians of underestimating the company's strength, and explained that "in terms of 5G technologies, others won't be able to catch up with "X" in two or three years. We have sacrificed ourselves and our families for our ideal, to stand on top of the world. To reach this ideal, sooner or later there will be conflict with the US."

Kevin Wolf, an international trade lawyer and former assistant secretary of commerce for export administration during the Obama administration, argued that "X" could not even use the open source Android Open Source Project (AOSP) code, as it could fall under U.S. trade regulations as technology of U.S. origin because Google is the majority developer. In China, it is normal for Android phones (including those of "X") to not include Google Play Store or GMS, as Google does not do business in the region. Phones are typically bundled with an AOSP-based distribution built around an OEM's own software suite, including either a first-party app store run by the OEM (such as "X"'s own AppGallery) or a third-party service.

- A) State a one year contingency plan for X to sustain the current situation without effective the future of the company heavily.**
- B) Fully describe a 5 year long business plan to get back the lost position in the market.**

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