



UNIVERSITI PUTRA MALAYSIA

SONY TECHNOLOGY (M) SDN BHD : A CASE STUDY

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SONY TECHNOLOGY (M) SDN BHD



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Sony Technology (M) Sdn Bhd a case study / Choo Choon
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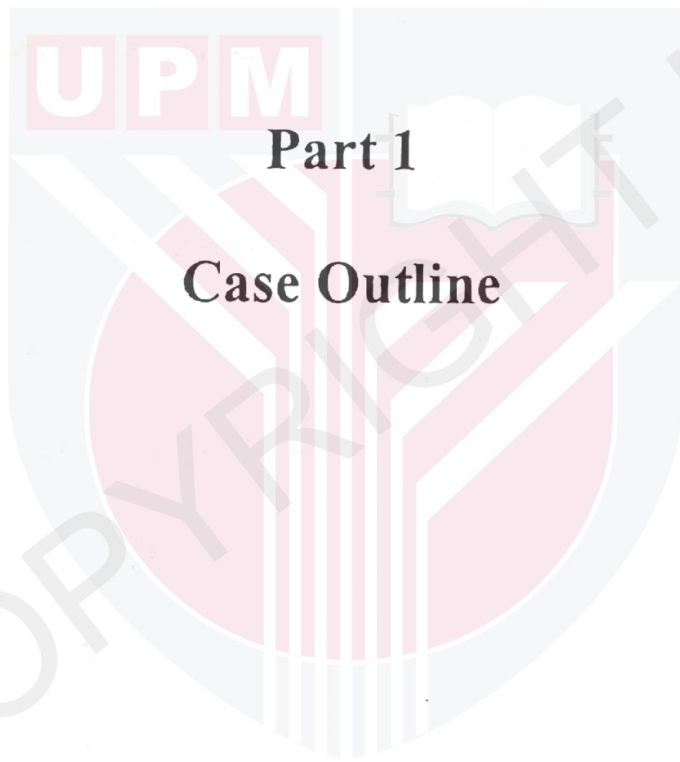
I would like to take this opportunity to acknowledge my respectable supervisor *[Name]*, for all the guidance and advice in all phase of this case. Her patience, trust and enthusiasm are deeply appreciated.

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Yours truly,



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CHOO CHOON HOONG



Part 1

Case Outline

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Table of Content

| | Page |
|--|-------------|
| Acknowledgment | |
| PART 1: Case Outline | |
| 1.0 Introduction | 1 |
| 2.0 Company history | 3 |
| 3.0 Company Vision | 4 |
| 4.0 Second half action plan meeting | 6 |
| 4.1 Production Division | 7 |
| 4.2 Material Division | 9 |
| 4.3 Human Resource Division | 10 |
| 4.4 Finance Division | 11 |
| 4.5 Market Survey Division | 12 |
| 4.5.1 Economy | 13 |
| 4.5.2 Market Competition | 13 |
| 4.5.3 Technology | 14 |
| 4.5.4 Political | 15 |
| 4.6 Design Division | 15 |
| 4.7 Market Quality Assurance Division | 17 |
| 5.0 End of Action Plan Meeting | 18 |
| Appendix 1: History | 19 |
| Appendix 2: Corporate profile | 20 |
| Appendix 3: CTV yearly production quantity | 21 |
| Appendix 4: Sony TV Share to Malaysian CTV manufacturing Industry 2000 | 22 |
| Appendix 5: Sony Technology Organization Chart | 23 |

Sony Technology Malaysia Sdn Bhd

1.0 Introduction

On Monday 12th February 2001, Mr. Nakamura, who is the company director walked into Encik Shafix's office, the corporate planning manager and ~~who is the~~ chairman for the second half action plan meeting, asked him regarding the preparation for the second half action plan meeting. Mr. Nakamura gave a gentle smile to Encik Shafix and asked, "How is the preparation for the meeting?" Encik Shafix stood up from his chair and said, "Mr. Director, for this meeting, everything is going smoothly, so I think I shouldn't have any problem for this meeting ^{scheduled for} ~~run on this~~ 15th February." And he added, "I already inform all the departments ^{al} heads by e-mail to attend this meeting with their presentations."

Mr. Nakamura was satisfied with Encik Shafix preparation and invited him to the canteen to have a cup of coffee. On the way to the canteen, Encik Shafix asked a question to Mr. Nakamura, "Sir, What do you think our second half production since the economic in Malaysia was slowing down?" He added, "can we still be number one in TV production, where at the same time Sony Shanghai and Panasonic production cost is lower than us?" Mr. Nakamura was silent and thinking of the questions that Encik Shafix asked.

After paying their drinks, they sat in a non-smoking area and Mr. Nakamura started to speak, "well, yesterday I just received a fax from headquarter (HQ) saying that they have to transfer some of our current model to Sony Shanghai in July." Encik Shafix

just wondered why and asked, “^{is it} ~~it is~~ because ^{of} our production capacity problem or because ^{will} ~~of our~~ high production cost matter?” he added, “ So what happen to our production, it is ⁿ decrease our production quantity or HQ will give us another business?” Mr. Nakamura replied, “ I think because the production in Sony Shanghai is cheaper than us. According to the director in Japan they said the production in Shanghai was around 10% to 15% cheaper than us, this mainly is because the labor cost in Malaysia nowadays is getting higher and higher. During the conversation also the Japanese director also confirmed that they give us the new business, for example in June headquarter will give us the broad business, where we assembly the automation inserting process here and then shipped out to other Sony plants.”

Before leaving the canteen, he reminded Encik Shafix also on the preparation for the HQ Corporate planning director visit to our factory on 16th February, the day after the meeting. He added, “ See you on Thursday and hope the meeting can finish on time, because I need to rush to the airport to take the director from HQ at 7.00pm.” Instantly, Encik Shafix knows very well what the big boss wants. As he came back to his office, he opened the e-mail to send a reminder to all the department heads again regarding the Thursday meeting and HQ Corporate planning director factory visit on Friday. In the mail he stressed all the director should be on time for the meeting the also informed them to keep the office and the factory cleanliness during the visit.

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