

**A Management Research Paper for
HUAWEI TECHNOLOGIES
COMPANY LIMITED**

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EXECUTIVE SUMMARY

In today's business world, companies are increasingly looking for flexibility, cost savings and efficiency in the business applications they acquire. The increased competition has driven companies to look for new ways to succeed and remain competitive. In this IT led business environment, staying on the cutting edge of new technology and innovatory customer services modes act as an enabler for companies to gain effectiveness and efficiency to face the competition.

Strategic management is the comprehensive collection of ongoing activities and processes that organizations use to systematically coordinate and align resources and actions with mission, vision and strategy throughout an organization. Strategic management activities transform the static plan into a system that provides strategic performance feedback to decision making and enables the plan to evolve and grow as requirements and other circumstances change.

Strategic management means planning business to the utmost. It involves setting goals and creating in-depth, step-by-step methods by which one can achieve these goals. Anything and everything that the business requires to achieve success needs to be incorporated into its strategic management. It is a comprehensive process that is lengthy but ultimately rewarding.

Huawei Technologies Co. Ltd. is a China-based multinational networking and telecommunications equipment and services company headquartered in Shenzhen, Guangdong. It was founded in 1987 by ex-military officer Ren Zhengfei and formed as a private company owned by its employees with an initial registered capital of RMB21,000(US\$3,000). Its core missions are building telecommunications networks; providing operational and consulting services and equipment to enterprises inside and outside of China; and manufacturing communications devices for the consumer market.

Huawei has over 140,000 employees and recorded revenue of 240 billion CNY (37.5 billion USD) and profit of 29.4 billion CNY (4.6 billion USD) in 2013. Its products and services have been deployed in more than 140 countries and it currently serves 45 of the world's 50 largest telecoms operators. It is the largest telecommunications equipment maker in the world, having overtaken Ericsson in 2012.

Based on the external and internal assessments, the researcher tabulated, analyzed, and interpreted the results of the strategic and long-term objectives of Huawei. Formulation of strategies was presented which is in line with the corporate mission-vision statement. In terms of strategy formulation, it was clearly presented through analyzing the TOWS Matrix, and IE Matrix. Afterwards, the recommended business strategies were formulated. The competitive advantage of Huawei was

given which is basically summarized the market and product penetration strategy in the long run.

Different action plans were shown in order to achieve its strategic objectives. Finally, strategy evaluation, monitoring and control were established. Huawei expanded its business with dramatic speed and kept sustainable and effective growth in the past two decades. However, it is in a fiercely competitive market and struggles with other multinational and local companies. As said by Ren Zhenfei – CEO of Huawei, “If we are complacent and stand still just for three months, we will be erased from history. We survive till today because we have been embracing self-criticism since a long time ago”. In this research paper, the writer tried to assess and investigate this company in multidimensional and used tools and methodology on strategic management analysis. The study is a mixture of theoretical and empirical researches. Although this search paper is for a Chinese company, it is a good reference for a company in the Philippines because China and Philippines are both emerging markets in Asia. Philippine companies can learn the successful experience from China’s economic development and growth of companies.