



Strategy and Leadership

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Hyoungkwan Kim, PhD, PEng

School of Civil and Environmental Engineering

1885

Case Study: Nissan Motor Company

Nissan has been among the top 3 Japanese Automakers.

By 1999, with huge debt and declining market share, it needed a major shake-up.

In 1999, Renault with Carlos Ghosn paid \$5.4 billion for Nissan (44% ownership)

3 year plan, NRP (Nissan Revival Plan): purchasing cost slash (by 20%), savings reinvested for products for customers (right mix of cars and trucks), and integrated manufacturing (cutting the suppliers number in half)

Visionary leadership with clear objectives

Profit for 2003 were \$4.6 billion on \$68 billion revenues

Strategy is a moving target: NRP, NISSAN180, NISSAN Value Up

Profit for 2007 were \$6.91 billion on \$94.62 billion revenues (May, 2008)

Case Study: Nissan Motor Company (Cont'd)

The US auto sales in Feb. 2009, compared to Feb. 2008
(Wall Street Journal, Mar. 4, 2009)

General Motors:	- 53 %
Ford Motor:	- 48 %
Chrysler:	- 44 %
Toyota:	- 40 %
Honda:	- 38 %
Nissan:	- 37 %
Hyundai:	+ 1.5 %
Kia:	+ 0.4 %

In Jan. 2009, US auto sales dropped 37.1%; only Hyundai and Kia rose 14.3% and 3.5%, respectively. In Apr. 2011, a 9.4% of market share was secured by Hyundai and Kia.

Why Hyundai and Kia?
Insurance program
Genesis
"We are bargain"

Case Study: Nissan Motor Company (Cont'd)

What does this tell us?

Strategy Development Procedure

1. Establishing purpose
2. Environmental scanning
3. Formulating strategy

Establishing Purpose

- Mission:
a succinct statement of purpose
- Vision:
a projection of realistic aspirations matched to core strengths and emerging opportunities
- Core values:
a self-imposed code of ethics

Mission

- **Our mission is to educate leaders who will contribute to humanity in the spirit of "truth and freedom."**

Vision

- **Yonsei launched the bold campaign of "Yonsei Vision 2020: Yonsei, the First and the Best", to confirm our status as a world-class education and research institution.**

Bechtel Corporation

Vision

- **To be the world's premier engineering, construction, and project management company.**
- **Customers and partners will see us as integral to their success.** We will anticipate their needs and deliver on every commitment we make.
- **People will be proud to work at Bechtel.** We will create opportunities to achieve the extraordinary, and we will reward success.
- **Communities will regard us as responsible—and responsive.** We will integrate global and local perspectives, promote sound management of resources, and contribute to a better quality of life.

Values

- **Building on a family heritage that spans more than 100 years, we will continue to be privately owned by active management and guided by firmly held values.**
- **Ethics.** Uncompromising integrity, honesty, and fairness are at the heart of our company.
- **Excellence.** We set high standards. We apply advanced technology, and we continually innovate and improve. We thrive on challenge and accomplishment.
- **Fair Return.** We earn a return that fairly rewards the value we deliver.
- **Mutual Respect.** We work by our leadership covenants, which encourage openness, teamwork, and trust. We value an inclusive culture based on diverse backgrounds, experience, and views.
- **Safety.** Zero accidents is our unwavering goal—people's lives depend on it.
- **Sustainability.** We plan and act for the future—for the long-term good of our company, our customers, and our world.

Environmental Scanning

- MicroMediform, Inc. : A Lasting Impression
 - Founded as a family business in the early 1970s
 - Specializes in placing patient records in microfilm
 - In 1980s, annual average growth of 20%, 00 ROR
 - In 1995, the tide turned
 - By 2001, \$1 billion in debt; stock: \$80 to 80 cents
 - During bankruptcy protection, lean Six Sigma effort
 - The company was eventually sold cheap
 - What was wrong?
- Open Systems Thinking

Environmental Scanning (Cont'd)

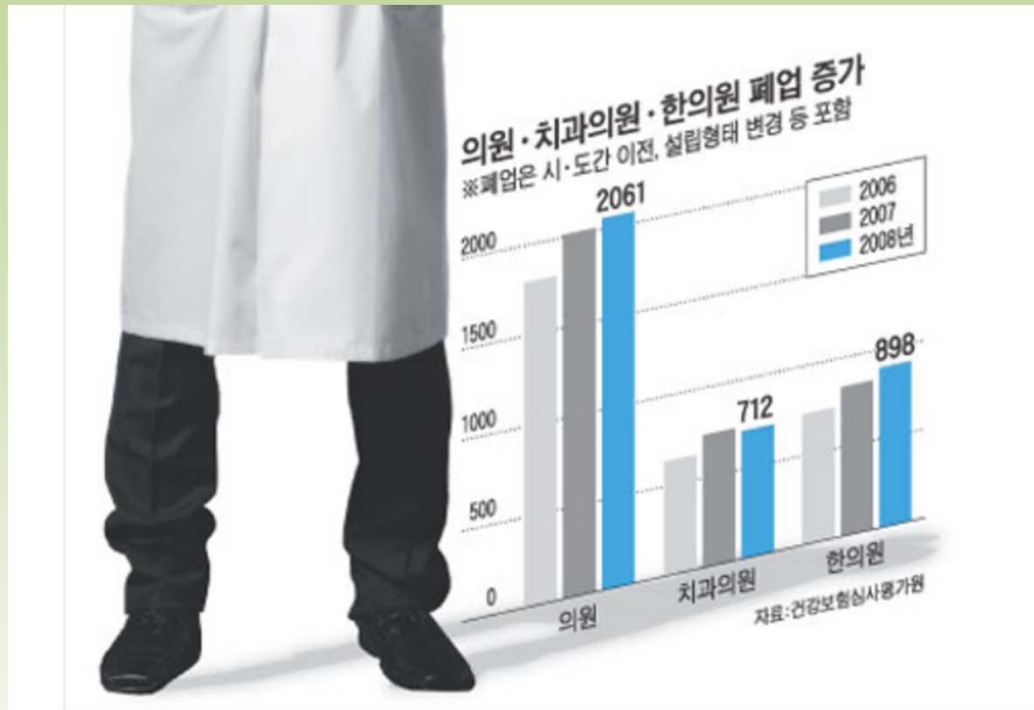
- Customers
- Competitors
- Social, political, legal, and economic conditions
- Resources
- Future

SWOT Analysis for Yonsei Engineering

	Helpful	Harmful
Internal	Strengths <ul style="list-style-type: none">•World class students•World class faculty•World class alumni•Best reputation in Korea	Weaknesses <ul style="list-style-type: none">•Expensive tuition•Lack of educational space•Lack of research facilities
External	Opportunities <ul style="list-style-type: none">•Songdo campus•R&D funding increase•Emerging fields	Threats <ul style="list-style-type: none">•Globalization•Engineering only universities

- A great strategy is focused, divergent, and have a tag line

Collapse of Privilege (Medicine)



◆망하는 의사들

경기 침체와 치열한 경쟁에 의사들 역시 힘든 시절을 맞고 있다. 의사 수는 매년 3000여명씩 늘어나는데, 의원급 의료기관 폐업 건수는 2006년 1795건에서 지난해 2061건으로 불어났다. 특히 산부인과·소아청소년과·외과·가정의학과 등은 의원 수 자체가 줄어들고 있다.

조선일보, 2009년 3월 7일

Collapse of Privilege (Law)

변호사 1명 모집에 118명 지원

<변협신문> 변호사업계 불황 집중 조명... 한달에 2~3건 수임, 브로커 유혹 노출

05.01.26 15:30 | 최종 업데이트 05.01.26 18:07

 이운영 (lawpeople)

 태그등록

사법고시만 합격하면 '영감' 소리 듣고 개업만 하면 돈 벌던 시절은 옛 말인가? 변호사업계의 불황이 심각하긴 심각한가 보다.

대한변호사협회(협회장 박재승)가 격주로 발행하는 <대한변협신문> 24일자 1면에도 이러한 위기를 반증하 듯 '변호사 불황 허덕인다'는 제목의 톱기사가 실렸다.

이 기사는 수출입은행에서 변호사 1명을 구하는 데 118명이 지원해 은행관계자들을 놀라게 했다는 이야기로 시작한다. 또 경제 불황에 변호사간 경쟁이 어려움을 부추겨 대기업, 시민단체, 금융기관 등의 변호사 채용 공고에 수백명의 변호사들이 몰리고 있다고 봤다.

오마이뉴스, 2005년 1월 26일

Collapse of Privilege (Engineering)

Civil Engineers' Example

- **1970's**

Master Degree -> University Professors

- **1980's**

2 years' overseas job -> An Apartment in Kangnam

- **1990's**

Professional Engineering License -> A Minimum Income of W100,000,000

- **2000's**

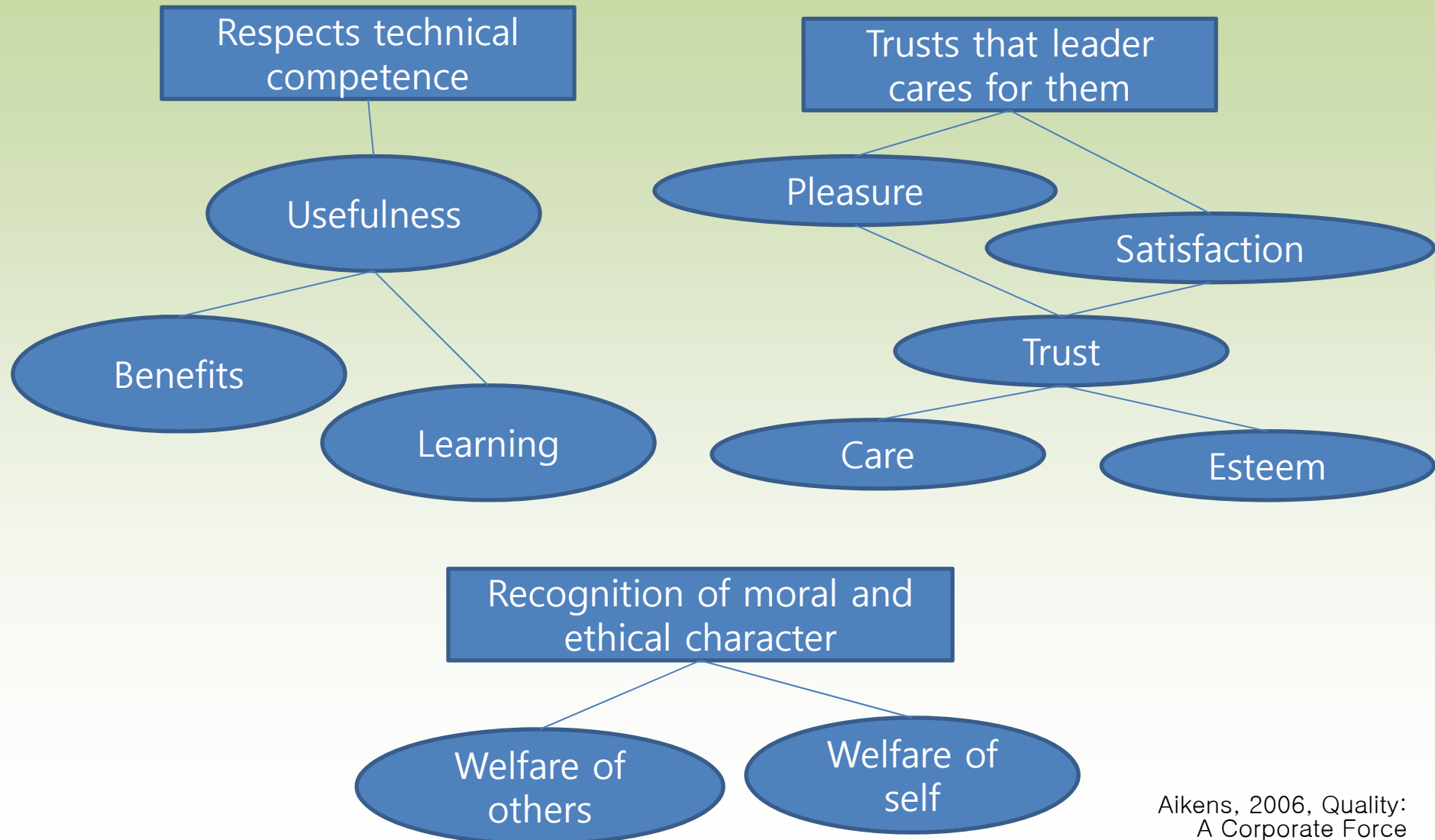
Professional Engineering License -> A Monthly Bonus of W300,000

Want to be a leader?

Do I want to be a leader?

Do I even have a choice?

Why People Follow a Leader



Aikens, 2006, Quality:
A Corporate Force

Leadership Skills

- A sense of timing
- Ability to enable
- Advocate for change
- Vision: positive outlook; see problems as merely stumbling blocks or as challenges to be overcome
- Empathy
- "Anyone can be a leader if he or she chooses to serve others first, is humble, and has a heart full of thanksgiving" - Jo Ann Brumit
- Leadership skills can be taught

Preparation for Future

1. Internal Review -> Understand Who I Am
2. Review of Realistic Constraints
3. Fair Prediction of the Interested Field
4. Personal Vision Setup
5. Discovery of Passion