



Strategy and Leadership

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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% 3.5%, respectively.

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

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

- 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

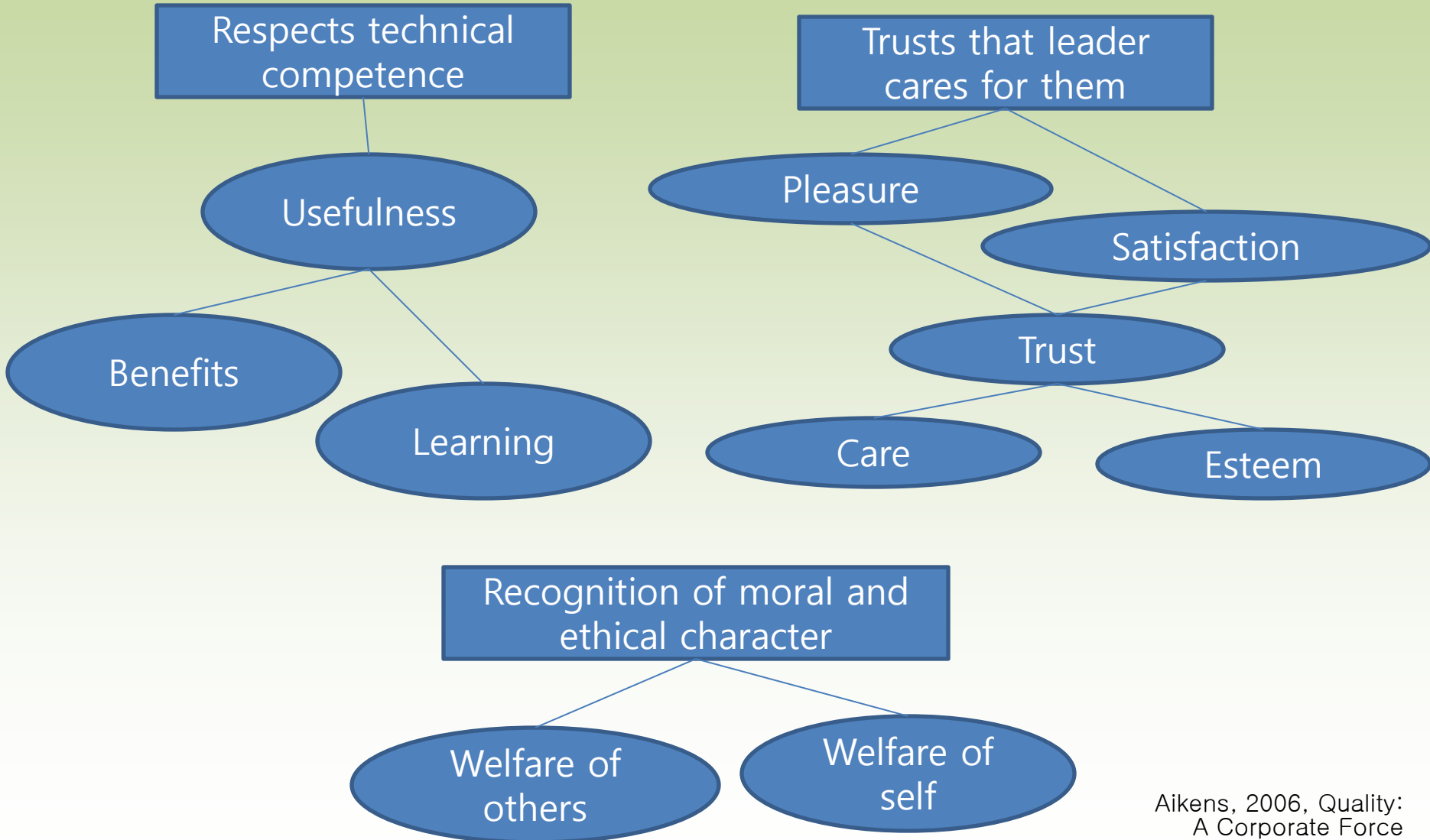
- A great strategy is focused, divergent, and have a tag line

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