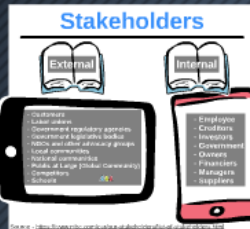


Foxconn Technology Group (A)

A.K.A. Hon Hai Precision Industry Co., Ltd



Products & Services

Hon Hai Precision Technology Co., Ltd is engaged in the research, development, production and sale of electronic, computer and consumer products (PC products). It is also engaged in the manufacture of notebook computers, mobile phones, printers, network cards, digital cameras, sensors and navigation game consoles. Hon Hai Precision Technology Group is a leading manufacturer of electronic products for global and Chinese manufacturers (Apple, Dell, HP, Acer, Sony, Microsoft, etc.).

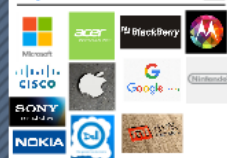
About Hon Hai

Guided by a belief that the electronic products would be an integral part of everyday life in every village and in every home, Terry Gao founded Hon Hai Precision Industry Company Ltd. For over 20 years, Hon Hai Precision Technology Group has been committed to providing the latest "total cost" solutions to increase the affordability of electronic products for all mankind.

Advice to Top Management

- Workers must be informed about the payment plan.
- There should not be excessive overtime.
- There should be healthy working conditions in the provision. Workers should not be persecuted on the floor work.

Major Customers



PESTLE ANALYSIS

Political: The government has a strong influence on the business environment. The government has a strong influence on the business environment. The government has a strong influence on the business environment.

Economic: The economy is a key factor in the business environment. The economy is a key factor in the business environment. The economy is a key factor in the business environment.

Social: The society is a key factor in the business environment. The society is a key factor in the business environment. The society is a key factor in the business environment.

Technological: The technology is a key factor in the business environment. The technology is a key factor in the business environment. The technology is a key factor in the business environment.

Legal: The law is a key factor in the business environment. The law is a key factor in the business environment. The law is a key factor in the business environment.

Environmental: The environment is a key factor in the business environment. The environment is a key factor in the business environment. The environment is a key factor in the business environment.

Organization Structure



Organization culture

Workers as Machines: Military Management in Foxconn

In order to maximize productivity, workers at Foxconn are made to work like machines. They have to work continuously for more than 10 hours a day. They cannot stop for a second. "I think we are even faster than machines," a worker at the Longhua campus pointed out. To ensure productivity, a military-style management is applied on the shop floor.

- Workers were not informed in wage increase plan.
- Basic wage is just slightly more than minimum wage.
- The worker turnover rate at Foxconn is very high (35% per year).
- Excessive and involuntary overtime.

Fact File

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FOXCONN

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Porter's Five Force Model

Threats of new entrants(High)

- The new entrants maybe the experience competitors or can also be the newly entered rookie manufacturers without any experiences, since the industry Foxconn now in need very little investment but what most need is the low cost of money and time. Thus we can say that the threats of new entrants are quite high.

The bargain power of the suppliers(Low)

- The supplier for Foxconn is called the Vendor-managed Inventory Supplier. The VMI model can be conclude as there is only one supplier for Foxconn, all the materials Foxconn need is order through the VMI supplier. The supplier and organization may have contract which is in the high risk that the contract between buyers and company maybe relieved.

The bargain power of the buyers(High)

- As the manufacturers as Foxconn is, what and how the customers (buyers) wants is most important. The buyers for Foxconn may only be the group buyers, such as the world well known brand companies such as the Apple Inc.

Threats of substitutes(Medium)

- There may be possible substitutes for Foxconn like organizations which only specialize in single category but got more diversification and faster R&D speed. But since the Foxconn already existed in the market for so long, there is something they can depend on which we can say the threats is just medium.

Industry rivalry among existing competitors(High)

- The competitors for the Foxconn may mainly take measures such as lowering the cost in order to win the other competitors. The other ways of competing may also be the service and time. With the steady growth of the industry and low exist barriers, the rivalry among existing competitors is quite high (Porter, 1998).

Swot

Strengths

- Foxconn established the 11.11 network over the world double eleven in order to achieve the goal of worldwide free worldwide access the goods of the products.
- The Foxconn is a 11.11 network over the world and over the world.

Weaknesses

- The low efficiency of the labor wage level in low efficiency.
- The labor and management in labor contract, management and the cost of Foxconn that is the increase of the labor pay. The employees are not motivated due to the low pay and long working hours.
- The relationship with the government is not good, which may lead to the loss from the government to the Foxconn. This would greatly influence the reputation of the company.

Opportunities

- Foxconn is a leading manufacturer in the electronic products, it is a leading manufacturer in the electronic products, it is a leading manufacturer in the electronic products.
- The technology is a key factor in the business environment. The technology is a key factor in the business environment. The technology is a key factor in the business environment.

Threats

- The government's policies are a key factor in the business environment. The government's policies are a key factor in the business environment. The government's policies are a key factor in the business environment.
- The labor and management in labor contract, management and the cost of Foxconn that is the increase of the labor pay. The employees are not motivated due to the low pay and long working hours.

Recent News

- Foxconn, known for making Apple Inc.'s iPhones and iPads, will make the Chinese company's new devices in the Business City of Abudhra Pradesh, OnePlus said in a statement.
- As expected, OnePlus has announced plans to start assembling smartphones in India. The Chinese tech startup will partner with Foxconn to assemble smartphones.
- The factory can make up to 500,000 units per month, it said.

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Stakeholders



External

- Customers
- Labor unions
- Government regulatory agencies
- Government legislative bodies
- NGOs and other advocacy groups
- Local communities
- National communities
- Public at Large (Global Community)
- Competitors
- Schools

Internal

- Employee
- Creditors
- Investors
- Government
- Owners
- Financiers
- Managers
- Suppliers

Source: <https://www.pib.com.cn/pib/04/statistical/list-of-stakeholders.html>

Products & Services

- Hon Hai Precision Technology Co., Ltd. is engaged in the manufacture, research and development and distribution of computer, communication and consumer electronic (3C) products.
- Its products are applied in the manufacture of notebook computers, mobile phones, projectors, electronic books, digital cameras, servers and household game consoles.
- Today, Foxconn Technology Group is the most dependable partner for game-design, game development, manufacturing, assembly and after-sales services to global Computer and Consumer-electronics leaders. (Eg. iPhone.iPad , Nokia Handsets, HP Laptop).

About Hon Hai

Guided by a belief that the electronics products would be an integral part of everyday life in every office and in every home, Terry Gou founded Hon Hai Precision Industry Company Ltd, the anchor company of Hon Hai / Foxconn Technology Group in 1974 with US\$7,500, a devotion in integrating expertise for mechanical and electrical parts and an uncommon concept to provide the lowest "total cost" solution to increase the affordability of electronics products for all mankind.

Advice to Top Management

- Worker must be informed about the increment plan
- There should not be excessive overtime
- There should be healthy working conditions in the premises
- Worker should not be pressurized so that they can work freely

Major Customers



Organization culture

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Workers as Machines: Military Management in Foxconn

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Fact File

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Graph

- The cost of sales is 94.1% of the total turnover is highly over the 70% standard (Foxconn International Holdings, 2010)
- Foxconn has factories in Asia, Europe, Mexico and Brazil that together assemble around 40 percent of all consumer electronics products sold

FOXCONN

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Porter's Five Force Model

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Swot

Strengths

- Foxconn establish the R & D centers near the main clients' plants in order to shorten the product developing time meanwhile ensure the quality of the products.
- The Foxconn invest \$396,499,000 USD in the long and short term R&D.

Weakness

- The low education of the labor may lead to low efficiency.
- The inflation and legislation on labor protection may great impact the cost of Foxconn due to the increase of the lowest pay. The employees are lack of motivation due to the low pay and long time over time working.
- The relationship with the government is not so good, which may lead to the bias from the government to the Foxconn. This would greatly influence the operation of the company.

Opportunities

- People nowadays are looking forward to new electronic products, thus lead to a higher demand of the latest products, the company still has a empty market to occupy.
- The technology revolution may help Foxconn lower the cost, for example when Foxconn updates the equipment which may help the company increase the efficiency meanwhile low the cost.

Threats

- The governments' policies are always changing all the time, in some case the regulation from the local government can even vary from the national law which would create obstacles in the developing of the countries.
- The inflation has now become a major threat as to it might increase both labor cost and the supply costs such as the raw materials, the operation cost, transportation and utility cost.

ons.com

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Source- www.foxconn.com

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