

# Siemens CerberusEco in China: Introducing low-frills products in a high-quality company

Thecasesolutions.com

**Introduction**  
Thecasesolutions.com

Siemens CerberusEco is a high-quality product line of electric motors designed for industrial applications. The product line is known for its reliability and efficiency. The introduction of a low-frills product line in China is a strategic move to expand the company's market reach and address the needs of a growing market.

**Central Problem**  
Thecasesolutions.com

The central problem is how to introduce a low-frills product line in a high-quality company, maintaining the company's reputation for reliability and efficiency while addressing the needs of a growing market.

**Major problems**  
Thecasesolutions.com

- 1. Maintaining the company's reputation for reliability and efficiency while introducing a low-frills product line.
- 2. Addressing the needs of a growing market in China.
- 3. Managing the costs of production and distribution.

**Analysis**

The analysis identifies the key factors influencing the introduction of a low-frills product line in a high-quality company. It examines the company's reputation, the needs of the market, and the costs of production and distribution.

**Options**

The analysis identifies several options for introducing a low-frills product line in a high-quality company. These options include maintaining the company's reputation, addressing the needs of the market, and managing the costs of production and distribution.

**Recommendation**

The recommendation is to introduce a low-frills product line in a high-quality company, maintaining the company's reputation for reliability and efficiency while addressing the needs of a growing market.

**Implementation**

The implementation plan outlines the steps for introducing a low-frills product line in a high-quality company. It includes identifying the key factors influencing the introduction, analyzing the options, and implementing the recommendation.

**Conclusion**

The conclusion summarizes the findings of the analysis and the recommendation. It highlights the importance of maintaining the company's reputation for reliability and efficiency while addressing the needs of a growing market.

**References**

Thecasesolutions.com

**Objectives**  
Thecasesolutions.com

- 1. Introduce a low-frills product line in a high-quality company.
- 2. Maintain the company's reputation for reliability and efficiency.
- 3. Address the needs of a growing market in China.

**Alternative courses of action**  
Thecasesolutions.com

Alternative courses of action include maintaining the company's reputation, addressing the needs of the market, and managing the costs of production and distribution.

**Thecasesolutions.com**

Thecasesolutions.com is a platform for sharing and discussing business cases. It provides a space for students and professionals to learn from real-world examples and share their own experiences.

# Siemens CerberusEco in China: Introducing low-frills products in a high-quality company

## Thecasesolutions.com

### Conclusion

- Developing Tomorrow's Global Leaders, it can be concluded that a business venture or activity cannot be separated from internal and external elements.
- Internally, the management may have a set of future strategies and visions that must be implemented and transformed by all parts of the company.
- Externally, the changing environment of the business world requires the company to constantly prepare a set of strategies for the worst and survive in the uncertain conditions.
- That is when the human resources team plays a vital role since competent future leaders are the key that can manage the company through the hard times to come.
- Not only during our lives do we count on the future leaders, but on the highs as well for them to maintain or improve the condition the company is in.
- It is the responsibility of the human resource team to attract, develop and maintain these future leaders for company stability.

### Recommendations

- The case study's goal is to find alternative courses of action that will gather future global leaders that fit into Chairman Koo's criteria of potential leaders as well as to push the company into the competitive world. This group recommends the first, second, fourth and sixth ACAs to solve this problem, which are:
- A. Set up specific evaluation and assessment tests with an agreed-upon leadership competencies
  - B. Project a sense of competition for global perspective to the leaders
  - C. From time to time, conduct activities to strengthen bonds between Korean and Non-Korean employees
  - D. Training and development for technical competencies
- Though they require more time and effort, this group believes these are the best ways for the chairman to obtain his goals.

5. Focus on developing product quality and keeping them updated to the latest trends

#### Advantages:

- Attracts customers
  - Attracts job applicants, since most of the time the first things applicants look at is the output quality
  - Improves product reliability
- #### Disadvantages:
- Costly
  - Takes away LG's trademark for having low cost products

### Thecasesolutions.com

4. From time to time, conduct activities to strengthen bonds between Korean and Non-Korean employees

#### Advantages:

- Unity in the workplace
- Everybody gets share input, ideas and strategies
- Everybody is listened to
- More desirable work outputs since the decisions are made by majority of the group
- Unity attracts more foreigners to apply for the job

#### Disadvantages:

- Not everyone will be cooperative

3. The assessment applicant could

#### Advantages:

- Employees at higher positions
- It is easier for in terms of work
- Brings out performance

#### Disadvantages:

- Some people
- The employee performance h

Theca



# Introduction

## Thecasesolutions.com

LG's historical background falls among one of the most tremendous historical records in terms of business performance and business revenue.

It was first established in 1947 as a small-time chemical company and as time went by, the group had done huge expansions resulting in the company growing much larger.

The group kept the company working well within a relatively short period of time through strategies such as the Low Cost Strategy and Value Strategy.

Another strong point in the LG Group is the basic and old culture implemented by the group's chairman, Bon Moo Koo

In 1995, the chairman aimed to achieve an increasing revenue of US\$380 billion from US\$38 billion by 2005 with 50% coming from international sales. This goal was called LEAP 2005.



# Central Problem

*How will the LG Group gather future global leaders in order for them to reach their revenue goal of US\$380 billion and to become a leading company in Korea and in the world?*

**Thecasesolutions.com**



# Minor problems

- a. How will the group recruit and select future global leaders?
- b. How will the group maintain LG's strengths through the new global leaders?
- c. How will the group work towards being globally competitive with the global leaders?
- d. How will the group attract international and domestic applicants in the presence of powerful competitors?

**[Thecasesolutions.com](http://Thecasesolutions.com)**



# Objectives

The objective of this case is to come up with advisable alternative courses of action that will gather future global leaders that fit into Chairman Koo's criteria of potential leaders. This criteria includes the Old LG Culture's principles: stability, harmony and respect; as well new elements the management tried to reinforce: challenge, speed, simplicity and boundlessness.

**[Thecasesolutions.com](http://Thecasesolutions.com)**



# Alternative courses of action

1. Set up specific evaluation and assessment tests with an agreed-upon leadership competencies

Advantages:

- Aids in identifying high potential managerial talent
- Gathers leaders who fall in to the criteria the chairman had in mind
- Gives the image that LG has high standards in choosing its people

Disadvantages:

- Time-consuming

**[Thecasesolutions.com](http://Thecasesolutions.com)**



# Thecasesolutions.com

2. Project a sense of competition for global perspective to the leaders

Advantages:

- Shows the capability of the company to compete with the world class companies
- Shows that the company still has the intention of making its way to the top
- Attracts and encourages newcomers/employees

Disadvantages:

- As of now, LG is still below a number of high-end products with expensive product quality, as one of the company's strategies is the Low Cost Strategy.



3. The assessment should be made so that an employee or an applicant could clearly see his/her standing in the company

#### Advantages:

- Employees and applicants can see that they can be promoted to a higher position depending on their performance
- It is easier for employees to see if he/she has room for improvement in terms of work
- Brings out potential leaders

#### Disadvantages

- Some people don't take criticism well
- The employee may take things easier if he/she sees her work performance has been good

**Thecasesolutions.com**