

## Business Endeavours in Savoury Snack Industry: Old Chang Kee

**Kumaran Rajaram, PhD**

Division of Strategy, Management & Organization  
Nanyang Business School  
Nanyang Technological University  
50 Nanyang Avenue  
Singapore 639798

### Abstract

*This Case Depicts How The Macro And Competitive Environmental Elements In An Evolving Snack Market Shape The Strategies And Performance Of A Growth Savoury Snack Business To (A) Maintain Loyal Clientele And Attract New Customers; (B) Addressing The Rapid And Continuous Environmental Issues; (C) Intense Competition From Rivals; And (D) Rising Expectations From Customers. Old Chang Kee (Ock) Has Rose From Its Humble Beginning From A Small Stall In A Coffee Shop In 1956 And Established Itself Prominently In 1986, When The Control Of Business Was Taken Over By Han Kee Juan (Executive Chairman Of Ock). In 2013, After About 27 Years, Ock Has Well-Established Its Brand Name And Reputation, Where It Markets Its Range Of Snack Products Through Retail Outlets At Petrol Kiosks And Shopping Malls. Over The Years, Ock's Efforts In Modernizing And Re-Engineering The Business Have Assisted In Accomplishing The Business Goals In Upgrading Of The Production Facility, Increasing The Number Of Business Outlets And Specializing In The Manufacture Sales Of A Wide Range Of Very Affordable High Quality Food Products. Ock Experienced Soaring Business Operation Volumes As A Result. However, There Are Possible Upcoming Challenges Such As Competitive Demands From Rivals, Continuing Changing Customer Tastes And Lifestyle Changes Along With Other Issues That Ock Has To Contemplate In Order To Respond To Them To Sustain Its Market Share, Respond To Competitive Threats And Cope With The Growth Demand Progressing Ahead In The Near Future.*

**Keywords:** Macro Environments, Competitive Environments, Strategic Planning, Sustainability, Pestle And Michael E Porter's Five Forces

### ***“Rex Curry Puffs” to Extensive Range of Snack Products***

Back then in 1956, people from all corners of Singapore came by to a small stall in a coffee shop near the then Rex Cinema along Mackenzie road to savour the affectionately known “Rex Curry Puff”.<sup>1</sup> The unmistakable aroma of Old Chang Kee (OCK) curry puff has since won the hearts of many Singaporeans, both young and old. Customers loved the aroma which came from the delicious puff, painstakingly, made and stuffed with a slice of egg, curried potato and chicken, fried with specially selected spices and herbs.

Not anymore! Today, Old Chang Kee (OCK) markets its range of snack products, including its signature curry puffs, through kiosks along the road and retail outlets of petrol kiosks and shopping malls.<sup>2</sup> Narrating his experience of having a snack at OCK outlet at Singapore, Novena Square, Thomson Road, Chandramoorthy, 67, retired teacher with Raffles Girls School, chewed on Curry O’Puff appeared delighted and said:

It’s amazing. Everything is the same as what it was when I used to frequent the coffee stall in the late 1950s. Nowadays, I can get it easily as it is available in a few nearby outlets where I reside.

OCK differentiates itself from its competitors by its long history, quality standards and distinctive taste. This was made possible by the executive chairman, Han Keen Juan. However, in recent years competitors are on the rising trend, due to various reasons. The rapid evolution of technology and its effects on food retail businesses in terms of production and operations technologies, and consumers’ lifestyles, needs and expectations is a key concern. The continuously changing demographics of clientele may have varying acceptance levels of what OCK is currently offering.

With progressively more knowledgeable, educated and exposed consumers, more are prioritizing healthy yet delicious products. As OCK's operations expand, the degree of their dependence on the supplies of their products' basic ingredients becomes even more crucial. Despite these continuous changing trend from varying dimensions, OCK has been progressing well. However, to sustain the growth, OCK is well aware that only continuous adaption to market demands, alignment to macro and competitive environment, improvement and innovation is unavoidable to stay afloat and sustain in the snack savoury industry.

### **Old Chang Kee's Vision and Mission**

OCK's mission is *'to deliver superior quality finger food and ready meals at value for money, in a hygienic and customer friendly retail environment'*.<sup>3</sup> Mr. Han Keen Juan Executive Chairman of OCK, indicated that OCK would consistently persist to strengthen its market leadership position in the Savory Snack industry by managing its operating costs to boost productivity. OCK's vision is to *'be prepared for adjustments and challenges'*.<sup>4</sup>

### ***Rising from a Small Stall to One of the World's Best Food Chains***

The origins of OCK in Singapore is dated back to 1956 beginning as a small shop near the then Rex Cinema along Mackenzie Road and well established itself in 1986 when Han Keen Juan bought over the control of the OCK business<sup>5</sup>. Over the 27 years, OCK has built a corroborated reputation for high product quality standards, value-for-money, authenticity and its products' distinctive taste.

### **Rapid Growth: Transformation of Old Chang Kee**

Mr. Han's clear vision enables him to smoothly set about re-engineering and modernizing the business. He progressively shifted the production of the curry puffs from a small corner in a coffee shop to a slightly larger premise in Ubi and later to a 20, 000 sq. feet modern facility in woodlands<sup>6</sup>. New systems were gradually implemented with essential steps to ensure consistency in the quality of the products. To grow Old Chang Kee into a leading brand of curry puffs and hot savouries, aggressive programmes were launched. Mr. William Lim, a graduate from an Australian University, was also brought in to assist Mr. Han to bring the business to the next level. New ideas and creative marketing strategies, in sync with changing consumer trends, were implemented. With OCK's evolvement, its specialization is focused in the manufacturing and sales of a diverse range of very reasonable high quality food products, including the signature curry puff. Rigorous quality measures (with exacting standards of Old Chang Kee brand) are consistently attained by ensuring that production is performed in a modern high-end technologically inclined factory. To meet HACCP and Halal standards, all production processes and facilities have been certified.

### **Accolades**

OCK was awarded the Singapore promising Brand Award in 2004. In 2005, it received dual recognitions of Singapore Heritage Brand Award and Distinctive Brand award. The Lifelong Learner Award which is extended to companies and individuals who have contributed to raising service quality was awarded to OCK. OCK was admitted to the official list of catalyst in 2008. OCK was selected as one of the world's 20 best fast food chains in May 2012 which was announced in the U.S. based Travel & Leisure Magazine<sup>7</sup>.

### **Current Position**

OCK is part of the savoury snack industry which is a division of food and beverage industry. It is now a well-known brand that operates at over 70 locations in Singapore and also has developed operations overseas in Malaysia, China, Indonesia and the Philippines.

OCK specializes in curry puffs and other local pastries. It now markets its range of snack products, including its signature curry puffs, through the kiosks along the road and retail outlets at petrol kiosks and shopping malls. OCK's key business development strategy is to identify and acquire strategic locations in order to establish new retail outlets and thereby cater to a wider range of customers. Having relied on its brand name, OCK leverages its branding by savouring for a new distribution channels.

### ***Intertwined Issues: Growth of OCK's Business***

The orderly governance and leadership is one of the key determinants to the effective political system in Singapore. Singapore has evolved to be one of the world's easiest places to commence and establish business endeavours.

The reduction of corporate tax in 2011 from 18 % to 17% enabled companies to expand operations of their businesses. Singapore government facilitates and supports the small and medium enterprises (SMEs) in the Food and Beverage (F&B) industry to improve its service level and effectiveness of its operations.<sup>8</sup> This enables and encourages the growth of innovative F&B concepts in the industry.

Singapore business environment certainly provides a competitive advantage for OCK to perform its business operations. However, OCK being subjected to the laws and regulations of the Food & Beverage industry is expected to optimize its overall operations to renew its business licences, failing which the consequences can affect its business performance. The Singapore government has become much more stringent in foreign immigrant labour control. Levies for foreign workers have been increased. As a result, the impending increase in labour cost may impact OCK's profitability on the long run. The labour cost to increase which could impact OCK's profitability on the long run.

For 2012, the economy grew by 1.3 per cent, compared to the 5.2 per cent growth in 2011.<sup>9</sup> The overall Food & Beverage services stood at 7.5 per cent in 2011, lower than the 7.9 per cent registered in 2010.<sup>10</sup> The total revenue of the Singaporean savoury snack market had a total revenue of \$99.6 million in 2011, representing a compound annual growth rate (CAGR) of 6.4% between 2007 and 2011.<sup>11</sup> The Gross Domestic Product (GDP) of Singapore grew 14.5% in 2010 compared to 2009.<sup>12</sup> The Food & Beverage industry achieved an overall of 7.4% profitability ratio amongst which food caterers acquired the highest ratio of 16.8% in 2009.<sup>13</sup> The profitability ratios of fast food outlets and restaurants were at 5.5% and 7.5% respectively.<sup>13</sup> The Savoury Snack market in Singapore grew by 5.8% in 2009 and attained a market value of \$172.1 million.<sup>13</sup> The compound annual growth rate of the market from 2005 to 2009 was 5.9% and the Asia-Pacific Savoury Snack market value was 0.9%.<sup>14</sup>

The ingredients that are used for the OCK's products are mostly from crops, livestock and other food products. OCK's business is dependent on the supplies of these basic ingredients. Therefore, its overall operations can be affected by the outbreak of food-related diseases where there could be a decreased level of food production and consumption due to food-related diseases. The case of German food contamination in January 2011 is an example of a food-related scare.<sup>15</sup>

Any consumer complaints related to OCK's food products could cause negative publicity that would eventually affect their brand image which increases the risk of OCK's share price decline affecting its business performance. An example, will be the case of Prima Deli in December 2007, one of OCK's competitors whose business was hugely impacted owing to the complaints related to food-poisoning (106 complaints received by Ministry of Health, Singapore).<sup>16</sup>

Health issues related to obesity have become one of the major issues in Singapore which may be a threat to Savoury Snack industry. In Singapore, about 10.8% of the population are now characterised as obese and this has grown, from 6.9% in 2004.

The Food & Beverage industry has been emphasising on service level quality and this may be largely due to progressive advancements of telecommunication technology that could be adopted to enhance customer service. OCK's daily revenue generating operations are carried out at the various retail outlets. To keep abreast with fast growing technological advancements, OCK's R & D had successfully implemented NETS 'Flashpay' Cash Card contactless payment service in its stores in 2009.

Singapore transiting to a cashless business hub will facilitate swiftness in dealing with business transactions. This initiative fits well with the hectic and busy lifestyle of customers in Singapore addressing the increasing service demand for takeaways and convenience food. Moreover, the 'NETS' payment option would also offer options as alternative payment solutions. All these technologically advanced payment approaches assist OCK's vision to relentlessly 'push' technology frontiers to develop new smart and efficient payment solutions.

### ***Savoury Snack Retail Outlets***

Most of OCK's sales are on a takeaway basis and its outlets are located at strategic locations to reach out to a wide range of consumers. The Pie Kia Shop outlets offer freshly baked pies with a variety of fillings and other food products on the go for the new generation of highly mobile individuals. The "Curry Times", "Take 5" and "Mushroom" dine-in retail outlets carry a range of local delights, where these delivery and catering services are available to the central business district and selected areas in Singapore.

The number of retail outlets have been on an increasing trend in the recent years which has caused the food & beverage industry to be overwhelmed with intense competition. A few of OCK's key competitors are: a) BreadTalk Group Limited; b) Bengawan Solo; c) Prima Deli; d) Polar Puffs & Cakes Pte Ltd. OCK strongly believes that the competition in Food & Beverage industry is largely due to factors such as branding, price, reputation, customer taste of preferences, location, variety, hygiene and quality. OCK's competitors offer a wide range of snack products and services through a diversified base. Apart from the key competitors, not many own large production facilities. Therefore, the competitors overall would come with competitive price to attract customers which may increase rivalry to a certain degree. However, OCK with its distinctive and innovative product concepts and a diverse operation base at various strategic locations weakens rivalry to some extent. In the Savoury Snack industry, there has been gradual increase in the emergence of new entrants in Singapore. This can be attributed to the low cost starting a business in this industry. The new entrants, for example, Hawker Centres selling curry puffs that imitate OCK's curry puffs as a form of product differentiation. Although the new entrants are leveraging on the emerging trends, they do not have the competitive edge in comparison to well established key players. Among various issues, gaining access to strategic locations could be challenging owing to the higher cost involved in business establishment.

### ***Alternative Choices***

OCK's product being savoury in nature and affordable makes it viable for the consumers to switch their choices. As the competitive pressure in the industry is high, the market players are forced to meet consumers' demands. Consumers may vary their options by opting for healthier choices of substitutes such as fruits. Over 30% of annual purchases of OCK are from Siamchai International Food Co. Ltd located in Thailand. This certainly may cause their businesses to be affected in the event of any unfulfilled timely supplies. The costs of the ingredients such as egg, flour, etc. do not vary largely and this further suppresses the bargaining power of the suppliers. The major buyers in the Savoury Snack industry in Singapore are individual retailers who comprise about 37.8% of the total distribution. For OCK, the local consumers are the key buyers. Due to the diverse range of affordable product choices available in the market, price-sensitive consumers tend to switch to alternatives as the price elasticity is higher. Therefore, the change of taste and preference is most likely to happen when inflation prevails. However, consumers with strong brand loyalty tend to stay in-tuned with the same retailer irrespective of cost factor. OCK have established a good branding in the market as such.

### ***Developments in OCK***

#### **Branding**

OCK's key business development strategy is its branding. OCK differentiates itself from other competitors by its long history, high product quality standards and products' distinctive taste which is difficult to be imitated by its rivals. OCK's branding is positioned to its local target audience who consider OCK as an iconic and well established brand since 1956. OCK's success has paved the way for its sub-brands to create further appeal and expand its overseas business operations.

The "Singapore Promising Brand Award (SPBA)" awarded in 2004, "SPBA-Heritage Brand Award" and the "SPBA – Distinctive Brand Award" awarded in 2005 by the Association of Small and Medium Enterprise (ASME) and Lianhe Zaobao have certainly helped to heighten its positioning in terms of its credibility and branding with better visibility to the public.

#### **Locations**

Sourcing for strategic locations and new distribution channels are part of OCK's business development strategies. Its primary business development strategy is to identify and acquire strategic locations to attract a wide range of customers. The potential customer pool motivates OCK to establish various outlets in locations where the human traffic is high to generate better product sales. Their establishment of 82 retail outlets in Singapore resembles its success. OCK adopts 'Old Chang Kee Delivers' (a distribution channel operating in Singapore's central business district) and areas where the demand is high to improve its service level.

OCK secures these strategic locations by developing and maintaining strong relationships with the landlords. OCK ensures that it sustains the business operations by overcoming the risk of losing any of its revenue generating locations both in its domestic and overseas markets.

**Diversified Products and Customer Base**

OCK’s products are desired by customers of all age groups. Its ‘Halal Certified’ products make its target market more diverse. OCK emphasises the importance on product development to meet the expectations of the consumers who expect high quality and a new variety of food products. OCK has brought in over 20 innovative products into the market.

To attain high quality food for all their products, OCK has made technological investments and formulated standard production procedures. A range of tests are performed to certify the food items are of exclusive taste and textures. Such measures have eventually enabled them to gain a loyal consumer base. OCK’s loyal customer base and varied high quality products enable a competitive advantage over its rivals.

**Strategic Partnerships**

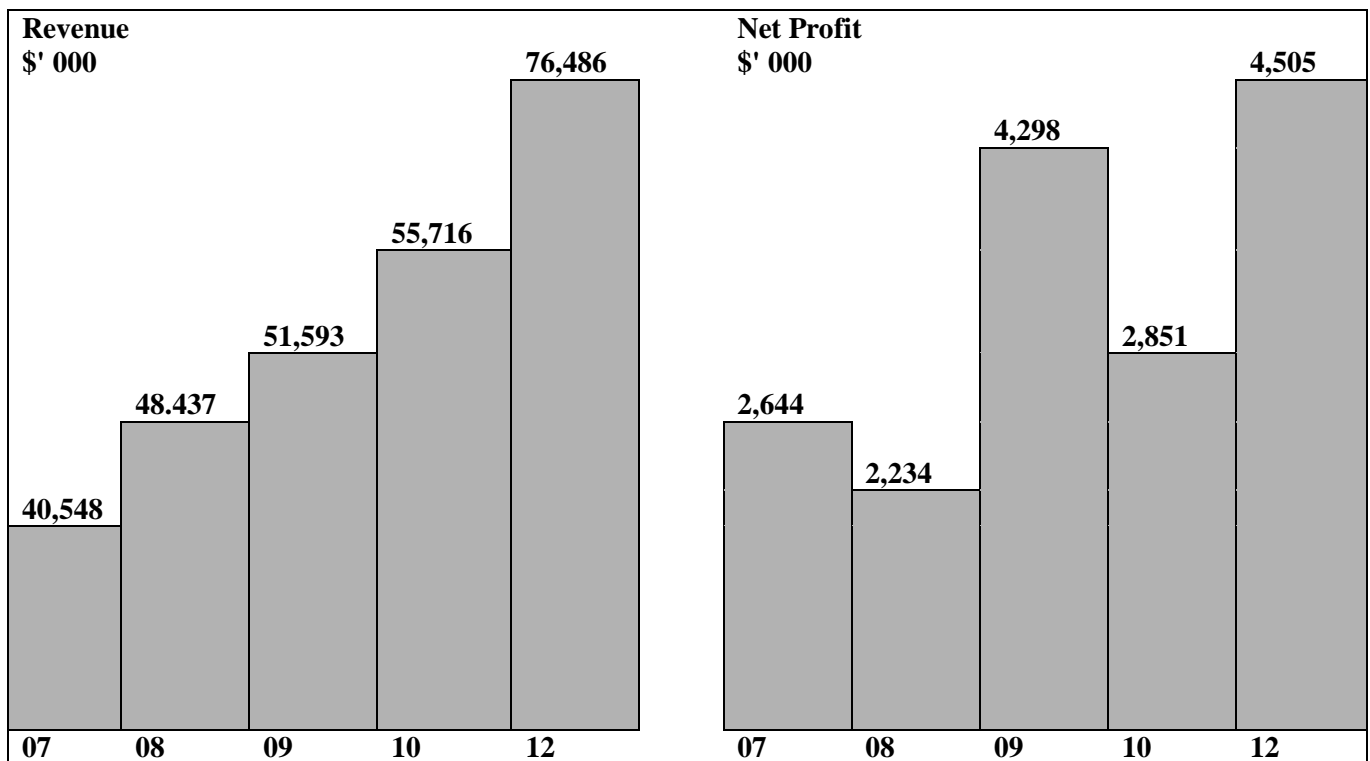
OCK has been continuously promoting and enhancing its brand through strategic alliances, acquisitions, joint ventures and franchises, not only investing in local markets but also overseas markets. OCK has successfully established their franchisee operations overseas in countries such as Malaysia, Indonesia, Philippines and PRC. Since 2004, OCK has been involved in joint promotions and participation activities. OCK took part in activities like, annual walk-a-jogs with the Handicapped Welfare Association and sponsorship as a form of strategic liaisons.

In 2004, OCK sponsored school bags for the Yayasan Mendaki (Mendaki); in 2006 OCK sponsored Jinsha culture show from Chengdu, PRC and in 2007, it staged children and local plays in PRC. Some of OCK’s key highlights in Singapore (2010) were, Youth Olympic Games Torch Relay, Youth Olympic Games Booth Sales, National Day Parade 2010, Delivery Sales, Creative Workshop at Ubin, Zoukout 2010, Chinese New Year 2010 Factory Sale, Old Chang Kee Town at Suntec, and Maybank Nightwalk 2010.

**Financial Performance**

OCK has been having a steady pace of revenue generation since 2006. Fig 1 presents the revenue generated and net profit earned from years 2007 to 2012.

**Fig 1: Revenue and Net Profits for Years 2007-2012<sup>17</sup>**



OCK's total revenue accomplished which is 37.3% (S\$20.8 million) is an increase from approximately S\$55.7 million for a 12-month period (1 Jan 2010 – 31 Dec 2010) in 2010 to approximately S\$76.5 million for a 15-month period (1 Jan 2011 – 31 Mar 2012). Although there was an increase of revenue from delivery and catering services, revenue from other services decreased by S\$119,000 for a 12 month period in 2011, as compared to a 12 month period in 2010. The 3-month revenue for quarter one from other services was S\$500,000. As at 31 Mar 2012, the group operated a total of 82 outlets in Singapore, compared to 78 outlets as at 31 December 2010. The group's signature puff products remained the major contributor to its revenue and accounted for approximately 33.7% of the group's revenue for a 15-month period (1 Jan 2011 – 31 Mar 2012), as compared to approximately 34.3% for a 12-month period (1 Jan 2010 – 31 Dec 2010) in 2010. The group's gross profit margin increased slightly from approximately 59.9% for a 12-month period (1 Jan 2010 – 31 Dec 2010) in 2010 to 60.1% for a 15-month period (1 Jan 2011 – 31 Mar 2012) mainly due to improved production staff efficiency.

OCK having recently developed their business operations overseas (Malaysia, China, Indonesia, Philippines and Australia) have risks of losses in market share due to fluctuations in foreign exchange rates. The effects of this can be seen with the inconsistent earning per share price of OCK's income statistics.

### ***Business Developments***

OCK has better probability to put its operation and regional expansion overseas largely due to its good investment owing to its financial stability. A factory facility in the Iskandar region, Johor, Malaysia was purchased in August 2011, which adds to the prior only production plant which was located at Woodlands, Singapore. The expansion assists OCK's distribution and overall business operation in the event of any disruption. The Iskandar manufacturing facility is part of the overall plan to enhance the group's manufacturing capabilities and to further support the Group's expansion plans, both locally and overseas. In order to monitor and control OCK's overall operation and its supply chain activities, there is an insistent need to establish a team to manage its overseas operations.

OCK opened its first retail outlet in Perth, Western Australia in December 2011. The retail outlet is located in the trendy Waterford Plaza Shopping Centre. To provide the outlet a distinctive Singaporean touch, the walls of the outlet are adorned with pictures of OCK's signature curry puff. In February 2012, the group introduced a new brand, curry times. This is the group's first curry themed restaurant in Singapore where the hearty, homely plates of curry dishes are served in a relaxed retro setting.

### ***Looking Into the Future - Upcoming Challenges***

While OCK's business seems to be profitable, there are many upcoming challenges, competitive demands from rivals and other issues to be concerned with. OCK needs to optimize their overall operations to renew licenses domestically as well as overseas, failing which the consequences can affect their business performance. Recently, the Singapore government has become tougher on the control of foreign immigrant labour. Levies of foreign workers have been increased. As OCK operates in the Savory Snack industry, the ingredients that are used for the products are basically from crops, livestock and other food products. OCK's business is dependent on the supplies of these basic ingredients. Obesity and health issues related to it have major issues in Singapore as in other countries.

OCK has to seize the future opportunities to accomplish its mission of acquiring a strong leadership position in the Savoury Snack Industry. Moreover, with successful implementation of pertinent strategies, it could see a speedy and sustainable increase in the market share in the Savoury Snack industry and consequently in terms of financial performance.

**Exhibit 1: Location Details of Old Chang Kee Outlets**

<b>Old Chang Kee Outlets in:</b>		<b>No. of Outlets</b>
<b>Central</b>	(1) 2 Mackenzie Road; (2) 230 Victoria Street; (3) Caltex (Lorong Chuan); (4) 238, Thomson Road; (5) 290, Orchard Road; (6) 70, Jellicoe Road; (7) 2 Serangoon Road; (8) 301 Upper Thomson Road; (9) 101 Thomson Road; (10) Caltex Dunearn; (11) ION Orchard; (12) 180 Kitcheners Road; (13) 2 Orchard Link, Scape; (14) 313 Orchard Road; (15) 23 Serangoon Central; (16) Holland Village MRT Station; (17) 109, North Bridge Road; (18) 50 Market Street;	<b>18</b>
<b>North</b>	(1) 53 Ang Mo Kio Ave 3; (2) 1 Woodlands Square; (3) 9 Bishan Place; (4) 930 Yishun Ave 2; (5) 30 Sembawang Drive; (6) 500 Toa Payoh Lorong; (7) 1 Seletar Road; (8) Potong Pasir MRT;	<b>8</b>
<b>South</b>	(1) 14D Scotts Road; (2) 1 Harbour front Walk; (3) 10, Anson Road; (4) 111, North Bridge Road; (5) 50, Beach View; (6) Alexandra Retail Centre (ARC);	<b>6</b>
<b>East</b>	(1) Caltex (East Coast); (2) 2, Tampiness Central; (3) 1, Sengkang Square; (4) 1, Pasir Ris Close; (5) 5, Changi Business Park Central; (6) 205, Hougang Street 21; (7) 90, Hougang Avenue 10; (8) 80, Marine Parade Road; (9) 11, Rivervale Crescent; (10) Simei MRT Station; (11) SPC Punggol 100 Punggol Central; (12) Tampiness MRT Station 20; (13) 3020, UBI Avenue 2; (14) Pasir Ris Central Street 3; (15) 81, Geylang Lorong 25; (16) 55, Sims Avenue East Kembangan MRT Station; (17) 157, Upper East Coast Road; (18) 5, Sims Avenue Kallang MRT Station; (19) Caltex Tampiness; (20) 795, New Upper Changi Road; (21) 10, Eunos Road;	<b>21</b>
<b>West</b>	(1) 166, Bukit Merah Central; (2) 1, Jelebu Road; (3) Caltex Bukit Batok; (4) Caltex Holland; (5) Caltex Jurong West; (6) 2, Jurong East Street 21; (7) 63, Jurong West Central; (7) 21, Choa Chu Kang; (8) 10, Kent Ridge; (9) Nanyang Technological University, Block N2.1; (10) 302, Tiong Bahru Road; (11) 126, Clementi Ave 2; (12) SPC Jalan Buroh; (13) 21, Choa Chu Kang, North 6; (14) 3155, Commonwealth Ave West; (15) 100, North Buona Vista Road; (16) 535, Clementi Road, Block 3; (17) 1, Bukit Batok Central Link; (18) 50, Jurong Gateway Road, JEM;	<b>18</b>
<b>Overseas</b>	<b>Australia</b> (1) Waterford Shopping Centre <b>Indonesia</b> (1) Entertainment X'nter (Plaza Ex); (2) Tamah Anggrek Mall; (3) Emporium Pluit Mall; (4) Senavan City; (5) Mall of Indonesia; <b>Malaysia</b> (1) 1, Utama Shopping Centre; (2) Carrefour Subang; (3) TESCO Mutiara Damansara;	<b>9</b>

Source: <http://www.oldchangkee.com/outlets.htm#outlet>**Exhibit 2: Food Categories of Old Chang Kee Outlets****Traditional Favourites**

Curry'O Spring'O Carrot K8 Gyoza Yam K8

**Chicken Favourites**Chicken Wing Chicken Mushroom' O Chicken Wrap Chicken Nugget Cheezy Chicken Ball  
Cheezy Chicken Sausage (8 Pcs)**Seafood Favourites**Fishball Sotong Head Sotong Wing Fish Fillet Crab Claw  
Fiery Football B readed Prawns Sotong Ball Sardine'O Prawn Nugget Crab Nugget**Desserts**

Pineapple Feel'in Yam Feel'in Green Bean Feel'in

**Breakfast Set**Source: <http://www.oldchangkee.com>

**Case Teaching Notes  
For  
“Old Chang Kee”**

By

Kumaran Rajaram, PhD  
Nanyang Business School, Nanyang Technological University

***Case Synopsis***

The case analysis facilitates deeper understanding, critical thinking and application of concepts on organizational environment and strategic planning. It illustrates how the macro and competitive environments impact the shaping of the strategies and performance of Old Chang Kee (OCK). This enables the analysis of the macro elements such as Economy, Technology, Laws and Regulations, Demographics, Social and Natural Environment/ Ecology. The competitive environment analysis includes exploring the five key elements of Industry Rivalry, New Entrants, Customers, Substitutes and Complements and Suppliers. With a thorough comprehension of the external and internal environmental factors, the implementation of appropriate effective strategies will be explored.

Rising from its humble beginning from a small stall in a coffee shop in 1956, establishing itself prominently in 1986, to now where it markets its range of snack products through retail outlets at petrol kiosks and shopping malls. OCK's visibility and prominence started when Han Keen Juan (executive chairman of OCK) took over the control of the business in 1986. The steady growth of OCK's business largely due to OCK's efforts in modernizing and re-engineering the business by upgrading the production facility, increasing the number of business outlets and specializing in the manufacture sales of wide range of very affordable high quality food products. This has resulted in a steady stream of soaring business operation volumes. However, in the current situation, there are upcoming challenges such as competitive demands from rivals, continuing changing customer tastes and lifestyle changes along the other issues that OCK faces to sustain its market share, respond to competitive threats and cope with the growth progressing ahead in the near future.

***Learning Objectives***

- Identify, evaluate, comprehend and relate how macro and competitive environments impact a firm's operation, strategy and performance;
- Examine the threats, opportunities and challenges for a growing organization subject to the general and industry environments in the context of competitive demands from rivals, continuing changing customer tastes and lifestyle changes along with other issues;
- Demonstrate, relate and examine how strategic planning is performed addressing the goals of the organizations and achieving sustainability to ensure long-term growth and survival.

***Assignment Questions***

**(1) Introductory**

- (a) Can Organizations operate in isolation? Why?  
(b) What are the inputs required by Old Chang Kee?

For example:

- Raw materials
- Services
- Equipment
- Capital (Approx.)
- Information

- (c) Are Old Chang Kee's outputs competitive and unique? Comment on its products as well as its services.  
(d) How does the general environment influence the savoury snack industry?



**(2) Challenge**

- (a) What are the competitive environment elements that make an impact on Old Chang Kee?
- (b) What are the macro environment elements that influence Old Chang Kee's business strategy decisions?
- (c) What are the key challenges as OCK attempts to grow and sustain its market share?
- (d) Which type of strategy should Old Chang Kee prioritize in ensuring the sustainability and growth in the upcoming years?

**(3) Small Group Challenge**

- (a) Discuss and examine on each of the elements identified in the competitive environmental framework and apply it to the context of Old Chang Kee. Support the discussions with relevant and valid justifications.
- (b) Critically analyze each of the elements identified on the macro environmental framework by applying it to the content of Old Chang Kee.
- (c) Re-examine your notes and assessments having both the competitive and macro environmental frameworks applied to Old Chang Kee and its possible outcomes influencing its productivity growth and sustainability.
- (d) Describe the possible strategies that could be adopted by OCK at corporate, business and functional levels to accelerate forward in terms of its business growth, achieving competitive edge, productivity and sustainability.

**(4) Decision Forcing**

- (a) Rationalize and discuss the reasons of identifying these strategies. Why do you think these are much better choices than the others? Support with appropriate justifications.
- (b) If there are other strategies that you think could also be adopted, perform a ranking and then provide 2-3 reasons why you think that this should be in the particular order as you have proposed.

**(5) Summary**

- (a) What are the key elements in both competitive and macro environments that make an impact on Old Chang Kee?
- (b) How and why did your group arrive at this consensus?
- (c) What approaches/techniques can be adopted by Old Chang Kee to ensure the internal and external environmental elements are well taken care of?
- (d) How did your group come to a conclusion on the recommended strategies for Old Chang Kee's business growth and sustainability?
- (e) Are there other alternative strategy/strategies that could be undertaken as well? If yes, why are these not prioritized in your selection?

***Teaching Plan***

**Facilitating the Case**

It is strongly encouraged that the case be handed out to students at the previous seminar/meeting session unless the instructor is able to allocate and allow adequate time to read and digest the case in the class.

**Variation 1: [Undergraduate Business/Non-Business Students, Junior/Intermediate Level (Year 1/2) of the Course]**

For junior/intermediate level students, who may be taking this as a foundation or general core module, it is helpful to adopt small-size group discussions for the bulk of the case analysis. This facilitates and encourages students who are not forthcoming to speak in large group more likely to participate. At the end of this activity, after brainstorming their opinions, ideas and thoughts with peers in small group, participants may feel more confident and comfortable sharing their findings and concluding thoughts with the entire class. Firstly, the class should be briefed having the case introduced. Groups of 3-6 students should be formed randomly, however, ensuring that there are a good mix of students' demographics, which will avoid students forming teams within their own comfort zone, as this may hinder the purpose of a quality and insightful discussion. It is helpful to form small groups with the instructor dictating the random choice to discuss on the analysis.

The variation with the team members' opinions and thoughts (not going alongside with good friends' views or groupthink amongst known peers could be avoided) will be helpful in cross evaluating, justifying and rationalizing the reasons on the scope of contents coverage. This process of indulging into the diversity of thoughts fuels deeper and more reflective class discussions. Following this, the groups are asked to report back and a full class discussion will ensue.

### **Variation 2: [Undergraduate Business Students, Senior Level (Year 3/4 of the Course)]**

For this group of students, who are more comfortable speaking in the classroom, this case could be a full class discussion from the start. However, there is intensity of depth and critical analysis should vary in degree of complexity where some guidelines are provided in the later sections. It will be helpful to have small groups formed to have the preliminary questions discussed to have some debate and consensus of thoughts/or disagreements within the suggestions/or diversity of analysis, then open the discussion by allowing each team to share their findings with other teams to critique and comment on those issues. In doing so, probing and deep thinking questions have to be asked. These questions vary depending on the target audience. Furnished are some general guidelines in the approach for both the undergraduate (3<sup>rd</sup>/4<sup>th</sup> Year) and postgraduate level.

- The questions are meant to probe students to reflect and think critically on the case material.
- The questions are to ensure they understand and able to apply with the ability to recommend/suggest possible solutions.
- The questions are to ensure they are able to reflect on varying dimensions, the rationale of their decisions, ability to defend and debate against it with supporting evidence and enable them to see the practical context and relate to that effectively.
- Open-ended questions that allow them to discuss candidly their thoughts and challenge the norms which in return make them suggest what could be the possible context.

If you as an instructor are printing out the case, as this is a 8-page long case, please note that it is intended to be a double-sided (front and back) to lead them to have the most authentic and concise appearance. They are also most easily handled by students in this double-sided form for easier readability and reference.

Alternatively, if this case is to be uploaded, then it is suggested to be in the PDF format which can be opened by using Adobe's Acrobat Reader.

### **Student Assignment Prior to Class Meeting**

1. Read the Case - Old Chang Kee carefully
2. Do some preliminary research of the relevant Industry, market trend, competitors, environmental issues and changing profile of demographics of customers
3. Perform a market analysis to understand the recent and current happenings that are relevant to the discussion
4. Be prepared and come with an open mind for a high level of participation at our next meeting, as a class and in smaller groups.

### **Open Discussion**

As a case opener, instructors can spend 10-15 minutes probing and asking participants about their experiences in trying out different snacks at different savoury snack retail outlets. For example, what makes them to patronize these snack retail outlets? (taste, accessibility, healthy)? What makes them go back to purchase the snacks again (price, service, taste, variety)? These questions will assist students to reflect and relate their own experiences as they discuss through the case discussions later. Instructors can then provide a quick overview of the case by pointing out that OCK, the focal firm of the case, is an excellent example to illustrate how macro and competitive environments shape the strategy and performance to sustain its market share, respond to competitive threats and cope with the growth demand. This case also provides an opportunity for students to examine the threats, opportunities and some common challenges facing many savoury snack firms as they grow in numbers expanding and sustaining its market share, responding to competitive threats and coping with the changing customer tastes and lifestyles.

## **Case Discussion**

### **Use of the Case**

This case is designed to be used for the topics on macro and competitive environment and strategic planning of a business management course. It is designed to be equally useful in business management focused courses at the fundamental/intermediate level (s) (business or non-business students), mainly for the undergraduate students or at the advanced level for the postgraduate students. The intensity and depth of analysis required largely differentiates the scope covered for different target groups of students. The case motivates students to apply and relate the theoretical frameworks learned using active learning pedagogies and also demonstrates how students can appreciate the practical implications and evaluations emerging from performing the analysis. For best results, the instructor should follow this case with a hand out or discussion of how the case study should be operationalized with the suggested questioning/probing approaches together with the type of active learning strategies to be employed in this particular class.

Additionally, this case can be used to examine at a deeper level from the macro and competitive environments with suggestions to overcome the challenges and formulate possible solutions to address the gaps accordingly, together with the future strategic planning to be undertaken to achieve sustainability and productivity meeting the competition. This will serve to inspire the students to appreciate the macro perspective and provide an opportunity to propose suggestions as a decision-maker of the company to survive the intense competition, while achieving growth and sustainability.

### **Introductory Level**

[Undergraduate Business/Non-Business Students, Junior/Intermediate Level (Year 1/2) of the Course]

The key focus of the case is to enable students to actively participate in a classroom activity and to appreciate/acknowledge the benefits of active learning approaches. A smaller size group consisting of 3 students enables them to work diligently to examine the internal & external environment as well as the strategies to be adopted to determine Old Chang Kee's business growth and its sustainability, while a group of 5-6 students will have the additional complication of free-riders, not everyone contributing actively and equally and there will be challenges trying to attain group consensus due to many differing opinions. It is essential an instructor to not tip off the students as to what the instructor is trying to accomplish in this case activity. It is recommended to have the overall goals for the case to be discussed as a class at the end of the activity or at the start of the next class period. Ideally, this discussion should be performed suggestively after the course brief outline of what other learning strategies and approaches will be used throughout the semester to assist students to appreciate and develop the skills of critical thinking and application abilities.

### **Upper Level**

[Undergraduate Business Students, Senior Level (Year 3/4 of the Course)]

Here, the focus is on students to think more critically and independently with more interactive dialogue sessions of how elements of external & competitive environments can be intertwined in the appropriate strategies for the entity's business growth, productivity and sustainability. By providing them a glimpse of the entity's current positioning and involvement, they can commence to examine from their own range of internship experiences or industrial/corporate experiences and begin to evaluate incorporating and relating the case analysis. Hence, it is helpful to follow up this case with a discussion about strategies to penetrate both domestically and globally across borders, with varying dimensions of each of the competitive environmental elements (rivals, customers, suppliers, substitutes/complements & new entrants) and external environments (technology, economy, legal & regulations, demographics, social issues and natural ecology). It may also be a time to discuss student anxieties about how they could deal with these issues effectively extracting thoughts and experiences upon leaving the educational setting. The senior level undergraduate students continuing on to graduate school can also benefit from an awareness of what kinds of skills they will need beyond purely academic work.

### **Pitfalls to avoid in Case Discussion**

Based on the strategies to be proposed for the entity's business growth, productivity and sustainability, no one strategy is the obvious choice. In the seminar sessions where I have used this case, there were at least 3-4 varying combinational strategies suggested.

If a particular class unanimously chooses a single strategy, the instructor should try to find out the reasons and rationale of what makes it stand out from other possible strategies to be implemented. By pointing out the value and possibilities of exploring in other dimensions and the benefits in adopting other combinational strategies, some of the groups may wish to recast their vote by re-prioritizing their opinions that they had earlier discussed.

Students are to be given a stringent and fixed time phase for their analysis and group discussion, as there is often a wide variation in the amount of time needed for various groups to reach a consensus. A decision could be made to allow students to complete their group work outside of class time, but this tends to lose the pertinence and propinquity of the discussion.

### **Possible Follow-up Assignments**

1. Was a particular strategy or a type of combinational strategies that stood out as the clear #1 choice to you at the beginning of the class? To your whole group?
2. What is the rationale and what steps did your group take to arrive at a decision?
3.
  - a. Identify 3 key strengths and possible competitive advantages that the selected strategies possess.
  - b. What is the evidence that shows this proposed strategy is the best to implement – how do you defend the possible limitations/challenges and convince others of the strengths of adopting this?
  - c. What are the challenges for Old Chang Kee in implementing this?
4. Is there a strategy or combination of strategies that have been identified and shared in the class that you feel so convinced that you will adopt that if you are in the position to make the decision of implementing the strategy.
5. List the 3 key aspects you have learned or experienced through this activity.
6. What relevance do you think this activity has to this course?
7. Personally evaluate your own strengths and weakness in performing this activity.  
What areas do you want to improve and how can you go about doing so?

### ***Class Discussion: Key Issues***

Instructors can use the key elements of the macro environmental framework (Economy, Technology, Legal & regulations, demographics, social issues and natural ecology) to help students comprehend how the external environment may influence the performance and sustainability of OCK. In this case, we examine the impact of the external environment on the savoury snack industry in the current phase (2009 to 2013).

### **Major elements of the macro environment making an impact on Old Chang Kee**

#### **Economy**

- Reduction of Corporate Tax (in 2011 from 18% to 17%) enabled companies to expand operations of their business; (this point can also be placed under the *'Legal & Regulations'*)
- Growth Opportunities – Singapore government support and facilitate small and medium enterprises (SMEs) in the Food and Beverage (F&B) industry to improve its service level and effectiveness of its operations. This can be in monetary terms with funding through various entrepreneurial schemes, providing capital incentives with those who qualify and show high potential in succeeding; it can also be through incentive rebates and subsidies by the government;
- Consumer demand is rising – This is clearly evident through the profitability output (growth of 5.8% in 2009 in savoury snack market);
- As the industry is doing well, sourcing for good, reliable and quality labour can be sought after (i.e. firm is able to pay good wages); This also increases the demand of labour which attracts a high quality pool of employees;
- The cost is justified at the current stage in terms of the firm's sustainability and growth. Due to its reasonably large operation base, it operates at various strategic locations which dilutes its overall fixed costs arising from its production; In the future, to sustain its cost, it has to continually review its operation processes in terms of productivity and effective outcomes which relate to its profitability margin by leveraging on its branding and innovative product concepts, otherwise the profit margin will be marginalized if the costs are not able to be sustained within a specific tolerance level;

### Technology

- To stay tuned with the latest technology, Research and Development, OCK has successfully implemented NETS 'Flashpay' CashCard service throughout their stores in 2009 which is basically a contactless payment option. With Singapore migrates itself into a cashless hub, this initiative helps provide swiftness in dealing with business transactions. It well fits the busy and hectic life of Singapore's target audiences thereby meeting the increasing service demand for takeaways and convenience food;

Continuous advancement of e-services to enhance their service quality, for example, online ordering system which facilitates easy and fast mode of getting the products on hand;

- To leverage on technology to improve/advance on its production techniques, for example, the equipment used to produce the pastries and other items can be equipped with the latest technological facilities to further fasten the process and time-taken in producing these items; To formulate standard production techniques to be adopted across business entities which are located in different locations;
- Using technology to penetrate into some unique groups of markets by making it easier to embrace and appreciate within their lifestyle, for example, able to customize their toppings and add-ons via an online customer system which facilitates an increase in the rate of purchase where the visibility of the products is improved;

### Laws and Regulations

- *Tougher measures for renewing of operating licences:* It was highlighted that OCK requires to optimize their overall operations before they are able to renew their licences;
- *Tougher measures and controls put in placed on foreign immigrant labour:* The Singapore government has become tougher on the control of foreign labour which will affect the cost structure for OCK's business operations. This means that the cheaper labour force have to be substituted with domestic sources which may increase their labour cost. Further to this, levies of foreign workers has been recently increased which also adds to the financial burden in terms of costing for OCK. So labour cost is expected to increase which can impact OCK's profitability in the long run;

### Demographics

- *Ethnic Group:* To ensure its products are targeted to a more diverse market group (including Muslims), where its products are 'Halal Certified';
- *Age:* OCK has designed its food products which are desired by customers of all age groups. A continuous challenge will be its ability to sustain the changing needs and likings of all these different age group customers, especially the newer and younger generation as they become the new ones in the target group;
- *Diverse immigrant workforce:* Although tougher measures are set to control the foreign labour force, OCK has to also know that this category is likely to fall under the customers segment as well. Therefore, they have to be more aware of the needs and desires of this pool, so as to attract them as well;
- *Increased educational level with higher income ceiling:* With an increasingly higher educated population and better income, OCK has to also understand how their products are to be perceived in the "eyes" of this group of people. They may need to re-position and calibrate their product ranges, quality level of service, uniqueness of their products tastes, etc. so as to keep up with the higher and more demanding expectations of their customers;

### Social

- As OCK's customers become more knowledgeable, exposed and educated, their health consciousness and its possible related health illness come as a key concern. Hence, OCK has to position itself as an entity producing more healthy and delicious products to convince and influence them to keep buying their food products. This is also in line with Singapore's aim to be a more health conscious living environment;

### **Natural Environment/Ecology**

- The ingredients that are used for OCK's products are basically from wheat, crops, livestock and other food products. As its business is dependent on the supplies of these basic ingredients, its overall operations would not only be impacted in the event of an outbreak of food-related diseases but also in terms of customers' decreased level of food consumption owing to the contagious disease caused from the effect of the food-related diseases;

### **Competitive Environment facing OCK in 2013**

Instructors are to use the competitive environment model to facilitate on how it impact OCK's operation, strategy and performance. There are five (5) key elements that can be used to evaluate the situation, basically:

- New entrants (they compete with established companies)
- Customers [1. (Final customers: purchase products in their finished form; May demand lower prices, higher quality, unique product specification or better service); 2. (Intermediate customers: purchase raw materials or wholesale products before selling them to final customers)]
- Substitutes and complements [1. (Substitutes: Alternative products or services; can limit another industry's revenue potential); 2. (Complements: products/services that increases purchases of other products)]
- Suppliers (provide resources or inputs needed for production; can influence price and quality of goods and service if supplier is a sole provider)
- Rival Firms (competitors)

### **Industry Rivalry**

The Food & Beverage industry has been generally stocked with intensive competition. This is evident from the number of retail outlets that have mushroomed in Singapore. Some of the key competitors are a) Polar Puffs & Cakes Pte Ltd; b) Prima Deli; C) Bread Talk Group Limited; d) Bengawan Solo; The savoury snack industry in Singapore comprises of many OCK's competitors who offers a wide range of snack products and services. To defend their performance against the pressure of competition, the competitors strategize their business operations by carrying out their business operations in diversified locations. Other than the key competitors, the smaller and unlisted ones do not own large production facilities, hence this incurs them high fixed cost. Therefore, competitive prices are usually offered to attract customers which increase rivalry to a certain degree. However, OCK's distinctive and creative product concepts, together with its operations at diverse and strategic locations weaken rivalry to certain extent. Overall, we can evaluate that the industry rivalry is moderate in the industry.

### **Threat of New Entrants**

In the Savoury Snack industry, there has been a gradual increase and there will be a potential further rise in the number of new entrants in Singapore. This can be largely attributed to the relatively low cost to start a business in this industry (in comparison to other industries). The new entrants, for example, in Hawker centres, sell curry puffs imitating OCK's curry puffs may not be preventable. New entrants may also leverage on emerging trends but may not have the competitive edge when compared to more established and branded key players. The higher cost business establishment causes it to be challenging for gaining access to strategic locations. Overall, the threat of new entrants can be classified as moderate in this industry.

### **Threat of Substitutes**

OCK's product is savoury in nature and affordable, hence, it is viable for consumers switching to substitutes owing to the higher degree of price elasticity. This is largely because the competitive pressure in the industry is high, therefore this forces market players to meet consumers' demands which then threaten savoury snack sales through low cost substitutes. Another reason for switching to these low cost substitutes can be linked to the increasing rate of inflation. Moreover, the decrease in savoury snack preference is also a threat due to heart related diseases where consumers opt for healthier substitutes such as fruits. Overall, the threat of substitutes can be classified as high in the industry.

### **Bargaining Power of Consumers/Buyers**

The majority consumers in the savoury snack industry in Singapore can be largely categorized as locals as well as foreign expatriates and workers. As there is a diverse range of affordable product choices available in the market, price-sensitive consumers tend to switch to alternatives as the price elasticity is higher.

Therefore, there is a high possibility of switching taste and preference when inflation exists. Nonetheless, consumers with strong brand loyalty tend to stay with the same retailer regardless of the cost factor. OCK having established a good brand quality in the market will help facilitate as a greater competitive advantage. Overall, we can classify the bargaining power of consumers/buyers as moderate in the industry.

### **Bargaining Power of Suppliers**

Over 30% of annual purchases of OCK are from overseas. This may cause the business to be affected in the event of any unfulfilled supplies and also because OCK's business is dependent largely on the supplies of the basic ingredients (e.g. crops, livestock and other food products). As the costs of supplies of raw materials (ingredients) are usually in bulk, it causes the bargaining power of the suppliers to be weak. Furthermore, as the costs of the ingredients (such as flour, egg, crops, etc.) do not vary largely, this causes further suppression of the bargaining power of suppliers. Overall, the bargaining power can be categorised as moderate in this industry.

What can OCK do next to maintain its loyal clientele and attract new customers addressing the rapid and continuous changing environmental issues, intense competition from rivals and rising expectations from customers?

This question requires students to perform a certain degree of analysis and provide recommendations for OCK to achieve better performance outcomes to maintain its loyal clientele and attract new customers, most essentially, market sustainability in the savoury snack industry. The strategic options listed below are to serve as some possible suggestions. Students might come up with varying answers. However, the key emphasis is on the guidance provided to students to structure their strategic alternatives based on a careful evaluation of the firm's current challenges and resource constraints. Furthermore, assumptions and risk analysis associated with each option should be discussed.

Generally, OCK can use either/both independent as well as cooperative strategies to maintain their loyal clientele and attract new customers. OCK has to perform a pre competitive and macro environmental analysis to understand what are the new needs and trends, so that these strategies proposed will be able to meet up with the new challenges.

### **Independent Strategies**

To differentiate itself uniquely from its competitors (*for example, in what it offers on product diversity, uniqueness, quality, taste, etc.; in terms of its services rendered, etc.*)

For example, some possible strategies are:

- Establishing online sales

OCK to focus on how it can have an on-line ordering system and door-to-door delivery, if customers can order beyond certain amount or meeting some criteria set. This will be attractive to the younger generation, especially to address their preference to be more IT-inclined;

- Offer innovative products to meet changing customer demands

To offer more new, unique products in terms of variety as well as taste to differentiate from other competitors. They need to keep monitoring and offering continuous changes so that they can champion this strategy of "always offering innovative ranges of savoury products";

- More and better strategic locations

To further examine on how OCK can be placed in more strategic locations to capture more inflow of customers. This will allow loyal customers as well as influencing new and potential customers by offering them a choice to select from;

### **Cooperative Strategies**

- Form strategic alliance with competitors

By forming strategic alliance with competitors, it allows to leverage on the competitors' strengths which OCK may either be weak in or may not have the expertise/resources to deal with. This helps boost its target market to experience a better sales output. For example, having alliance collaboration with Bengawan Solo may help OCK enter into the market of its competitors much more easily than offering competing products Bengawan solo offers which may be more challenging having it offered solely by itself.

- Partner with others to complement each other capabilities

By forming partnership in certain areas, it helps to work effectively by gaining more in terms of outcomes (i.e. in terms of productivity, effectiveness, etc.). For example, OCK can partner with Bubble Tea shops (e.g. Sweet Talk, Koi) and Dessert shops (e.g. Dessert Bowl, Ah Balling Peanut Soup) where its strategic locations and positioning is much better established. Therefore, having joint-collaborations in its advertising or promotional efforts may assist OCK to reach out more easily to its competitors' clients and vice-versa.

- Merger and acquisition (Vertical Integration Strategy)

Joining with an established competitor can assist to penetrate a larger pool of target market. Alternatively, buying over smaller firms may help OCK to ride on its new resources and labour force to speed up its growth. This strategy will assist OCK to expand its domain into supply channels or to distributors. It also helps to eliminate uncertainties and reduce costs associated with suppliers and distributors.

- Divestiture

OCK may also consider selling of some of its current business units so that it can re-direct its resources to build on its identified strategically located units with advanced facilities, meeting the changing demands and expectations.

- Concentric diversification

OCK can expand its business outlets into corporate catering, budget airline catering, airline catering, budget hotels, fast-food restaurants and cafes whereby each of these businesses are within the hospitality industry.

### ***Summarizing the Case – Conclusion***

Instructors can summarize the case by briefly reviewing the impact of macro and competitive environment factors on shaping OCK's strategies and performance during the recent stage (2009-2013). OCK faces its own challenges common to other savoury snack firms operating during these rapid changing environmental elements, competitive threats and coping with changing customer tastes and lifestyles. This case illustrates the importance of the firm's continuous monitoring and adaption to changes in its macro and competitive environments to achieve long-term sustainability in the market. For other similar savoury snack firms, the competitive situations have become more intense, with other rivals offering competitive snacks and more increased number of new players offering similar-like savoury snack like products as substitutes.

### ***Analysis of Key Subjects***

#### **Background and Motivation for Using this Case**

This case was developed in endeavouring to incorporate the active-learning pedagogies targeting to achieve critical thinking and application of theoretical concepts to practical contexts. It is also an effort to convince students on how contributing and participating in active learning activities in their seminar groups benefit them to understand and relate the concepts learned effectively. Students have been often preconditioned to expect that management classes are filled with abstract concepts and frameworks which are meant for passive learning – the instructor lectures and they are on the receiving end, listening and taking notes. When such a problem-solving case activity is done, it helps to shift students' passive attitude to take a more active role in the classroom, while fostering a conducive and exciting learning atmosphere.

To accomplish this goal, it is necessary to brief the students of active pedagogical approach to be taken in the first week of the seminar itself. Ideally, the importance of getting involved and active contribution must be emphasised. The case should be uploaded at least 1 week before the seminar and specific instructions informing students to read and prepare before attending the lesson is very essential. It is critical to set the tone and the expectations clearly, during the opening brief of the course module. It is also crucial for the instructors to get active learning approach started early, as having it commenced after the initial phases of "lecturing on the basics" would not be effective. This is largely because by delaying the active-learning phase, students (more for the junior/intermediate students, year 1/2) would have fallen into a passive learning pattern and will be uncomfortable, or worse, resentful of active learning activities, where they may perceive them as more demanding on their part and less productive and useful at preparing them for exams.



**(Note:** As for BE2601 course module, this will not be an issue as each seminar addresses a specific topic which lays down how to have a good combination of interactive lectures incorporated with active-learning approaches within each 4 hour seminar)

The value of this case is three-fold. Firstly, it enables students to have an opportunity to apply the competitive and macro environment framework. Often students understand the theoretical model but may have difficulties in having this applied when examined from a real-life perspective. This process enables students to think critically and perform some evaluative analysis before identifying the appropriate strategies. The analysis and identifying of the appropriate and most suitable strategies enables them to experience and explore the real challenges involved and turn the students into decision-makers for future managerial positions. This activity makes students brainstorm and decide the most appropriate strategy amongst others after reaching a group consensus. This activity enables them to relate, apply and make a decision with supporting rationale. The process of learning will enable them to tackle such analysis in real-life situation (s) in the future.

Second, the students realize that there are varying dimensions in which an analysis for an entity has to be performed before most an appropriate strategy could be identified for business growth and sustainability. This allows students to move away from the mindset of a model answer and believe in understanding the fundamental concepts deeply and then debate on their choices of why the chosen one would be feasible. This encourages students to shift the approach of learning from being passive learners to take on the active and reflective roles as learners.

Thirdly, the students realize that the skills such as critical thinking, problem-solving and decision-making, putting across their thoughts with valid and supporting justifications can be developed in their university courses if they embrace active learning activities. They can learn both the contents in understanding the theoretical conceptual framework/concepts as well as acquire the skills to relate and apply with critical analysis and reflective thinking.

### **Comments on having the Learning Objectives Achieved**

It is of paramount importance to ensure the key learning objectives are achieved. The style of approach taken to facilitate can differ from instructor to instructor. However, the following guidelines should be closely achieved:

- Time given to students for prior preparation in terms of reading up and performing some preliminary research.
- Instructors to take on a facilitator role where students are given the opportunity to be independent in sourcing and brainstorming the possible answers with supporting rationale and justifications. Instructors are to avoid providing too much hand-holding which defeats the purpose of active-learning
- Use effective questioning techniques to probe and direct them to be on the right track. Relevant questioning will direct the scope to a much deeper level of analysis and make the students think, relate and rationalize the answers with justifications/evidence.

For upper levels, it is crucial to perform deeper and complex debate on the choices relating to its implications and consequences. The questions of how, why must it be? Why not? How do you support your points? need to be incorporated. The discussion could also be intertwined with cross-disciplinary topics or other relevant topics which should be linked and a holistic evaluative analysis performed. The instructors should demand and expect deeper reflections with the ability to justify and defend the selection of choices.

- It is essential to perform a summary of the key issues as learning take aways after the entire class discussion with all the group's contributions.

### **Student Reactions**

“I find it [this active-learning exercise] enjoyable sharing my thoughts and debating the issues to reach a group consensus. This allows us to probe deeper and rationalize why we make such a decision” (2<sup>nd</sup> year student)

“This (exercise) is relevant [to the seminar] and useful in making us understand the application rather than just the facts and frameworks. It is important to learn to be a critical thinker and an effective problem solver in order to prepare ourselves as future managers” (3<sup>rd</sup> year student)

“I learned that the differing suggested answers from the various groups help me to see the varying dimensions and supporting justifications.

I have a much better understanding of how to formulate strategies for a company's business growth not only via group discussion and debating towards a group consensus but also rebutting, challenging and evaluating other group's proposed strategies as well" (3<sup>rd</sup> year student)

### Endnote

- <sup>1</sup> Old Chang Kee (2013). *About us-our heritage*, [online] Available from <<http://www.oldchangkee.com/our-heritage.html>> [Accessed 2<sup>nd</sup> June 2013]
- <sup>2</sup> Old Chang Kee (2013). *About us-our heritage*, [online] Available from <<http://www.oldchangkee.com/our-heritage.html>> [Accessed 2<sup>nd</sup> June 2013]
- <sup>3</sup> Old Chang Kee (2013). *Investor Relations-Brand Mission*, [online] Available from <<http://www.oldchangkee.listedcompany.com/companyprofile.html>> [Accessed 2<sup>nd</sup> June 2013]
- <sup>4</sup> Old Chang Kee (2013). *Investor Relations-Chairman Statement*, [online] Available from <[http://www.oldchangkee.listedcompany.com/chairman\\_message.html](http://www.oldchangkee.listedcompany.com/chairman_message.html)> [Accessed 3<sup>rd</sup> June 2013]
- <sup>5</sup> Old Chang Kee (2013). *About us-our heritage*, [online] Available from <<http://www.oldchangkee.com/our-heritage.html>> [Accessed 3<sup>rd</sup> June 2013]
- <sup>6</sup> Old Chang Kee (2013). *About us-our heritage*, [online] Available from <<http://www.oldchangkee.com/our-heritage.html>> [Accessed 3<sup>rd</sup> June 2013]
- <sup>7</sup> Old Chang Kee (2013). *About us-Awards*, [online] Available from <<http://www.oldchangkee.com/our-awards.html>> [Accessed 3<sup>rd</sup> June 2013]
- <sup>8</sup> Janus Corporate Solutions (2013). *Singapore Corporate Tax Guide*, [online] Available from <<http://www.guidelinesSingapore.com/taxation/corporate-tax/Singapore-corporate-tax-guide>> [Accessed 23<sup>rd</sup> July 2013]
- <sup>9</sup> Economic Survey of Singapore (2012), Ministry of Trade and Industry, Republic of Singapore
- <sup>10</sup> Singstat (2011). *Economic Surveys Series Food & Beverage Services*, [online] Available from <[http://www.singstat.gov.sg/statistics/browse\\_by\\_theme/economy/findings/fnb.pdf](http://www.singstat.gov.sg/statistics/browse_by_theme/economy/findings/fnb.pdf)> [Accessed 15<sup>th</sup> July 2013]
- <sup>11</sup> Singstat (2011). *Economic Surveys Series Food & Beverage Services*, [online] Available from <[http://www.singstat.gov.sg/statistics/browse\\_by\\_theme/economy/findings/fnb.pdf](http://www.singstat.gov.sg/statistics/browse_by_theme/economy/findings/fnb.pdf)> [Accessed 15<sup>th</sup> July 2013]
- <sup>12</sup> SingStat (2009), *MTI Forecasts*, [online] Available from <<http://www.singstat.gov.sg/news/gdp4q2010.pdf>> [Accessed 23<sup>rd</sup> July 2013]
- <sup>13</sup> Singstat (2009). *Economic Surveys Series: Food & Beverage Services* [online] Available from <<http://www.singstat.gov.sg>> [Accessed 20<sup>th</sup> July 2013]
- <sup>14</sup> Singstat (2005-2009). *Economic Surveys Series: Food & Beverage Services* [online] Available from <<http://www.singstat.gov.sg>> [Accessed 20<sup>th</sup> July 2013]
- <sup>15</sup> BBC (2011). *BBC News*, [online] Available from <<http://www.bbc.co.uk/news/world-europe-12168224>> [Accessed 2<sup>nd</sup> April 2011]
- <sup>16</sup> Channel News Asia (2009), *Channel News Asia Stories*, [online] Available from <<http://www.channelnewsasia.com/stories/singaporelocalnews/view/1039026/html>> [Accessed 18<sup>th</sup> April 2011]
- <sup>17</sup> Old Chang Kee (2012). *Investor Relations-Financial Information-Annual Report 2012*, [online] Available from <<http://www.oldchangkee.listedcompany.com>> [Accessed 23<sup>rd</sup> July 2013]

### References

- Barnes, L.B., Christensen, C.R., Hansen, A.J. Eds. "Teaching and the Case Method," 3<sup>rd</sup> Edition, Harvard Business School Press: Boston, MA, 1994
- Louise, A.M.L.; Jame, A.E; Michiel, R.L. "Learning with Cases", 2<sup>nd</sup> Edition, Richard Ivey School of Business, the University of Western Ontario, 2001
- Christensen, C.R.; Garvin, D.A.; Sweet, A. Eds. "Education for Judgement: The Artistry of Discussion Leadership," Harvard Business School Press: Boston, MA, 1991
- Hitchner, S.B., Jr. "Preparation of Teaching Notes," © President and Fellows of Harvard College, 1977, #N14-77-189.0
- Robyn, D. "What Makes a Good Case?" © President and Fellows of Harvard College, 1985, #N15-86-673.0