

LEVEL 7 ASSESSMENT SPECIFICATION

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Academic honesty / referencing:	Academic honesty is required. In the main body of your submission you must give credit to authors on whose research and ideas your work is based. Append to your submission a reference list that indicates the books, articles, etc. that you have used, cited or quoted in order to complete this assessment.		



Vitasoy International Holdings Ltd.
維他奶國際集團有限公司

**“THE ONLY CONSTANT IN LIFE IS CHANGE.
ASSIGNMENT 2: ANALYTICAL REPOT
(VITASOY INTERNATIONAL HOLDINGS LTD.)**

**HKBM7015 CHANGE AND STABILITY MANAGEMENT
LOK LAM FREBIE CHAN - 2322643**



Synopsis

This article reports an empirical study on Vitasoy International Holding Limited an eighty-four-year-old brand in Hong Kong to analysis their current situations and the challenges with a hope to explore opportunities for the organisation to change. Additionally, through the SWOT and Force field analysis to understand and identify what are the restraining and driving forces of changes by approaching with a change theory model to work through the changing process. Also investigate the leadership style in Vitasoy and how they can implement successful change across the organisational and how to manage the resistance of change from the employees.



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1 Introduction

Vitasoy was founded by Dr. K.S. Lo in 1940. Aiming to provide an affordable, tasty and nutritious plant-based beverage to the public when in the time of food shortage and soaring commodity prices. During World War II many household's financial situation became difficult and Vitasoy became a valuable choice of nutritious drinks at that difficult time (Hong Kong Brand Museum. 2021).

Vitasoy is an eighty four years old brand in Hong Kong and over these years it has established a strong brand image for the locals with the iconic products. Vitasoy for the local customer is not as simple as a soft drink, but also is a memory. Memories of childhood, memories of Winter with hot Vitasoy drinks (Vitasoy International Holdings Ltd. 2024). However as a well-known brand Vitasoy seems to have been feeding out from its marketing what are the reasons that turn to this circumstance and what are the challenges that are facing.

People's health, daily life and lifestyle have changed a lot after COVID-19. Although COVID-19 does not bring direct impact to Vitasoy and it still has been impacted. COVID-19 occurred and affected Vitasoy's customer behaviour. People are getting healthier after COVID. According to Manulife's survey done in 2020 there are 72% of participants who eat more healthily and 54% of participants have exercised more during COVID-19 and are seeking healthier habits. What does it means for Vitasoy?

Look back to Vitasoy's mission when they were first established "Making nutritious and tasty plant-based food and beverages" which is a really strong mission for the business. However time has changed, customer needs, wants and behaviours have changed over these years. Vitasoy still remains the same mission which is not changing with the environment.



Vitasoy have been falling into strategic drift which is the current strategy cannot fulfil and follow the market needs (Gerry, J. and et al. 2011). Nowadays when people talk about Vitasoy they will create a linkage of unhealthy drinks, drinks with a lot of sweetness which is not the current market needs. “Vitasoy” this local brand is ageing and losing its marketing value.

This article reports an empirical study on Vitasoy International Holding Limited based on their past eight years financial result to analysis the current situations and the challenges that Vitasoy is facing. Through the SWOT and Force field analysis to understand and identify what are the restraining forces and driving forces of changes. Then approach with Kurt Lewin’s change theory model to work through the changing process. In addition, will investigate the leadership and implementing successful organisational change and how to manage the resistance of change.

2 Force Field Analysis

When looking at the financial result Vitasoy is growing slowly without deficit however the outlook is still uncertain. What are the environment factors that driven Vitasoy’s outlook in a uncertain situation. First step is to understand what is the current situation and what are the challenges that may facing.



Figure 1 SWOT analysis



Sources: Mind Tools Ltd. 2024

SWOT analysis helps to analyse the strengths and opportunities of the business to drive a successful strategy for the future. It also can help to discovery the weaknesses and threats which are the risk and challenges from internal and external.

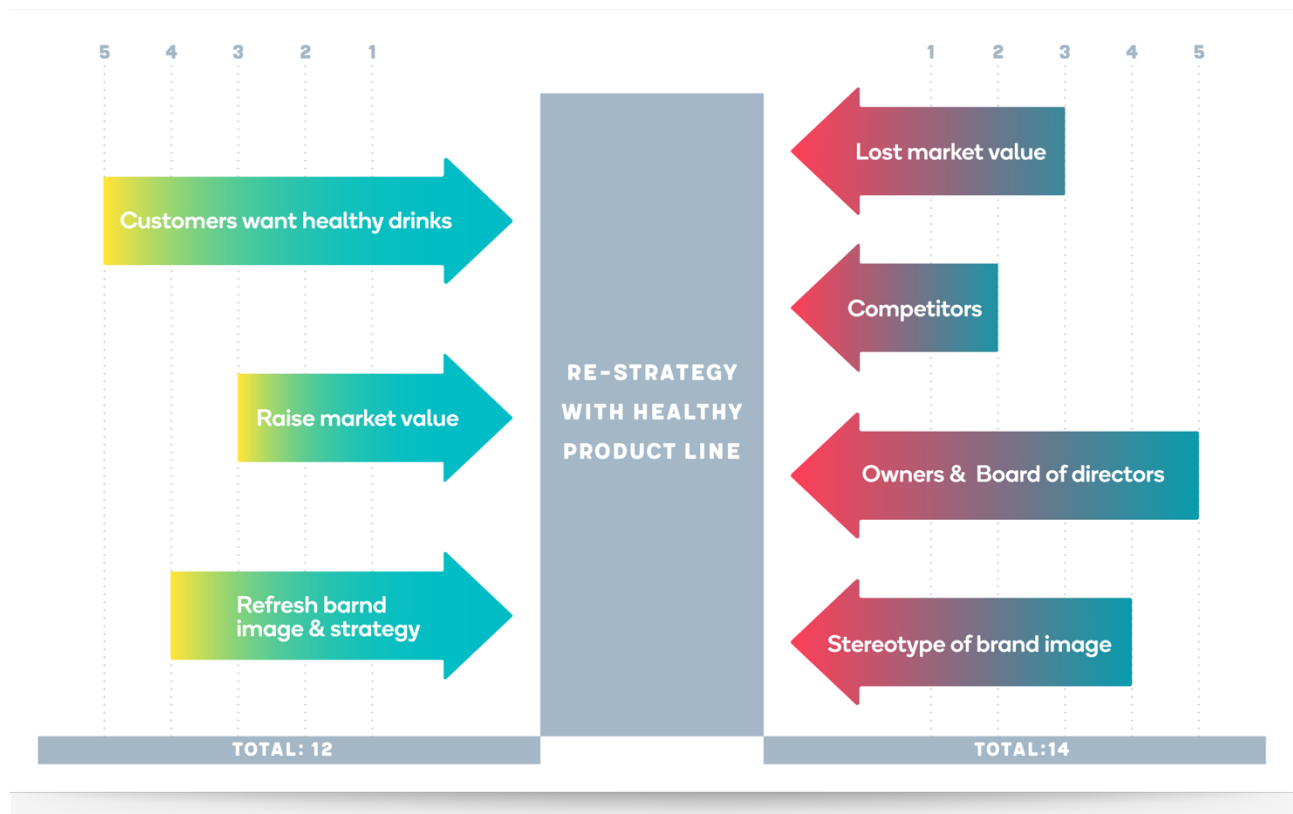
Vitasoy is an experienced and trusted brand in Hong Kong with their strong mission and iconic products. That create opportunities for the business to expand the business and open the international markets. However the brand is ageing and already created a strong image for the customer it is a risk for the business (HSBC Group. 2024). Because the customer stereotyped the brand of unhealthy drinks with a lot of sweetness which is not the current needs of the market. Customer behaviour changed and the business not able to follow the environmental change which also losing their market and product value (Holt D. 2016).



2.1 First attempt

Through the SWOT analysis identified the strengths, weaknesses, opportunities, and threats from Vitasoy. Transform these factors to the force field analysis to understand what are restraining forces and driving forces for the current situations.

Figure 2 First attempt of force field analysis



Sources: Lewin K. 1947

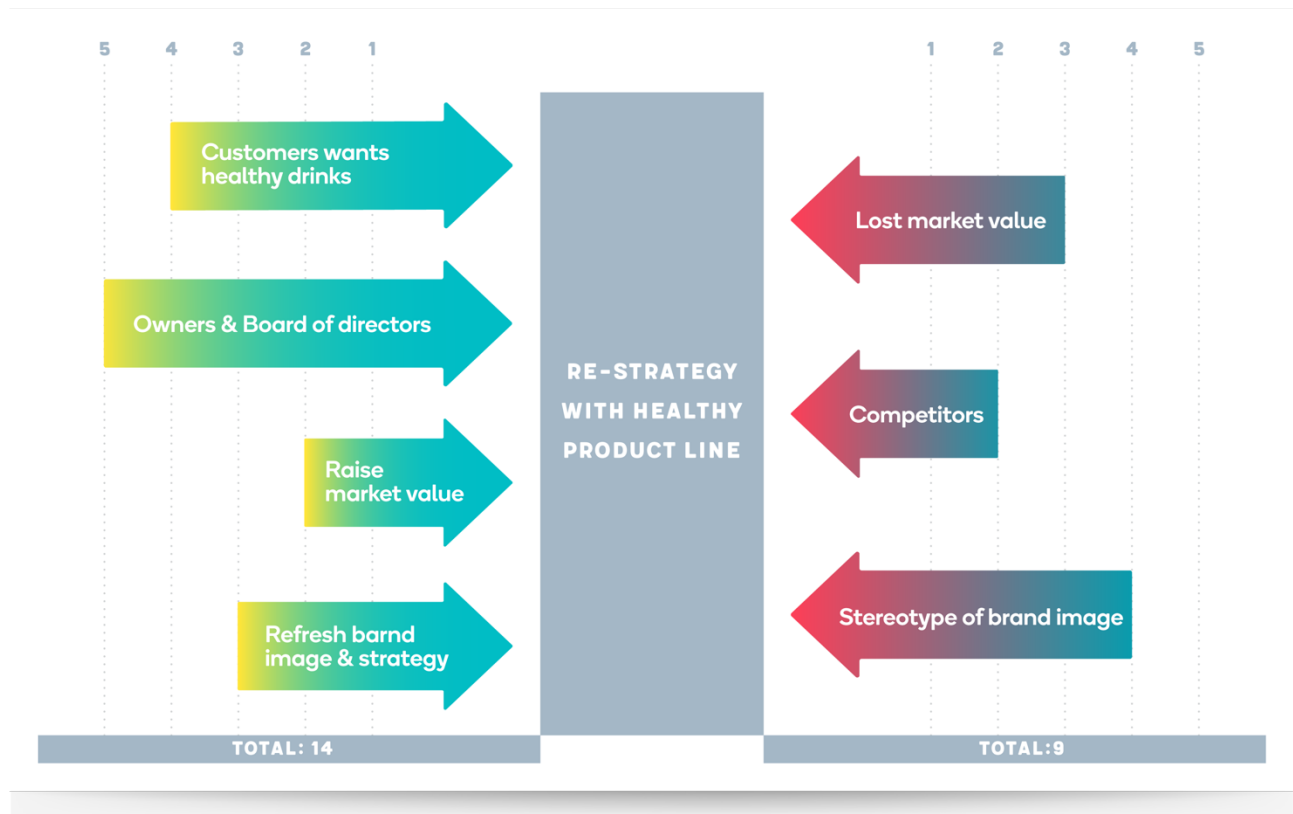
From the first attempt can understand Vitasoy currently have more restraining forces than driving forces by the score 14:12 which is difficult for Vitasoy to make changes for the business. The major restraining forces are owners and board directors by following stereotype of brand images, lost market value and competitors. Since Vitasoy is a family-based company owners and board of directors' mindset may affect the most for the business strategy direction even though they knew the business



need to change however the financial result made them feel the business still going fine. In the meantime it still in their comfort zone, the comfort zone of the iconic and successful product which is fading out from the current market by the changes of the customer wants and needs.

2.2 Second attempt

Figure 3 Second attempt of force field analysis



Sources: Lewin K. 1947

According to the first attempt there are more restraining forces to against the changes. How we can initiate the changes. The first step will be convincing the owner and board of director's let them understand the market have been changed and the market and competitors would not wait. Although the current financial result growing slowing and preforming fine which does not guarantee the future. As the current market and competitors are telling the customer wants healthy drinks and sweetless drinks. In the second attempt transformed the restraining forces to driving forces then can easily drive the changes. Starting with convince the owner and board of director's mindset as the strongest driving forces by following to understand what the actual customer needs and wants is based on these driving



forces then can repositioning the business strategy which suitable for the current market and customer needs and wants. Then can raise the market value and refresh the brand image.

3 Applying change model/ Approach

According to Kurt Lewin's three step change management model (1947) it can separated into three stages, which are unfreeze, change (transition) and freeze (refreeze). It is an easy and direct changing plan model for organisation to apply and approach for the changes.

3.1 Unfreeze

In the unfreeze stage will need to get prepare for the changes to identify the challenges and understand why need to be change. As Vitasoy already losing the marketing value by the changes of customer behaviours and wants. The first step is to understand what are the customer need and wants nowadays (Elite Program Management. 2023). Then will need to gather the support from different stakeholder across the organisation to develop the strategy and plan to communicate the need of change. Vitasoy may gather the market team to research and analysis the current soft drink markets then based on the result to compare with the existing market strategy to find the gaps in between. Through the gaps can highlight the risk of uncertainties and avoiding the changing plan will affect the daily operation.

3.2 Change

Once the business is ready for change then can move on to the next stage to transition the changes. Vitasoy should clearly deliver the change objective across the organisation, provide a detail plan what will be happened in the future and what will be impacted. This action may reduce the change of fears and rumour form the employees. Engage and encourage people for the changes to understand the current situation and the advantage of the change (Elite Program Management. 2023).. Although Vitasoy current situation may not need a structure change, is a remedial change based on the environment. As Vitasoy may need to move the focus from the iconic product to a new product line



that suitable for the current market and customer wants. It is hard for people to step out from their comfort zone, especially they stay in the comfort zone for many years.

3.3 Refreeze

At the last stage is to ensure the new strategy is widely accepted across the organisation, especially the leadership and management team (Elite Program Management. 2023). Because without their support that will become a major challenge for the change of transition. The change of transition may take a period of time to process and it may not hit the expectation at the beginning. However should be persevere and be patience, as Vitasoy is an old brand and already created a strong image in the market. Once the brand have been stereotype which is hard and take time to change people's mind. Therefore a flexible and sustainable plan is need. The plan can based on the framework to twist or slightly adjust according to the market and customer reaction. It can be a small scale of new product line or can lavage the existing potential product that fulfil the market and the customer needs as an interim. Once it reach the expectation can expend or enlarge the scale. Last but not least is to celebrate the success across the organisation which also is an engagement of change to deduce hesitation of change for the future.

4 Leadership and Implementing successful organisational change

There are different types of leadership style such as authoritarian (autocratic) leadership, participative (democratic) leadership and delegative (laissez-faire) leadership which is difficult to say which type is the best. Because it needs to base on the organisation structure, culture, and work environment.

4.1 Leadership style in organisational change

As Vitasoy is a family-based company and by observing the members of board directors' most of the members are from the Lo's family and their age are all over 50s which reflected the leadership style of the organisation is authoritarian (autocratic). Authoritarian (autocratic) leadership is a top-down management style to create a centralised control from the core leader. The advantages are quick



respond of decision making, clearly defined rules and processes which team member just need to follow the instructions from the core leader. On the other hand it also bring disadvantages such as lack of involvement for the employees, resistance to change and lack of new initiative (WGU, 2024).

Under the authoritarian (autocratic) leadership style the core leader, which is the soul of the organisation. When driving the change the core leader can be the restraining forces, but also can be the driving forces. It depends on how to engage and initiative the authoritarian (autocratic) leader. Believed any types of leadership style must have its pros and cons, the important ness point is how the leader and the follow driving successful organisation change.

4.2 Driving successful change

According to six core themes and practices in leading organizational change (Hodges and Gill, 2011) are vision, purpose, share value, strategy, empowerment, and engagement. An effective leadership also required these six core themes. Effective leaders should deliver a clear and direct vision of change, let the team understand the purpose of the changes with pros and cons which is important. Provide a transparency of the change process made the team feels they are also participating and engaging in the changing process (Hodges and Gill, 2011).

Leaders can empower the team/ people as a facilitator by the knowledge, skills, accountable of their performance and the understanding of the change barriers which is important especially if there is a misalignment team member (Kotter J. 2012).

In somehow there must be some team members just would not accept and adapt to that changes and those member will work against our afford to drive the changes. When driving the change across the organisation there are 20% of team member are understand and willing to change, 60% are understand with hesitations and the rest of the 20% are not agree to change and against to it which call 20/60/20 rule (Entrepreneur. 2024).

If the leaders would like to drive the change successfully will need to well manage the 20% of people who are willing to change. Empower those 20% of members to lead and encourage the 60%



neutral team members and transform them to the driving team as the driving force to increase the successful rate of the changes (Entrepreneur. 2024).

5 Managing resistance to change

There are many reasons for people to hesitation and against change. As a leader firstly is to understand why employee are resistance to change, once understand the hesitation then can find the solution to engage and initiative changes.

5.1 Resistances

Employee against to change it can be mistrust and lock of communication, emotional responses, lock of training and support, fear of failure, poor communication, unrealistic timelines, peer pressure and existing organization culture and norms (Whatfix. 2024).

Any of changes may cause uncertainty people may need to step out of their comfort zone, employees may easily bring their personal emotion to the workplace. That can be based on the new process or changes is led by someone they do not trust with and lack of communication by telling the reason of changes. It also can be the change is an emergency change without a well plan, employees change by force with lack of support. Hesitation can also be when launch a new system without training and support which made the employees feels if they cannot manage the new system they can be replace or impact their work performance (Maurer R. 2024).

Also some of the employees against change because of the peer pressure. To manage the misalignment employees.

5.2 Avoid resistances

Wherever launching new process or changes the most important part is to communication well, the leadership should deliver a clear and direct objective. Sharing across the organisation what are the purpose of changes. Well plan and prepare for the change which includes listen to the team



member. Understand their fearlessness and provide appropriate support to reduce their fearlessness. For example voice of the team to provide a secure and anonymous platform for the team member to voice their concerns. Also can provide mental health consultation to relieve their stress under the change.

When the changes are more technical or initiating new technology or system the organisation should provide appropriate support and training for the related team members. It also can form a working group that from different engagement team across the organisation to participate the development process and turn the participate to a super use then they can lead and support their individual teams.

Leadership can through well education and communication, provide participation and involvement with facilitation and support and negotiation and encourage the team member of changes to reduce the hesitation of changes (Kotter J. 1999).

6 Conclusion and Recommendations

An eighty four years old brand in Hong Kong and over these years Vitasoy has established a strong brand image for the locals with the iconic products which is difficult for them to take the first step of changes. However, if Vitasoy still stay in their comfort zone that will be an shame that their outlook is not optimism in the future.

6.1 Recommendations

The recommendation for Vitasoy is to understand what the current market needs are and what are the customers wants. As their major challenge is they are losing the customer and fading out from the marketing. Vitasoy does not need to have a big change; they can be based on their own mission “Making nutritious and tasty plant-based food and beverages” to twist their strategy and focus from the iconic product to the healthy product. It can be existing or an entire new product range.

As the customer behaviour changed non sweeten drink are more popular in the market currently. Vitasoy should follow this trend as it is the customer and market needs. As Vitasoy is an experienced



beverages company and they already have hardware to support themselves for the changes. Now just waiting for the owner and the boards of directors to take their first step of the changes.

6.2 Conclusion

Through the investigation of Vitasoy International Holding Limited to analysis their current situations and the challenges that currently facing. Analysis by the SWOT and Force field analysis to understand and identify what are the restraining forces and driving forces of changes. Then approach with Kurt Lewin's three steps of change theory model to work through the changing process. In addition, will investigate the leadership style in Vitasoy and how they can implement successful change across the organisational and how to manage the resistance of change from the employees.



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