

LEVEL 7 ASSESSMENT SPECIFICATION

Student name:	HO CHIT CHI	Student ID number:	2337376
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Lecturer:	Dr Joe Leung	Internal Verifier:	Dr CC Poon
Assignment Title:	Individual Presentation	Word count (or equivalent):	8-10 Minutes
Submission deadline:	12 April 2025 (Presentation and Submission of PPT)	Return date of provisional marks & written feedback:	12 May 2025 (Tentative)
Submission method:	All written assessments, where practical and possible, must be submitted via Turnitin unless otherwise instructed by the Lecturer. (Please DO NOT put this assessment specification into Turnitin or it will match many similarities with other students' submissions.) Alternative submission method (if applicable): Late submission of the assessment will result in a late penalty mark: Work which is submitted up to 1 week late will be capped at 50% for the first attempt and will be awarded a mark of 0% for re-assessment. Late submission penalties may be lifted only if there is an approved extenuating circumstances claim. Work submitted more than 1 week late will be considered as a non-submission and will not be marked. The work may be considered as a submission for reassessment if offered by an Examining Board or if there is an approved extenuating circumstances claim.		
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.		



翠華集團

TSUI WAH GROUP

TITLE: CHANGE INITIATIVES
AT TSUI WAH GROUP

MODULE CODE: HKBM7015

NAME: HO CHIT CHI

STUDENT NUMBER:
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DATE: 12 APRIL 2025



TABLE OF CONTENTS

- 1. Company Background
- 2. Executive Directors Background
- 3. Overview of 2020-2024 Changes
- 4. Financial Performance Overview
- 5. Challenges and Reasons for Poor Performance
- 6. Internal Factors affect organizational change
- 7. External Factors affect organizational change
- 8. How factors affect Tsui Wah's change
- 9. Conclusion
- 10. References





翠華集團

TSUI WAH GROUP



COMPANY BACKGROUND

- Founded in 1967 as a small ice parlor in Mongkok, Tsui Wah has grown into Hong Kong's leading chain restaurant group. They made Hong Kong-style diner to be listed on the Hong Kong Stock Exchange main board (stock code: 1314). With locations across Hong Kong, Macau, mainland China, and Singapore.
- 6 Sub-brands, 30 stores in Hong Kong, 4 stores in Macau, 35 Stores in Mainland China, 5 Stores in Singapore

(Tsui Wah Group, 2024)





- Vision: To share Hong Kong's exceptional dining culture with the world.
- Mission: To pass on Hong Kong's quality dining heritage to new generations by combining tradition with innovation, creating unique and creative products that showcase the essence of Hong Kong's culinary culture.
- Core Values: "Fast, Fine, Fantastic" - delivering swift and precise service with excellence to ensure every customer's satisfaction.
- brands: Jin Xin Shanghai Pan-Fried Bun, specializing in Shanghai-style dumplings and noodles; Twenty One Tang, offering modern Japanese fast food; Yang's Kitchen, featuring Japanese-Western fusion dishes like omurice; Ceylon, serving Hong Kong comfort food; and From Seed to Wish, our Western-style café known for light brunch options and specialty coffee.

(Tsui Wah Group, 2025)



EXECUTIVE DIRECTORS BACKGROUND

- Mr. Lee Yuen Hong, Aged 69, Chairman of the Board and Executive Director
 - ~ Founded the group in 1989 by acquiring the San Po Kong Tsui Wah Restaurant.
 - ~Joined restaurant industry since 1966 as cook
 - ~Director/chairman/committee of food related associations
 - Mr. Lee Kun Lun Kenji, Aged 39, Executive Director and Group CEO
 - ~Son of Mr Lee Yuen Hong
 - ~Join the group as marketing and design officer
 - Ms. Lee Yi Fang, Aged 40, Executive Director and GM of supply chain
 - ~Over 11 years of marketing experience in catering
 - ~Join the group as corporate planning manager
- (Tsui Wah Group, 2024)



WHAT CHANGES MADE BY TSUI WAH BY 2020-2024?

- 2020-2022: Impact of the Pandemic: The COVID-19 crisis forced Tsui Wah Group—and many in the food and beverage industry—to adjust their operations drastically.
 - ➔ Cost cutting, temporary closures
- 2023: Acceleration of Change Amid Resumption: With the full resumption of travel between Hong Kong and Mainland China early in 2023, Tsui Wah saw a surge in tourism in key locations such as the Hong Kong International Airport and Macau. The Group used this period to further consolidate its market presence through:
 - ➔ Strategic collaborations (e.g., partnering with Hong Kong Express Airways).
 - ➔ Targeted operational improvements such as “one store, one strategy” in the fiercely competitive Mainland market.
 - ➔ The gradual introduction of technological enhancements in operations.
- 2024:
 - ➔ further investments in renovating and expanding new markets like Singapore and Mainland China
 - ➔ Brand rejuvenation and Digital Transformation



RESULTS

	Year ended 31 March				
	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
REVENUE	954,128	845,797	993,324	956,382	1,381,479
PROFIT/(LOSS) BEFORE TAX	34,747	61,855	(117,400)	(117,777)	(300,708)
Income tax expense	(1,777)	(5,975)	(6,649)	(8,317)	(19,016)
PROFIT/(LOSS) FOR THE YEAR	32,970	55,880	(124,049)	(126,094)	(319,724)
Profit/(loss) attributable to:					
Equity shareholders of the Company	39,087	60,578	(118,254)	(124,114)	(317,389)
Non-controlling interests	(6,117)	(4,698)	(5,795)	(1,980)	(2,335)
	32,970	55,880	(124,049)	(126,094)	(319,724)

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	As at 31 March				
	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
TOTAL ASSETS	890,324	1,039,619	1,267,918	1,552,238	1,637,712
TOTAL LIABILITIES	(405,010)	(505,459)	(760,797)	(935,630)	(934,660)
	485,314	534,160	507,121	616,608	703,052
EQUITY:					
Equity attributable to equity shareholders of the Company	507,281	550,010	518,273	617,053	701,517
Non-controlling interests	(21,967)	(15,850)	(11,152)	(445)	1,535
	485,314	534,160	507,121	616,608	703,052

FINANCIAL PERFORMANCE OVERVIEW

- Revenue management:

Although revenue dropped from 2020's 1381 Million to 2024's 954 million, but the profit increases from -319 Million to +32 Million. However, it was not enough profit being a chainstore.

32 Million / 74 stores worldwide / 12 months: HKD36,036 profit per store per month

- Assets dropped from 2020's 1637 Million to 2024's 890 Million.

(Tsui Wah Group, 2024)



CHALLENGES AND REASONS FOR POOR PERFORMANCE

- Economic and Market Conditions: Covid-19, customer behavior shifts, increased operation cost
- Competitive pressures: Price War+High Settle Price, Need for innovation
- Internal Operational Challenges: organizational restructuring, technology adoption
- Cost Increases
- Delayed recovery



INTERNAL FACTORS AFFECT ORGANIZATIONAL CHANGE

- **Vision and Values:**

A clear vision aligns employees and stakeholders towards common goals. When the vision is ambiguous, resistance to change increases (Kotter, 1996).

- **Organizational Culture:**

A culture that is open to innovation and learning facilitates change. Conversely, a rigid, risk-averse culture can hinder necessary transitions (Schein, 2010).

- **Leadership:**

Effective leadership provides direction and mitigates resistance. Leaders who communicate change effectively can inspire commitment among employees (Lewin, 1947).

- **Performance and Employees:**

When performance declines, it signals the need for change. Employees' skill sets and morale can drive or block change depending on whether they receive adequate training and support (Hiatt, 2006).



EXTERNAL FACTORS AFFECT ORGANIZATIONAL CHANGE

- **New Opportunities and Competition:**

External opportunities such as market expansion or technological innovations push organizations to adapt. Intense competition forces companies to continuously innovate to remain relevant.

- **New Technology:**

Technology can both create new opportunities and disrupt traditional models. Adopting technological innovations is critical for improving efficiency and customer experience, but it also demands rapid cultural and operational adjustments.



HOW THOSE FACTORS AFFECT TSUI WAH'S CHANGE

- **Vision and Leadership:**

The long-term vision set by founder Mr. Lee and the strategic leadership by Group CEO Mr. Kenji Lee have been key drivers behind changes such as the brand rejuvenation and digital transformation. Their clear vision has helped steer the company from crisis through recovery to proactive growth (Tsui Wah Group, 2024).

- **Organizational Culture and Values:**

Tsui Wah's sustained commitment to its heritage while embracing innovation (evidenced by initiatives like the "Tsui Wah Junior") shows a culture that values tradition as well as change. This dual focus has enabled them to adapt to shifting market conditions.



HOW THOSE FACTORS AFFECT TSUI WAH'S CHANGE

- **Technological Advancement:**

The implementation of the new POS system reflects the Group's recognition that technology is a critical enabler for operational efficiency and better cost management.

- **Performance Drivers and Competition:**

Financial pressures, rising operational costs, and competitive dynamics (especially in mainland markets) have pushed Tsui Wah to optimize processes and restructure its outlet network. Such responses underscore how external market pressures can dictate organizational change.



APPLICATION OF CHANGE MANAGEMENT THEORIES

- Lewin's Change Model
- Kotter's 8-Step Process for leading Change
- ADKAR Model



CONCLUSION

- Concentrate its branding as local brand for easy promotion
- Strong leadership and culture but missing focus on profitability with overexpansion . Should have suitable expansion according to profit
- Consider external challenges and opportunities while rising costs, competitive pressures and customer habits.



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