



UWTSD MBA HKBM7015

HKBM7015 Change and Stability Management

An Analytical Report on the Change Initiative of Evaluate the Organisational Change

An Analytical Report Submitted in Contribution to 100% Module Assessment

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1 Introduction

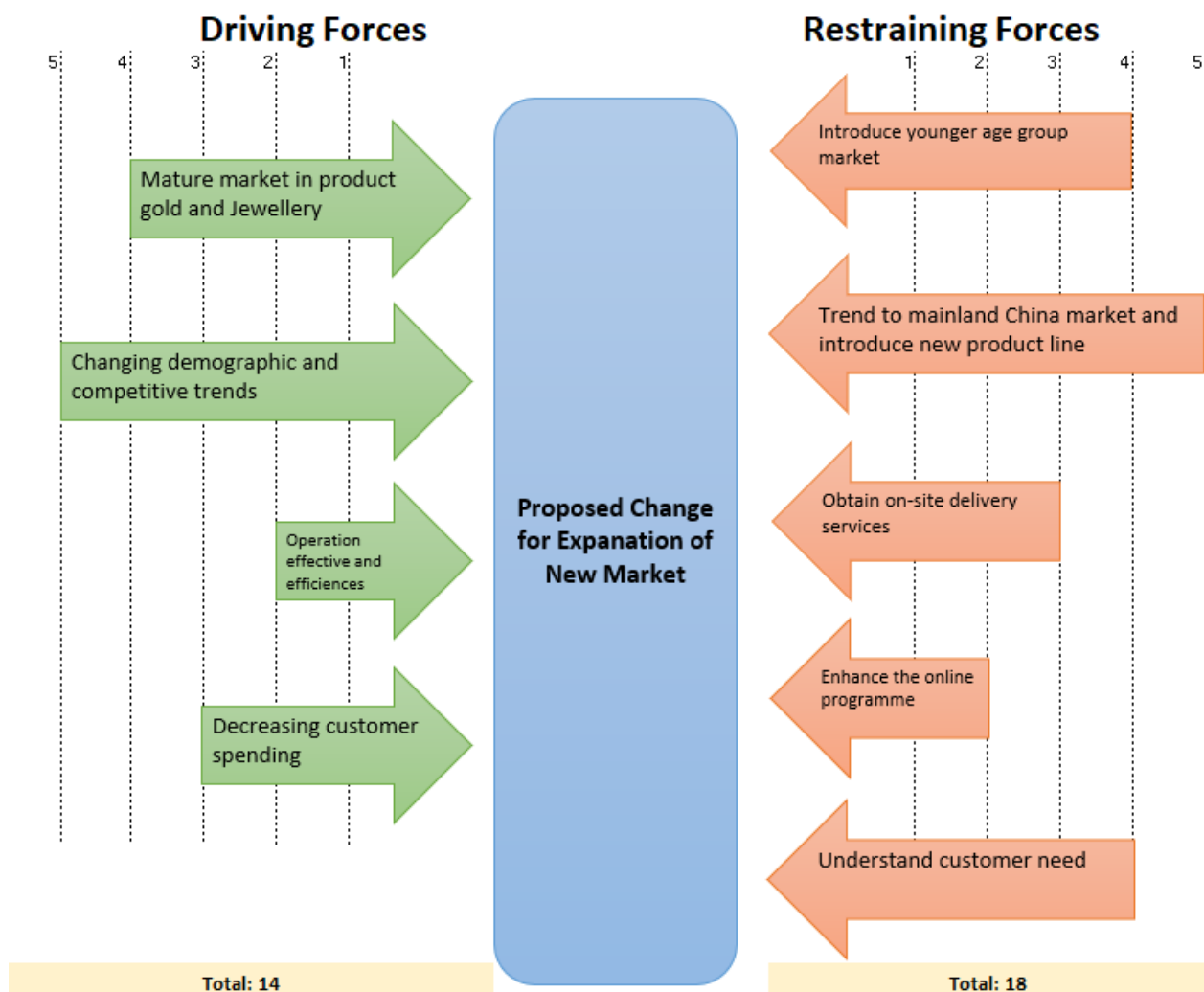
Chow Sang Sang Group is one of Hong Kong's largest jewelry retailers and the first listed jewelry company in Hong Kong. It was established in 1934 and originally located in Guangzhou. In 1948, the company was moved to Hong Kong by three members of the Chow's family. Chow Sang Sang is a family into one of largest jewelry businesses. It had the product of premier diamond, watch, gold and jewelry with luxury goods and high-quality jewelry in retail market. It operated over 1,000 stores and employed 12,000 employees in world-wide, which the mainly market in Hong Kong, Macau, Taiwan and Mainland China. The turnover was \$25,013 million in HK dollar as at 31 December 2023. Chow San Sang was international branded jewelry and world-class jewelry brands for customers in world-wide, being one of the largest jewelry retail networks in the region.

Chow Sang Sang strive to capture more new business opportunities, through innovative thinking, maintain a good quality in novel techniques and reinforce the leadership position in jewelry industry by the core values. The vision of sustainable development with the philosophy of "Sustained Vitality, Ever Rejuvenated." inspired by the company.

2 Forced Field Analysis in the Organisational Change

Force field analysis is the factors which can influence and impact a potential change. The model was developed by social psychologist Kurt Lewin, help us consider the forces for and against decision or a change. This change factor can be connected with people, resource, value or demand. From change to happen, the driving forces must be strengthened for change the left-side and the restraining forces or blocking forces weakened against change in right-side. It was driving forces to move forward with the change to get a positive outcome for the desired change. The movement toward a goal (driving forces) and blocking forces to develop a strategy or action plan to strengthen the forces to support the change and weaken the forces opposing it that the movement toward a goal (restraining forces).

Force Field Analysis



Force Field Analysis

Forces FOR Change	Score	Change Proposal Change for Expanation of New Market	Forces AGAINST Change	Score
Mature market in product gold and Jewellery	4		Introduce younger age group market	4
Changing demographic and competitive trends	5		Trend to mainland China market and introduce new product line	5
Operation effective and efficiencies	2		Obtain on-site delivery services	3
Decreasing customer spending	3		Enhance the online programme	2
			Understand customer need	4
Total	14		Total	18

2.1 Identify the Driving and Restraining Forces for Change

I am pleased to report that in 2023 the Group recorded a profit of H\$41,013 million, increase 129% compared to last year.

We continue to expand our store networks and markets. We expand online sales into different countries such as the United States, Britain, Malaysia and Australia, our key markets are Mainland China, Hong Kong, Macau and Taiwan.

After the end of epidemic-related restrictions area in Mainland China, Hong Kong and Macau, the totally turnover in jewelry and watch of the Group 23% in 2023. The overall is to become gradually less strong, especially in Mainland China. The downtrend in gem-set jewelry turnover in downtrend that consumer sentiments have turned and fewer people are spending on wedding jewelry. Both phenomena are symptomatic of economic uncertainties and changing demographics. We continue to expand our strategy, setting a guideline of new stores located in second-tier cities. With all travel restrictions lifted, the turnover increased 23% in Hong Kong and Macau in 2023 as compared to the year of 2022 which was battled by COVID lockdowns. The turnover was maintained steady growth in Taiwan. New expansion and merchandising with new strategies in network in Taiwan. We set up to explore the market for laboratory-grown diamond and gemstones (LGD) and operated an e-commerce platform for the turnover of LGD around the world.

In particularly, on the product front of the diamond jewelry turnover of SSSG gem-set jewelry -23% at higher price bands in Mainland China. However, the jewelry sales of SSSG with “PROMESSA” and “Infini Love Diamond” brand recorded 21% in Hong Kong and Macau in 2023. We would be asked for more resources to do the promotion with the new products, such as invite the artist in the advertising and promotion.

3 Leadership and Implementing Successful Organisational Change

3.1 Strategy Outline

- In Jewelry and Watch Store Expansion

We expand the jewelry and watch store network selectively on improving operating efficiency. We continue with multi-brand strategy for store opening in cities. Also, we would expand live streaming e-commerce,

- In product and marketing

we focus on product innovation to cater the different customer segments. We expand the product collections embodying heritage and cultural themes. We engage customers through live streaming shows, thematic events, in-store VIP salons and workshops. We develop live-streaming marketing and sales platforms, and understand new retail strategy, and online and offline marketing through short videos and new media channels.

- In Supply Chain Logistics

We make use of advanced technology to optimize demand forecast, logistics and distributions as well as customer relationship management. The leverage on design digitalization and further production automation to build a more agile and customer-forced supply chain.

4 Change Model and Approach

In the challenge of organizational change, Kurt Lewin summarizes his approach which including 3 steps of Change: Unfreezing the present, Moving to new and Freezing in group life on the new level.

Another change model of John Kotter's 8 steps in the process of change including:

- Creating a sense of urgency
- Forming powerful guiding coalitions
- Developing a vision and a strategy
- Communicating the vision
- Removing obstacles and empowering employees for action
- Creating short-term wins
- Consolidating gains
- Strengthening change by anchoring change in the culture

John Kotter's change model is a popular framework for implementing organizational change successfully.

5 **Managing the Resistance to Change**

How to Manage Change Effectively in Chow Sang Sang Group

Chow Sang Sang is a family business. A transformational leader in this company. Transformational leadership is a process where leaders and the followers raise one another to higher levels of customer relationship, morale and motivation. The managing change is an important skill for business leaders. We committed and maintained the long relationship business and long-established business strategy, which includes (1) new product line and expansion of jewelry and watch store network; (2) Chow Sang Sang Omni-Channel Retailing; and (3) continuous product innovation and robust customer communication.

We continue to expand the number of our jewelry and watch stores, ultimate the multi-brand strategy and different decorating styles with different theme to enhance shopping experience and strengthen brand positioning. We expect the number of new store additions for the Group will be around 100 in coming, especially the market in Mainland China. In Chow Sang Sang Omni-Channel Retailing, the customers enjoy all-round jewelry shopping experience and give the customer have deeply impression in live-streaming marketing and sales platform user friendly. We are making use of advanced technology to optimize demand forecast, logistics and distributions as well as customer relationship management. We involve and empower the team. Change is best managed when everyone feels involved and empowered. It involves the team in decision-making process, seeking the team input and ideas. Empower our team by providing the necessary resources, training, and support to adapt to the change.

Chow Sang Sang set a clear goals and have a clear mission and value “周而復始 生生不息” derived from the corporate as sustained vitality and ever rejuvenated. We have the four cores value mainly for create more business opportunities and reinforce our leadership position in the jewelry industry.

6 Conclusion and Recommendation

Chow Sang Sang has a bright selection of jewelry industry in future and one of top largest jewelry, goodwill and good brand name in worldwide. mainly for create more business opportunities and reinforce our leadership position in the jewelry industry. While most of the jewelry sold by Chow Sang Sang in high quality diamond at a good price. It's better to shop and heard from Chow Sang Sang. A well-honed regime of business is imperative to keeping our profit margin. We shall follow these lane-makers into our 90th year in our target.

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