



LEVEL 7 ASSESSMENT SPECIFICATION

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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. Penalties for late submission: Up to one week late, maximum mark of 50%. Over one week late, 0%. Only the Extenuating Circumstances Panel may approve a change to submission dates.		
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.		



CONSULTANCY MANAGEMENT

PROJECT INITIATION DOCUMENT (PID)

To examine the 759 STORE business model and future Leisure food market expansion in Hong Kong

2018

Students Name: WONG, Si Ming Kyle

Masters: Consultancy Management

Project Initiation Document (PID)

INSTRUCTIONS:

1. Give as much justification as possible for every question asked. This means, you must not limit yourself to just stating WHAT you believe is an appropriate response, but WHY.
2. ALWAYS provide an outline of the financial and cost imperatives associated with your project aim and objectives. Remember, you must be able to SELL your project idea.
3. Put effort into your PID and you will benefit when it comes to undertaking your project and writing your final report.

PID submission date detailed on module schedule



1. Your name:	WONG, Si Ming Kyle
2. Organization name:	AABBCC Consulting Company
3. Your job title/role:	Consultant
4. How long have you been in this job/role?	5 years
5. Outline main purpose of your job/role:	Providing management consultancy service, improving business model, quality analytics, conducting research tasks and sale strategies. Reporting to Senior Consultant and managing two Consultant assistants in our team.
6. List the main responsibilities within your job/role:	Providing general client support, conducting pre-sales & consultant activities, managing business account and providing training.
7. Client organization:	The 759 STORE, a part of the CEC International Holding Limited
8.	
9. Type of business:	Retail snacks & groceries
10. No of employees in client organization:	Approximately 1900 employees
11. Who is the person mainly supporting your project (Sponsor)? State their job title and their relationship to you:	Name: Ms. Tang, Fung Kwan Job title: Executive Director Relationship to you: Client
12. Aim of project: To examine the 759 STORE business model and future Leisure food market expansion in Hong Kong	
13. Objectives of project: Lists up to four objectives that are each directly from the project aim. Objectives: 1. To maximum EBITDA margin from 1.4 % to 3.0 % by end March 31 2020 (fiscal year) and reach 5.0 by end of March 31 2022 (fiscal year) 2. To accomplish online shopping at the 759 STORE platform and deliver goods directly to residence or pick-up at nearby 759 STORE within 9 month periods	

3. To close all the negative net profit 759 Store' s shop in 3 months or by end of the rental contract. Also, The 759 Wonton Noodle (restaurant), 759 Cart Noodle (restaurant) and 759 Kawaiiland (cosmetic shop) will have to be closed by end of the 2019.
4. To streamline the product line and selections by offering 70 % of product directly imported from Japan or Korea and other organic packaged foods and healthy drinks.

14. What is the business case for considering undertaking the project? Here you need to justify how achieving the project aim will advantage and benefit the business and its stakeholders. For example, savings, gaining intelligence of competitors, promoting innovation, return on investment etc.

- Return on investment – to improve EBITDA margin & become an self-sustainable business and maximize shareholder value
- Savings – to close all negative net profit stores
- Manpower – To re-arrange the Manpower of the 759 STORE operation and develop the new 759 online shopping business
- Market – to expand new Online shopping business and attract new customer group who is interested in Japan or Koran imported goods and other organic foods and drinks
- Gaining intelligence of competitors – to study other local online shopping competitor web site and learn from their advantage. Also, we should offer new products which are not available at local market or online store.
- Promoting innovation – We can offer proposal for different level of memberships with attractive discount for those who purchase both online and at the local store regularly.

15. Identify the risks associated with the project and how these could be overcome.

The risks associated with the project are costs, time and quality. I can overcome it with my project and time management skills

16. List the information and resources you will need to make your project a success. State why such are needed. These may include, people, time, cash, technology, data. Identify any constraints that you may encounter and explain how you would overcome these.

I would require time, research, study, analysis and computer word processing device to prepare the report.

The materials will be required are reference books, market trend studies, market surveys, annual reports, newspapers and industrial news etc.

17. State what method you intend to use to collect your primary data.

Not available. No primary data will be used.

18. State from whom you plan to collect primary data and detail any challenges you anticipate. Here you need to consider whether or not you will be given or denied access to personnel and why. Outline how you plan to approach people to take part in your research and why you have chosen such individuals. State why they may agree to take part in your project or indeed refuse. If you plan to collect data from family and/or friends, rationalize such and explain how you will overcome bias etc.

Not available. All data will be collected by second sources / data. No interview, phone call, or data from family or friends will be collected

19. State from where you plan to collect secondary data. This means providing an early list of alphabetized websites and a bibliography that details (using Harvard method) the journals, magazines, textbooks and websites you intend to use.

Website addresses: www.759store.com, www.censtatd.gov.hk, <http://ir.hktv.com.hk> and www.bestmart360.com

Books (on topic area): Blue Ocean Strategy Management consulting, Management Consulting and The Theory and Practice of Change Management.

Books (on research methodology): Discontinuous Change: Leading Organizational Transformation and A framework for analysis of strategy development in globalizing markets

Others: 759 STORE Annual Reports, Market survey, Hong Kong Television Network Limited Annual Report (competitor) and government published survey

20. Design a time plan for the lifetime of the project. Begin by breaking down all tasks that need to be undertaken and assess the duration of time you need to devote to each task. Be sure to show tasks in a logical sequence. Be further sure that you plan well enough to enable you submit your project report on the deadline date. Include any meetings that are planned with your project lecturer at UWTSD. Be realistic and make your project manageable, account for holidays and other “off-days”.

Task	Date to be completed
Project Brief meeting with Client	Week 1
Research and Planning	Week 2
Prepare draft proposal	Week 2
Propose draft report and review overall project scope with client	Week 3
Layout work plan and assign team task	Week 3
Research & collect details data	Week 4
Preform in-depth analysis	Week 5
Complete final the report	Week 6
Present & delivery final report to Client	Week 6
Follow-up and next action	Week 7

University of Wales Trinity Saint David

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Programme: MBA
Module Code: SBMA7136
Lecturer: Dr. Joe Leung
Due Date: January 7, 2019

EXECUTIVE SUMMARY

The 759 STORE is a one of the leader in Leisure Food Retailers and has the highest market share in Hong Kong. The company financial performance has been turned from positive to negative net profit since 2016 because of the substantial shop expansion and other market competitors including those offering online shopping services.

The outlook of Leisure Food Retail market is on a well-steady growth and it would be a great opportunity for 759 STORE to seek other alternative new selling platforms. The online shopping would be the most suitable solution without the cost of the shop rental and be able to develop new group of customers. The new online shopping platform could be operated in 9 months with additional resources of manpower, hardware system, and organization transformation. The ordered product delivery service can be partnered with a well-established local courier company which has full distribution network in Hong Kong already. The general product selection should have at least 75 % of goods made in Japan or Korea and also offer other organic packaged foods, healthy drinks & hormone-free frozen meats for choices.

The company should highly consider closing all negative profit 759 STORE location and eliminate other noncore fast food restaurant and cosmetic business. Eventually, it could maximum EBITDA margin from 1.4 % to 3.0 % by end March 31 2020 (fiscal year) and reach 5.0 by end of March 31 2022 (fiscal year)

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1.0 BACKGROUND

1.1 Client Profile

The 759 STORE which is a part of the CEC International Holding Limited (Hong Kong public listed company, stock number 0759) was established by Mr. Lam Wai Chun, Executive Director on July 7 2010. The company has decided to expand new segment of snacks and groceries retails from the traditional electronic coils manufacturing business since operated in 1979.

The store concept and theme are inspired original from Japan life style and it typically imports products from local manufacturer from Japan, Korea, Thailand and Europe directly. The store offers wide ranges of snack, drinks, dry foods, frozen foods and other household products and mainly targets local customers. (CEC International Holdings Limited, 2017/2018) (CEC International Holdings Limited, 2018)

1.2 Store and Employees

The 759 STORE has 206 shops and 1,900 employees as of March 2018.

(CEC International Holdings Limited, 2017/2018)

1.3 Financial Status

By end of April 2018, the company revenue is HKD \$1,979,674,000 but undergo a financial loss of HK\$ 32,869,000. It has been losing for the past three years. The Gross profit margin is 35%; EBITD margin is 1.4% which are at a very low profit level.

The highest expense of the overall business is the shop rental and the annual cost is HKD\$ 223,401,000 and the turnover per square foot is HK\$ 4,247. (CEC International Holdings Limited, 2013/2014) (CEC International Holdings Limited, 2014/2015) (CEC International Holdings Limited, 2015/2016) (CEC International Holdings Limited, 2016/2017) (CEC International Holdings Limited, 2017/2018)

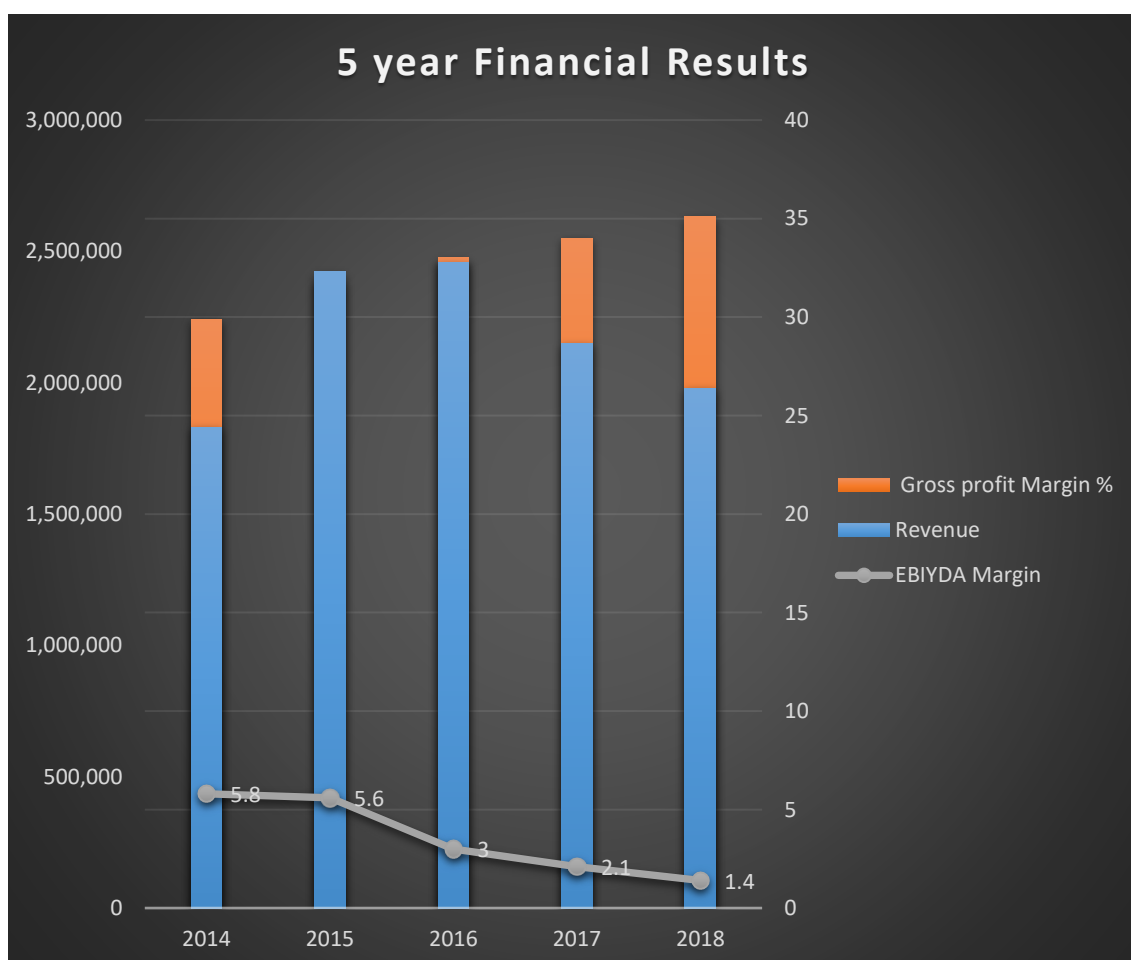


Figure 1- 5 year Financial Results

The Trap of Success

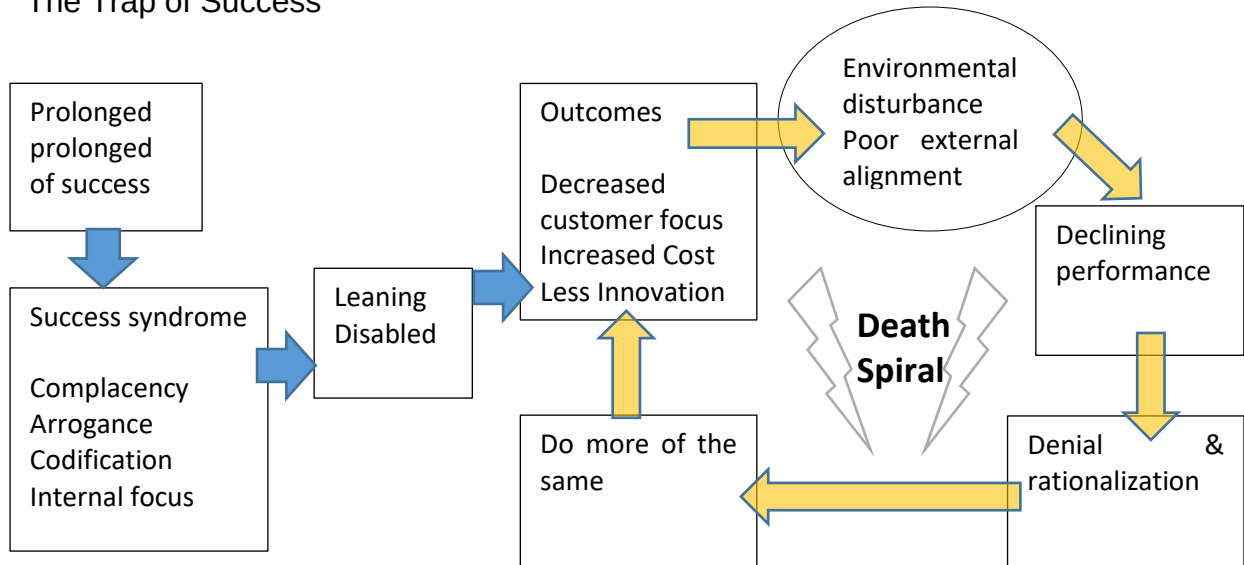


Figure 2- The Trap of Success (Nadler D., Shaw R. & Walton A., 1994)

During 2012 to 2015, the 759 STORE was on an extreme growth rate and expanding many new shops, it does not recognize that it has fallen into a trap of success. Since the company had been in a prolonged of period of success, it therefore became complacency, arrogance, codification & internal focus and led to learning disability. Then, the company has less customer focused, cost increased & profit declined but it continued ignoring with any further corrective action. Unfortunately, if the company continues repeating the problems, then it could be fallen in Death Spiral (Nadler D., Shaw R. & Walton A., 1994) (Hayes, 2018) (CEC International Holdings Limited, 2012/2013) (CEC International Holdings Limited, 2013/2014) (CEC International Holdings Limited, 2014/2015)

2.0 NEW PRODUCTS AND SERVICES APPROACH

In 2016, the 759 STORE has learned that any new shop expending will not be able to benefit the company financial situation and the number of store has reached to a saturation point. Also, the index of retail index has gone up from 170 to 190 from January 2014 to January 2018(Rental indices for Hong Kong property market, 2018).

The 759 STORE should consider to re-brand the whole company image and not only be the No. 1 Japan & Korea import leisure store but also be a leader of online shopping leisure store in Hong Kong. It would be great opportunity to re-define the company business plan and seek for other opportunities.

Here are the 3 major recommended changes:

Firstly, the 759 STORE should close all negative net profile stores in 3 months or by end of the rental contract by 2019. Also, it should re-construction the overall business by closing The 759 Wonton Noodle (restaurant), 759 Cart Noodle (restaurant) and 759 kawaiiland (cosmetic shop) in next 6 months. As suggested by Wickham and Willock (1991), the average company should have clear vision & objective and might be influenced by personal egotistical plan and not suggest to complete with many different markets.

Secondly, the 759 STORE should have online shopping channel and be able to deliver products directly to residence or pick-up service at nearby 759 STORE. The web site could offer wider range of products than the in-store selection.

Thirdly, the 759 STORE should streamline the product line and selections by offering at least 70 % of directly import Japan or Korea's products. The organic dry packaged food form Europe and other health drinks would be a great choice as well.

3.0 TECHNOLOGY CONSIDERATIONS

Although 759 STORE has an internet web site, www.759store.com but it contains basic company information only, e.g. store locations, weekly special and company profile.

The new online shopping web site should be well design and user friendly for any user with secure online system. It offers wide range of product selections, real live stock data and prompt delivery lead time. The online payment will be partnered with variety of payment methods including different kind of credit cards and also e-payment method like Wechat pay, Octopus Card and others.

The new Online shopping computer server and other hardware system will be installed at the head office at Hing Win Factory Building in Kwun Tong. The server can be placed at the available space next to the warehouse on third floor.

4.0 LOGISTIC SHIPPMENT CONSIDERATIONS

According to the Hong Kong Monthly Digest of Statistics on November 2018 (Census and Statistics Department, 2018) and Survey & Mapping Office / Lands Department (Survey and Mapping Office / Lands Department, 2018) the population of Hong Kong has approximately of 7.44 million and the land area approximately of 1106 km². It would be difficult to start a logistic team within a few months and the investment will be increased substantially. Also, Voortman (2004) suggested a well-managed logistic company requires details scheduling, implementing, maintain cost of goods flow, work process, goods movement within the supply and distribution network.

Alternatively, we could partner together with a well-established logistic company which it already has a full supply chain network in Hong Kong.

Here are the candidates:

- XYZ Morning Delivery Inc. – The Company has 150 employees and 50 delivery trucks. It provides small parcel delivery service mainly focusing on local delivery services but also works closely with other overseas shipping company.

Cost: The cost is HK \$10 per 500g anywhere within Hong Kong

Delivery: 48 hours upon order is placed

- Johnsons Next Day Shipping Ltd. – The company headquarter is in Singapore and has strong foundation network in South East Asia as well as Hong Kong and Macau. It could be a potential opportunity to expand Online Shopping business outside Hong Kong in the future.

Cost: The cost will be HKD \$13 per 500g anywhere within Hong Kong

Delivery: 72 hours upon order is placed

- China Fei Express Inc. – A young entrepreneur China company with solid network in Southern part of China including Hong Kong. It also runs similar online logistic service for clothing, fast foods and other dry package foods. The company has built up a popular social Wechat group in China reaching over 3 million active members.

Cost: The cost will be HKD \$9.5 per 500g anywhere within Hong Kong

Delivery: 72 hours upon order is placed

5.0 MARKETING STRATEGY

5.1 Current Market

The research from Frost & Sullivan (2017) shown that the overall Grocery Store Retail Market in Hong Kong is on a steady grow from HKD\$ 23.9 billion in 2013 to HKD 27.4 billion in 2017. The estimated future grow rate from 2018 to 2022 will be 3.2% and could be reached at HKD 32.1 billion in 2022.

The overall outlook of Grocery Store Retail market is on well-positive trend with further expansion expected.

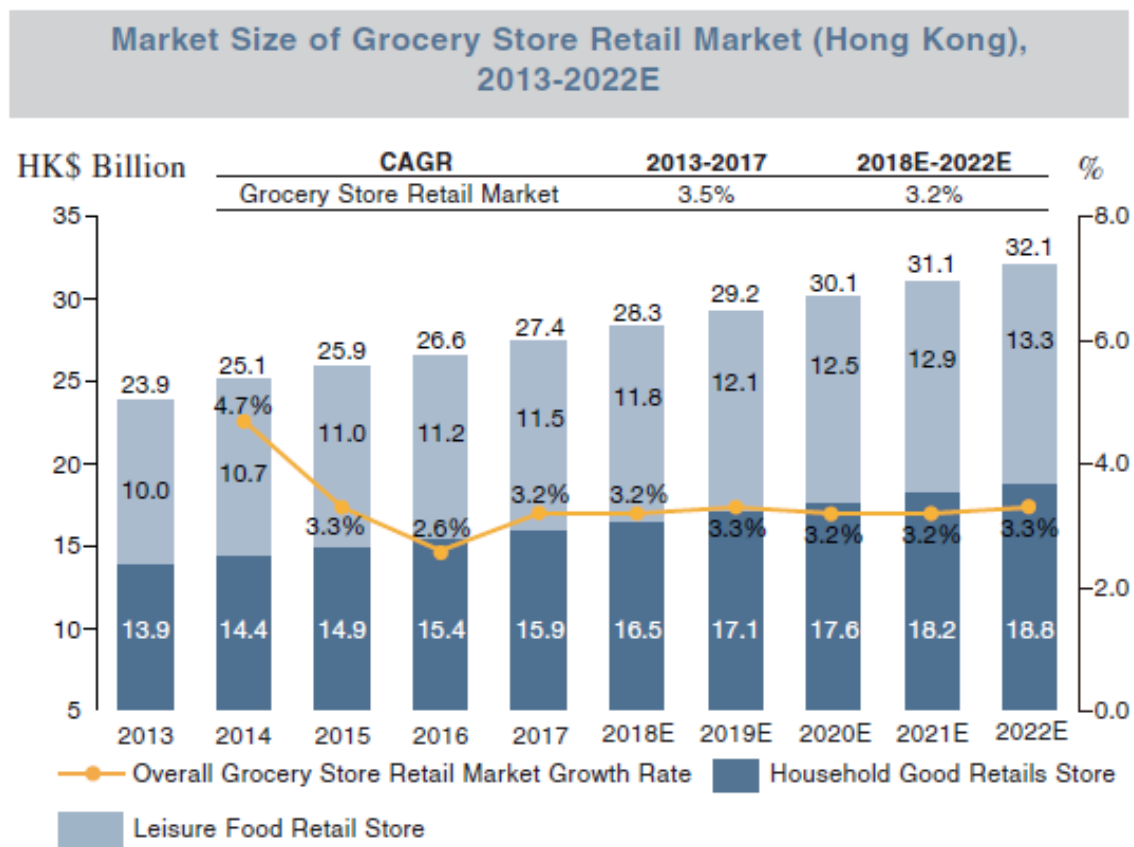


Figure 3 - Market size of the grocery store retail market (Frost & Sullivan, 2017)

The pie chart below shown the Breakdown of Grocery store in 2017 (Frost & Sullivan, 2017).

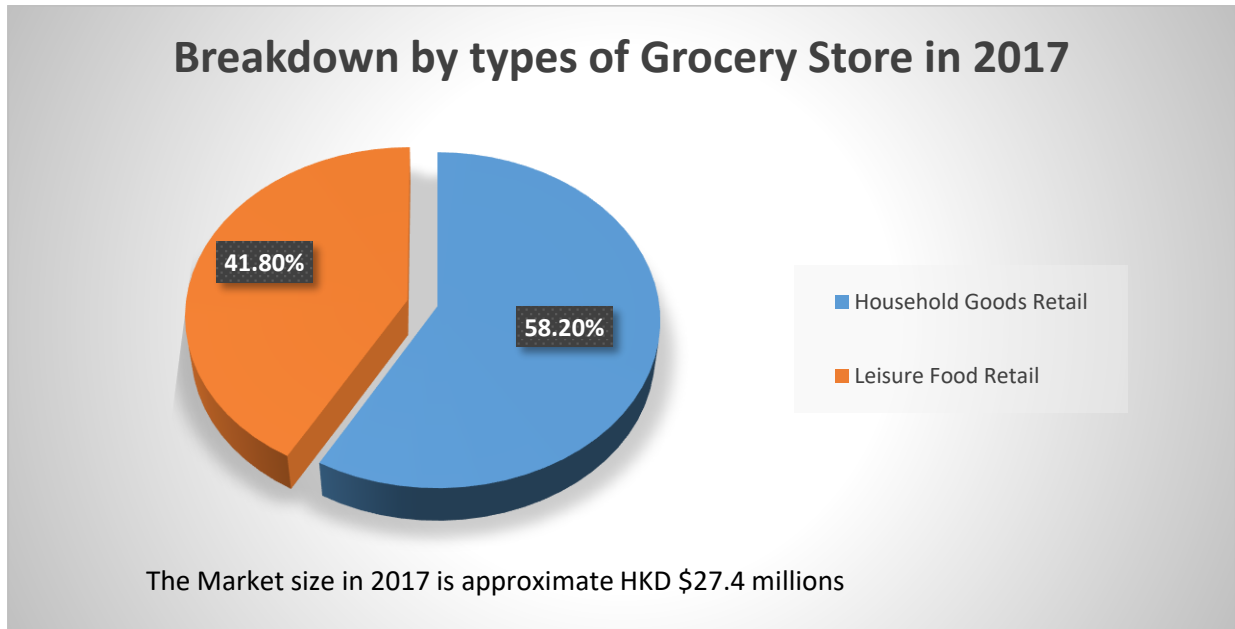


Figure 4 - Breakdown by types of grocery store in 2017 (Frost & Sullivan, 2017)

Since the Leisure Food Retail contains almost 42% of the overall grocery market, it therefore will be great opportunity for 759 STORE to have further development.

As for the Leisure Food Products market is on a similar trend. The market size went from approximate HKD \$10 billion to 11.5 billion from 2013 to 2017. The estimated future market size with a positive grow rate of 3.2 % to 13.3 billion in 2020 (Frost & Sullivan, 2017)

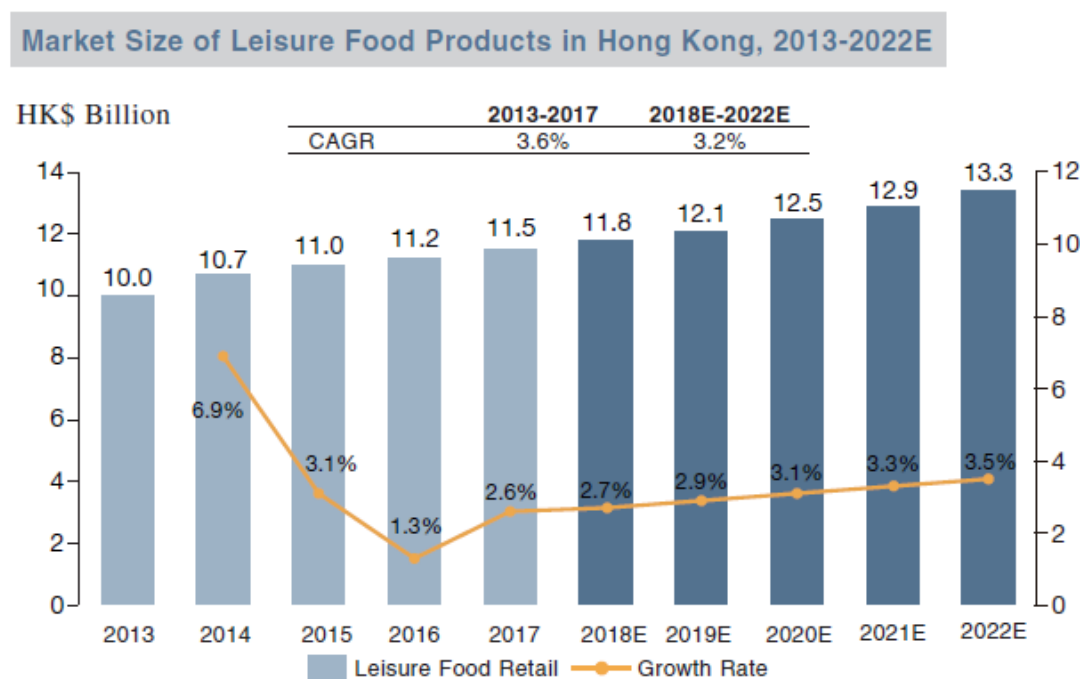
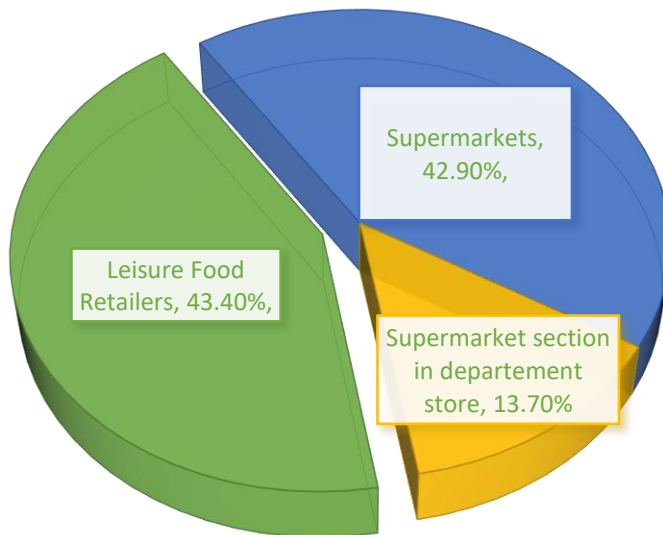


Figure 5 - Market size of leisure food products in Hong Kong (Frost & Sullivan, 2017)

BREAKDOWN BY TYPES OF RETAILS CHANNELS IN 2017



The Market size in 2017 is approximate HKD \$11.5 millions

Figure 6 - Breakdown by types of retails channels in 2017 (Frost & Sullivan, 2017)

The Leisure Food Retail has reached almost 44% of the retail channel and the Hong Kong residents mostly enjoy shopping at this type of store (Frost & Sullivan, 2017).

5.2 Future Market Potential

The Household Expenditure Survey indicates that the household has spent approximate HK \$ 7,554 on food comparing to HK \$ 5,859 in 2010 per month. By 2022, the estimated growing rate will be 3.7% and could be reached up to HK\$ 9,712 per month. (Census and Statistics Department, 2011); (Census and Statistics Department, 2016)

	2010 / month	2015 / month	2020 (estimated) / month
Meal bought away from (dine out meal)	3,695	4,948	6,405
Food, excluding meals bought away from home	2,164	2,605	3,307
Total Foods	5,859	7,554	9,712

Table 1 – 10 years Household Spending

It has showed a steady growth rate and will be continuing until 2020.

The Online Shopping Market Survey was performed during November 2017 by Master Card (2018) revealed that 94.7% of Hong Kong people has completed at least one Online shopping for the past three months and Supermarket goods are the 6th most popular item on the list. The survey also points out the Hong Kong people with high concern about the courier shipping fee and transaction security while shopping online.

The social media platform would be an important marketing strategy as it becomes increasingly engaged to our daily life and consumers are willing to make directly purchase online. The survey shown that Facebook is the popular social media platform, then followed by WhatsApp and WeChat (KPMG, 2017)

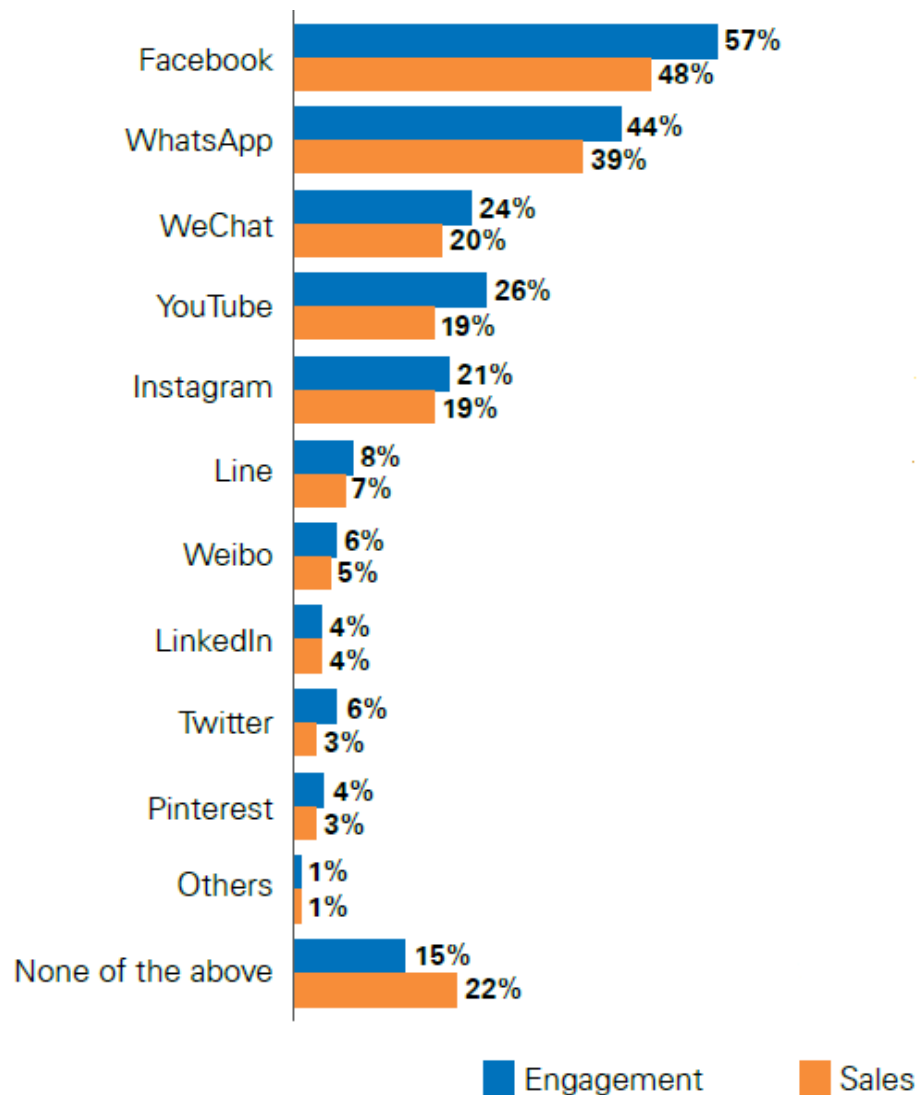


Figure 7 -- The popular social media in Hong Kong (KPMG, 2017)

Here is the in-depth Ansoff Matrix evaluation (Ansoff,1988)

		Existing	Market	New
Existing	Product	Market Penetration ▪ Largest sale in Leisure Food Retailer ▪ Attractive price & import goods selections	Market Development ▪ New Online shopping ▪ New channels of distribution	
		Product Development ▪ Japanese ice-cream ▪ Health drink ▪ organic packaged food ▪ Home Delivery or in-store pickup services	Related Diversification ▪ Premier membership discount card when purchase both in-store and online each month ▪ Prepack BBQ meat & party snack package Unrelated Diversification ▪ Partner with fitness club to sell sport drink and vitamin supplements	
New				

Figure 8 – Ansoff Matrix (Ansoff,1988)

5.3 Competitor Research

The major online shopping key competitor is Hong Kong Television Network Limited, also known as, HKTV Mall and was established on February 2015. The company offers wide range of online product selections from dairy food, vegetables, frozen meats packed food, electrical appliance, cosmetics, clothing, toys, restaurant coupon and child product etc. The company now has 10 small in-store which are servicing as an online business promoting contact point and parcel pick-up location.

The company has recently expanded additional 144,000 square feet warehouse space and installed at fully automated robotic parcel system in Tsing Yi. The new Phase 1 parcel system has been operated since 1st quarter of 2018 and can be handled up to 10,000 orders daily. Then, Phase 2 & Phase 3 will be estimated completed by end of 2018 and 2nd quarter of 2019 respectively and expected to handle up to 30,000 orders daily (Hong Kong Television Network Limited, 2016); (Hong Kong Television Network Limited, 2017).

However, the company is still in a loss of HKD \$ 204,920,000 but the loss figure was improved than last fiscal year of HKD \$ 257,116,000. The major costs were the increased manpower, hardware infrastructure and automated robotic parcel system.

	Note	Year ended 31 December 2017 HK\$'000	Year ended 31 December 2016 HK\$'000
Turnover	2	487,257	187,071
Cost of inventories		(295,178)	(140,289)
Valuation gains on investment properties	12	80,500	6,700
Other operating expenses	4(a)	(568,555)	(380,454)
Other income, net	3	94,230	70,947
Finance costs	4(b)	(2,011)	(1,017)
Loss before taxation		(203,757)	(257,042)
Income tax expense	5	(1,163)	(74)
Loss for the year		(204,920)	(257,116)
Basic and diluted loss per ordinary share	8	HK\$(0.25)	HK\$(0.32)

Figure 9 - Income statement of 2017 annual report (Hong Kong Television Network Limited, 2017)

In 2018 Q3, HKTV mall has more than 200 delivery truck, 50 cold delivery trucks and standard 5.5 ton trucks. The company has achieved the first aim in mid of 2018 with over 10,000 order per day (Hong Kong Television Network Limited, 2018).

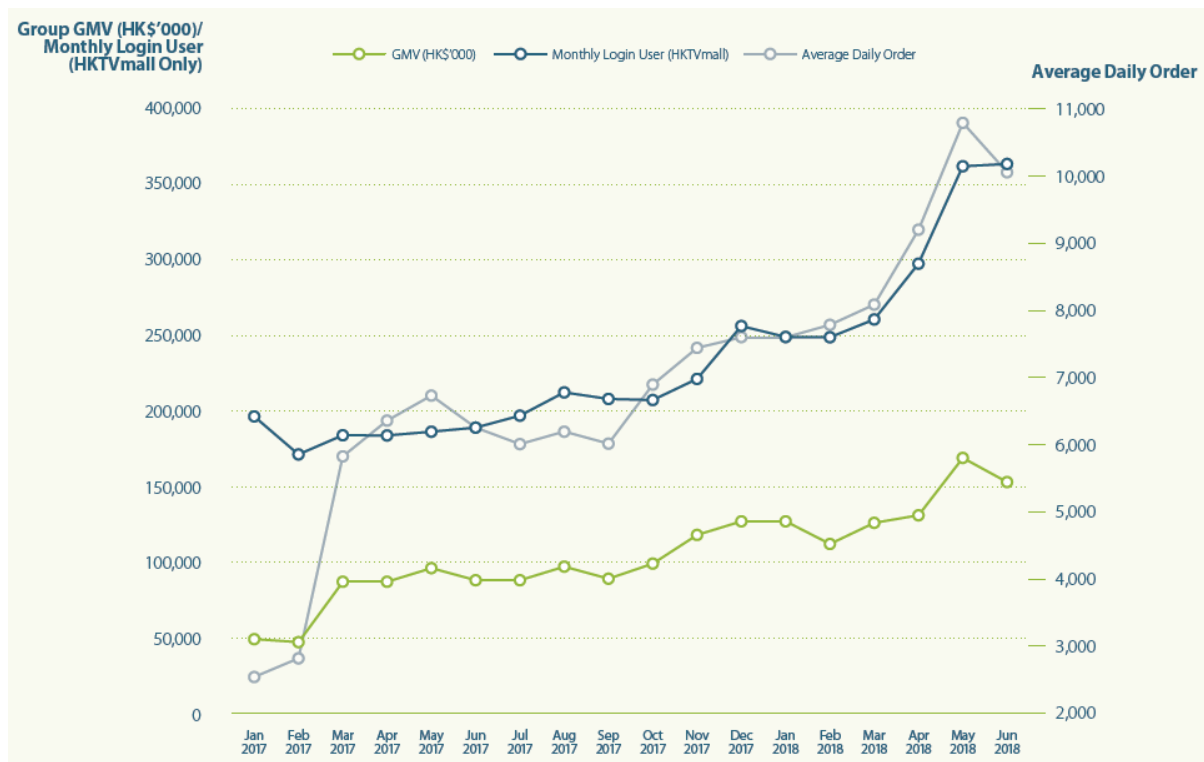


Figure 10 - Group GMV Monthly Login User and Average Daily Order Chart (Hong Kong Television Network Limited, 2018)

The chart shown that there is an excellent growth of the Average Daily Order and it has grown 4 times since January 2017. The GMV, Gross Merchandise Value also was increased 3 times from January 2017 to June 2018 and exceeded amount of HKD \$ 150,000,000.

Recently, the company has partner with one of the largest bank, HSBC (The Hong Kong and Shanghai Banking Corporation Limited) to offer new alternative electronics payment method named PayMe in June 2018. (Hong Kong Television Network Limited , 2018)

Another competitor in Leisure Food Retail is Best Mart 360 Holdings Limited, the company retail similar goods like 759 STORE and primarily imported goods from Europe, USA, Japan, Korea and South East Asia. The company objective is to offer both best quality & attractive price and it has 70 stores in Hong Kong. The revenue has growth HK\$ 472.8 million in March 2016 to HK\$1,075.9 million in March 2018. Also, the company Net Profit Margin is superior and it managed to elevate from 2.6% in 2016 to 5.0% in 2018. (Best Mart 360 Holdings Limited, 2018) (Best Mart 360 Holdings limited , 2019)

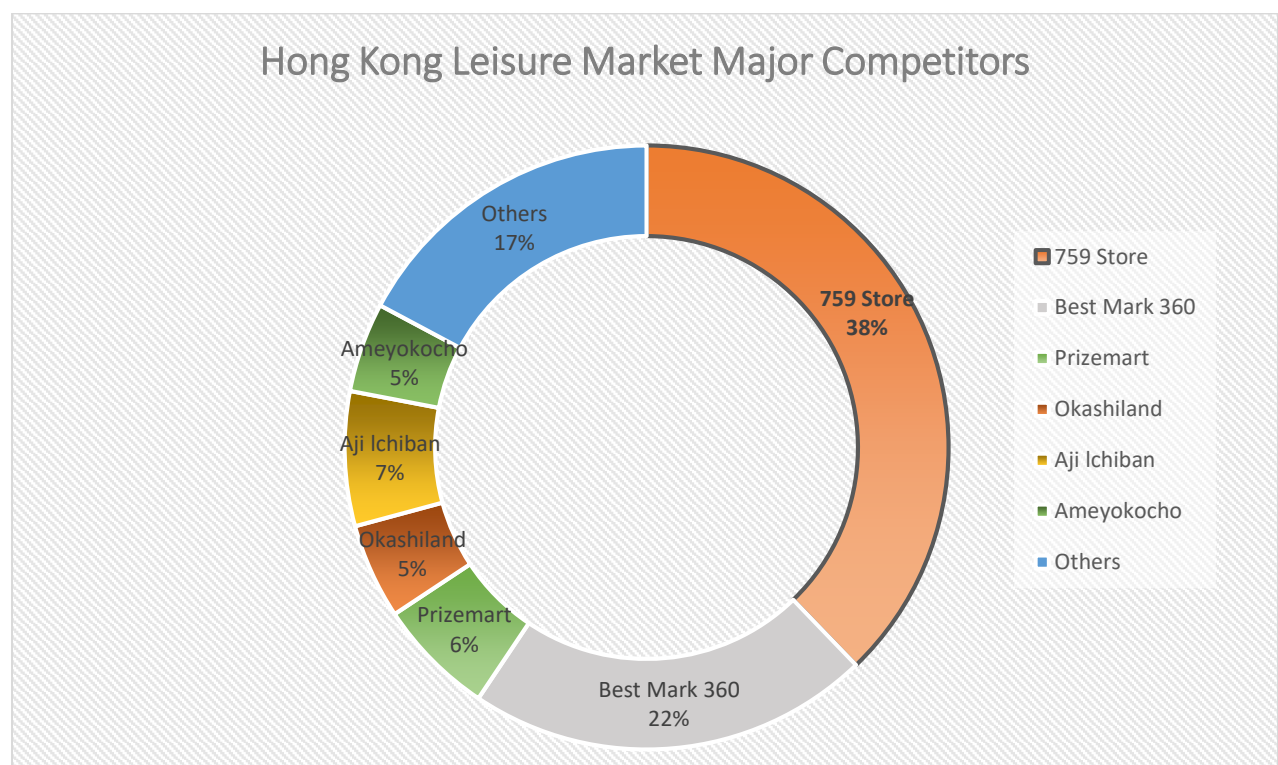


Figure 11- Hong Kong Leisure Market Major Competitors (Best Mart 360 Holdings Limited, 2018)

6.0 ORGANIZATION AND STAFFING

The 759 STORE will established a new Business Development Team to manage and execute this project. The team members will be included the new hired Technical Manager, 3- Technician, 1- Sale & Marketing Online Manager. Also, 1-Senior Manager will be leading the team together with 3 internal transfer Data Entry Clerks.

Technical Manager – He or She will has at least 7 years of Online retails sale support experience, has concrete infrastructure technical skills as well as interpersonal skill, capable to manage the support team, build the Online shopping platform and provide professional guidance. The person will be reported directly to the Director and is part of the management team.

IT Technician – He or She will have at least 4 years working experiences in the online sale platform supporting roles and willing to work shift work to maintain 24 hours technical support. The person will be reported to the Technical Manager.

Sale & Marketing Online Manager – He or She will have at least 7 years working experience and be familiar with both online sale and in-store retail market. The person should be familiar with the Hong Kong retails business, developing new sale opportunity and providing sale strategies. The person will be reported directly to the Director and also part of the management team.

The Data Entry Clerk will be responsible to input the product details into system and provide general support.

7.0 SCHEDULE

The 759 STORE Online shopping platform will be operating after 9 months once approved by the Director. Since there are available office space at the Hing Win Factory Building in Kwun Tong, all the new hired staffs will be located at the same location.

Here are the schedule:

Date	Tasks
Day 1	Initial project
Day 3	Project kick-off meeting with all HR manager, top management and directors
Day 20	Hired new staffs and start preparing Online IT platform
Day 50	Perform online sale trails run, test online security and reliability
Day 70	Complete trails run and overcome all problems
Day 80	Finish tested all Online Shopping functions
Day 90	New sale platform launch day

8.0 FINANCIAL PROJECTIONS

The financial projection is stated at the table below with the below assumption

- The online products prices are same as in-store price
- The in-store price will be same as last fiscal year
- All the task have been implemented according as schedule

Tasks	Year 1 HK\$' 000	Year 2 HK\$' 000	Year 3 HK\$' 000	Year 4 HK\$' 000	4 Years total HK\$' 000
Online Sale forecasts	300,000	360,000	500,000	800,000	1,960,000
Additional labor cost	2,100	2,200	2,300	2,400	9,000
Local & Oversea meeting travel cost	15	10	7	7	39
New IT platform sever and other hardware equipment	300	0	0	0	300
New Marking material and promotion event	150	100	70	50	370
Commercial high speed data service, maintenance cost, insurance	200	210	230	240	880
Miscellaneous	15	12	10	10	47
Total additional costs	2,780	2,532	2,617	2,707	10,636
Cash inflow	297,220	357,468	497,383	797,293	1,949,364

Table 2 – 5 years of financial projection

9.0 FINDINGS AND RECOMMENDATIONS

The below is the SWOT Analysis for in-depth explanation

SWOT Analysis	
Strengths	Weaknesses
▪ Has been in Leisure retail market business for more than 8 year and all internal staffs are well understanding daily operation ▪ highest market share in Leisure retail ▪ Well business relationship with direct supplier in Japan, Korea and other countries ▪ Fast turnaround inventories	▪ New service change for the company and staffs ▪ Realign company resource ▪ Costs of the new Online shopping platform ▪ Limited time to provide training and implement
Opportunities	Threats
▪ New sale Online platform for more opportunity ▪ Leisure food market on steadily growth ▪ To improve financial figures ▪ To offer both Online and in-store total services	▪ Compete with other Online competitors ▪ Required reliably and a secured Online shopping platform ▪ Have to provide both on-time and quality delivery services

Figure 12 -SWOT Analysis (Wickham L. and Wilcock J., 2016)

Here are the investigation of

❖ Revenue / Number of Stores

❖ Loss or Profile attributable to equity holders / Number of Stores

	2014	2015	2016	2017	2018
	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
Revenue	1,830,561	2,422,372	2,458,839	2,150,614	1,979,674
Number of Store	192	249	271	243	206
Revenue / Number of Store	9,534	9,728	9,073	8,850	9610
Loss or Profile attributable to equity holders	23,773	27,708	(29,715)	(49,993)	(32,869)
Number of Store	192	249	271	243	206
Loss or Profile attributable to equity holders / Number of Store	124	111	-110	-206	-160

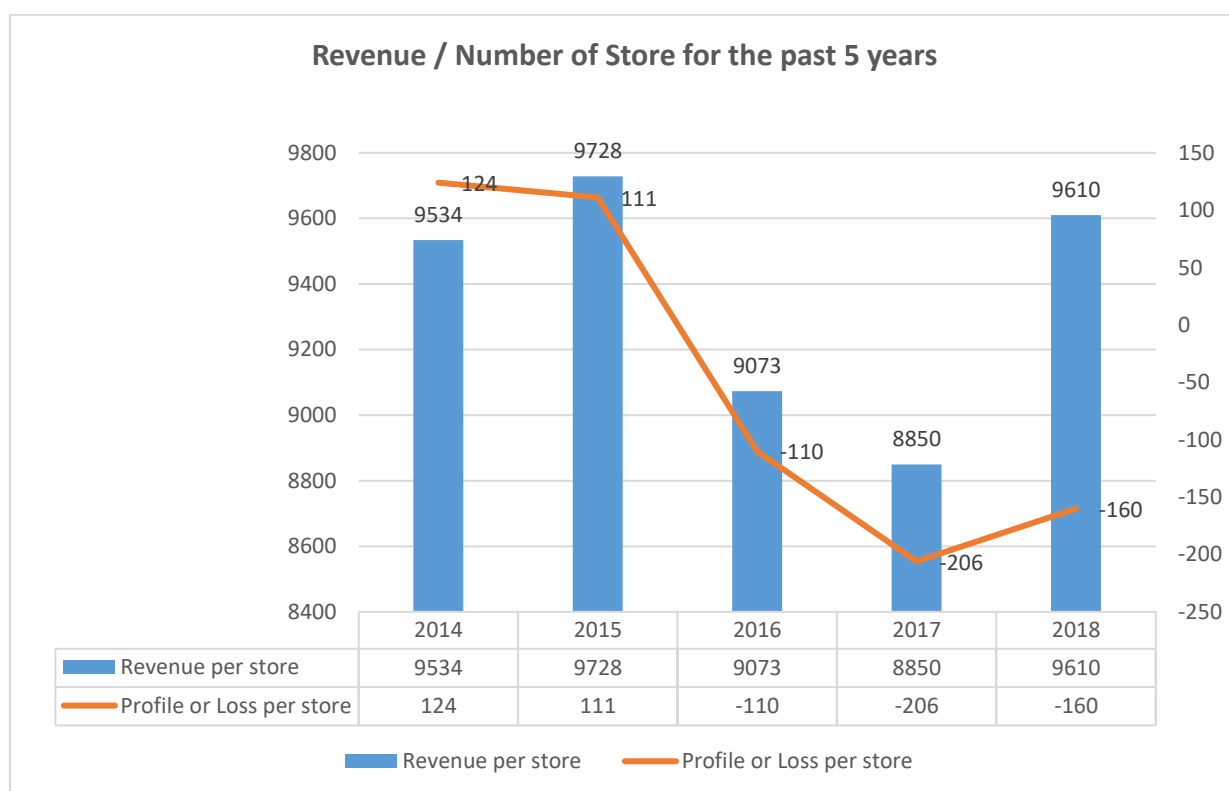


Figure 13 – Revenue / Number of Store for the past 5 years

		Industry globalism		
		<i>Local</i>	<i>Potentially global</i>	<i>Global</i>
Preparedness for internationalization	<i>Mature</i>	3. Enter new business	6. Prepare for globalization	9. Strengthen your global position
	<i>Adolescent</i>	2. Consolidate your export markets	5. Consider expansion in international markets	8. Seek global alliances
	<i>Immature</i>	1. Stay at home	4. Seek niches in international markets	7. Prepare for a buyout

Figure 14 – Solberg Nine Windows (Solberg, 1997)

By referencing the above two Analysis above, shown that The 759 Store has declined from profit to Loss attributable to equity holders in 2016 because the cost of shops expansion. The 759 STORE should take advantage of the strength & opportunity and overcome the weakness & threads on the SWOT Analysis (Wickham L. and Wilcock J., 2016).

Another study shown by the Solberg's Nine Windows (Solberg, 1997), the 759 STORE is considered to be immature and towards adolescent. Since there are still high potential opportunity to further development in the local market with Online shopping channel. The 759 STORE should stay at home Hong Kong market and improve financial performance before furthering Industry globalism.

10.0 CONCLUSION

Based the examination of the 759 STORE current business model, competitor research and future Leisure food market study in Hong Kong, we highly recommend the 759 STORE which should have new online sale channel by accepting the proposed plan immediately.

The key advantage of the new platform is to offer new service without the attached any retail rental cost which was the highest expense of all (CEC International Holdings Limited, 2017/2018) The Leisure food market outlook is on a well a prospective rise as online shopping platform will be continue to expand.

The new online shopping channel will be a valued investment because the cash inflow can maintain a positive figure of HK \$297,220 during first year and the four year projections of cash inflow grown from HK \$297,220 to HK \$797,293 with the increase of the 160%. It could maximum EBITDA margin from 1.4 % to 3.0 % by end March 31 2020 (fiscal year) and reached 5.0 by end of March 31 2022 (fiscal year)

In conclusion, the 759 STORE will continue to be industrial leader, offering both online and in-store total solutions and maintaining complete edge in the Hong Kong market.

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Student Self Evaluation Form			
Student name:	Wong, Si Ming Kyle	Student number:	1812211
Programme:	Consultancy Management	Year of programme	1.5 years
Assignment Title:	To examine the 759 STORE business model and future Leisure food market expansion in Hong Kong		

This section repeats in brief the common assessment criteria detailed on previous pages. The *extent* to which these are demonstrated by you determines your mark. Using these criteria, tick the box that best indicates the level of achievement you feel you have achieved with regard to each of them.

Common Assessment Criteria Applied	Level of Achievement						
	REFER			PASS		DISTINCTION	
	FAIL	FAIL	MARGINAL FAIL	SATISFACTORY	GOOD to VERY GOOD	EXCELLENT	EXCEPTIONAL
1. Engagement with literature	0-29%	30-39%	40-49%	50-59%	60-69%	70-84%	85-100%
	☐	☐	☐	☐	☐	☐	√
2. Knowledge and Understanding	0-29%	30-39%	40-49%	50-59%	60-69%	70-84%	85-100%
	☐	☐	☐	☐	☐	√	☐
3. Cognitive and intellectual skills	0-29%	30-39%	40-49%	50-59%	60-69%	70-84%	85-100%
	☐	☐	☐	☐	√	☐	☐
4. Practical Skills	0-29%	30-39%	40-49%	50-59%	60-69%	70-84%	85-100%
	☐	☐	☐	☐	☐	√	☐
5. Transferable Skills for Life and Professional Practice	0-29%	30-39%	40-49%	50-59%	60-69%	70-84%	85-100%
	☐	☐	☐	☐	☐	√	☐

PLEASE COMMENT ON AREAS IN WHICH YOU FEEL THAT YOU HAVE PERFORMED WELL		PLEASE COMMENT ON AREAS YOU FEEL THAT YOU NEED TO DEVELOP	
Attended all the classes and be able to apply the Consultancy Management skill at assignment		Still have a room to enhance my knowledge of market research, report preparation and time management.	
Student's Name	WONG, Si Ming Kyle	Date	Jan 4, 2019
Student's Signature	<i>Kyle Wong</i>		