

**Brief Summary, Case #5****Design Strategy at Samsung Electronics: Becoming a Top-Tier Company**

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**1. The problem of the company**

SEC, Samsung Electronics Company, is a very well-known company in Korea (and maybe well-known internationally). Lee, Kun-Hee announced the Year of the design Revolution in 1996. From that time, the design has been the one of the important keys of the SEC. During the last 10 years, SEC has grown a lot, and one of the reasons was the success in the design management. However, still SEC has some issues regarding its design, and the representative questions are described in the memorandum at the end of the article.

**2. Approach to solve the problems/to compete against the competitors**

At the end of the 20th century, the chairman of SEC, Lee, Kun-Hee noticed the importance of the design. SEC was not good at design. In addition, SEC was good at managing and organizing. As a result, SEC started to approach to better design based on its strength. SEC set its design philosophy and established special organization for its design including Samsung Art & Design Institute. Its design management was very successful.

**3. My recommendations**

The authors said that SEC has been good at design. But my opinion is very different, although many evidences in the article supported their argument. To me, the products of Samsung are good in the performance, and good in the design, however, not special or very attractive design.

SEC offered many innovative mobile phones in these days such as Haptic, Omnia and so on. In the case of Haptic, it was just the catch up product with iPhone. The development process was very short and there were lots of bugs in the early model. After that, there have been lots of Haptic series, but those provided not special design, but just better functions. Actually, SEC was not good at the development of innovative design, functions in my opinion.

Last year, I had a chance to discuss about the problem. One of my friends, he is working for SEC, said that SEC will not be able to make innovative product because of its culture and organization. The top management of SEC knows the importance of innovation and creativity, but the motivation process is very regulated and actually those processes regulate the creativity. I agreed to my friend's opinion fully, and the most important things to SEC is not a new process but the change in the organization's culture for the motivation of members' creativity.