

Huawei

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ABSTRACT

Huawei is a leading global provider of information and communications technology which also became the largest Chinese communications equipment manufacturer in the world. Ranked 2010 in the top 500 list. R & D is the main base of the Chinese company, and each year the company dedicates 10% of its sales to this field, and has many centers inside and outside China, all engaged in research and development, and the first external center was opened in this regard was in the Swedish city of Stockholm. In addition to R & D centers around the world, it now has more than 70,000 employees, 45% of its employees working in this sector, and has thousands of patents.

Introduction:

Huawei is the world's largest manufacturer of communications equipment, the third largest smartphone supplier, with a large number of research and development offices and tens of thousands of patents. As of December 31, 2013, Huawei has submitted more than 44,000 patent applications in China, some 19,000 applications outside China, some 15,000 applications under the PCT, and some 37,000 applications have been approved.

In particular, the company has been awarded the largest share of the LTE / LTE-A patent in 2010, and in particular 466 of the company's proposals for the technology have been approved as key standards, which enabled it to occupy first place and attract nearly 25% of the proposals that have been approved at the world level.

Huawei's products and solutions are deployed in more than 170 countries around the world. R & D is a key pillar in supporting its business, with more than 70,000 employees in the industry, accounting for about 45% of its global workforce.

In 2013, the company invested \$ 5.4 billion - or 14 percent of its total sales revenue - in R&D programs.

Huawei is one of the first research and development companies dedicated to the future of the fifth-generation network, with investments of more than \$ 600 million by 2018. By the end of 2013, the company has joined more than 170 international institutions specialized in the development of technology standards and standards Telecommunications and Information Technology Sector.

Background:

government developed a clear strategy for the development of telecommunications infrastructure in the country. One of the key elements of this trend is the switches of telephone exchanges. This was the starting point for launching the largest companies in the production and development of communications equipment in the world.

The Chinese government has taken a decisive decision on its own, reduced the role of foreign companies in the field of telecommunications, and imported its equipment from abroad. To this end, the decision was to establish a number of local companies capable of manufacturing and developing communication equipment, including telephone exchanges.

This prompted several Chinese entrepreneurs to establish local companies that could compete to win a government deal in this field. This was done by the former engineer of the Chinese

Liberation Army, Ren Zichengwe, in the founding of Huawei in 1987, which won the contract to operate telephone exchanges in China.

The company has taken the responsibility from the outset to rely on itself in the development and manufacture of communication equipment, and this is what succeeded after the equipment was imported from abroad, and the company won the deal and began directly distributed and published, targeting hotels and small businesses

At the time of its founding, its registered capital was only US \$ 3.5 thousand. In its early years, its business model was focused solely on the sale of private telephone exchanges imported from Hong Kong, but the company boosted its R & D investment to manufacture its own technology. By 1990, It has about 55 R & D staff.

One of the most important moments in the history of the company when the Chinese government adopted in 1996 strict policies to support and encourage local technology companies and reduce the use of foreign products competition, these policies have made the company a special situation within China and its government, And research with local hands.

The company vision and mission Of 2019:

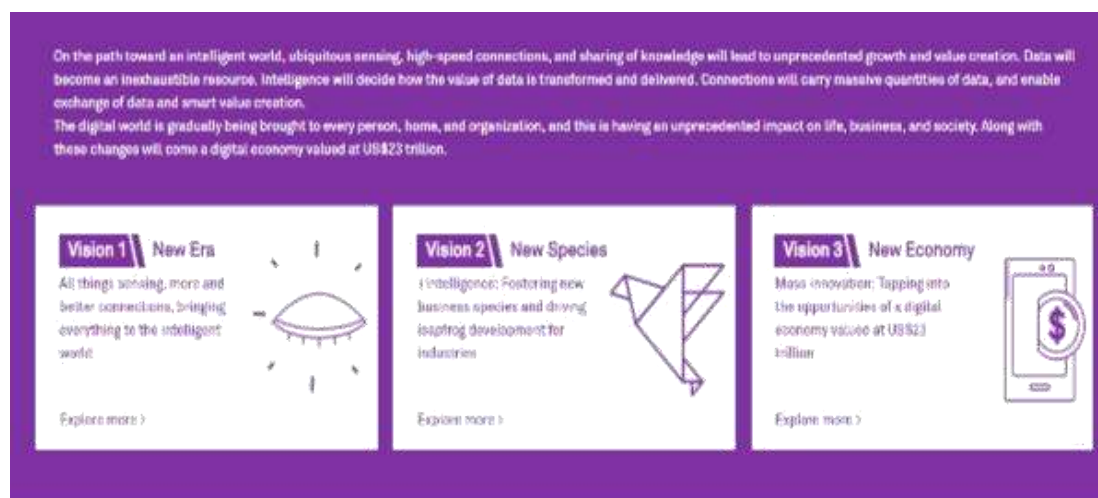
From what we have learned from management classes that, a vision is a practical guide for creating plans, setting goals and objectives, making decisions, and coordinating and evaluating the work on any project, large or small, and it is the guideline that all of the employee should know and follow to work under one roof and goal.

In april ,18, 2018 huawei had shared new vision and mission

“Bring digital to person, home and organization for a fully connected intelligent words”

According to huawei website www.huawei.com

Guided by its new vision, Huawei will trailblaze a path forward to this intelligent world, focusing on ICT infrastructure and smart devices. The company aims to increase the competitiveness of its entire product and solution portfolio – including cloud, networks, and devices – and deliver a superior user experience through across-the-board adoption of AI technology.



On the path toward an intelligent world, ubiquitous sensing, high-speed connections, and sharing of knowledge will lead to unprecedented growth and value creation. Data will become an inexhaustible resource. Intelligence will decide how the value of data is transformed and delivered. Connections will carry massive quantities of data, and enable exchange of data and smart value creation.

The digital world is gradually being brought to every person, home, and organization, and this is having an unprecedented impact on life, business, and society. Along with these changes will come a digital economy valued at US\$23 trillion.

Vision 1 New Era

All things sensing, more and better connections, bringing everything to the intelligent world

Explore more >

Vision 2 New Species

Intelligence: Fostering new business species and driving isotropic development for industries

Explore more >

Vision 3 New Economy

Mass innovation: Tapping into the opportunities of a digital economy valued at US\$23 trillion

Explore more >

The company activities:

The company's business model initially focused on the sale of private telephone exchanges imported from Hong Kong, but the company boosted its R & D investment to manufacture its own technology. By 1990, it had about 55 R & D employees and began to manufacture its own specialty products, Small.

In 1996, when the Chinese government adopted a strict policy to support domestic telecom equipment manufacturers and restrict the use of foreign competing products, the Chinese company set up another number of research and development offices.

From 1998 to 2003, Huawei contracted with IBM Management Consulting, made substantial adjustments to its management and product development structure, accelerated its expansion into international markets, achieved global sales of over \$ 100 million, and established the first R & D center outside China, and that was in the Swedish city of Stockholm.

The strategies and plan:

Huawei Consumer Electronics Group ranked third in the list of major smartphone manufacturers according to market share, according to data released by Strategic Analytics and Counterpoint Strategic Research and Research Center, with a market share of 10% Global market, while the proportion of shipments of smartphones around the world in 2016 by 2.3% from 2015.

The world's top five smartphone manufacturers include Samsung, Apple, Huawei, Obo and Vivu. China's three brands account for nearly 20% of the global market share of smartphones. Huawei ranked third with a market share of 10% Despite the weak results of the global market.

Huawei shipped 139.3 million units as a total in 2016, an increase of 30.2 percent from 2015.

Despite the precarious performance of the global smartphone market, Huawei has maintained its annual shipments growth rate, with the figures showing the strong performance of the company and its outstanding performance surpassing the rate of the smartphone industry.

Huawei has continued to grow its shipments to world markets from 75 million units in 2014 to 108 million units in 2015, to nearly 140 million units in 2016, which has boosted the company's position as the third largest smartphone manufacturer.

Huawei has launched two leading phones in 2016, P9 and Mate 9, in line with the company's plan to launch a high-performance phone line that combines both the power of technology, smart design and offering its users a unique experience to bring the largest number of smartphone users to their customer base.

These leading phones equipped with the latest photographic cameras of smartphones- have achieved strong results in the last quarter of 2016.

Huawei has established itself as the third largest smartphone manufacturer in the world

by adopting a strategy to expand its business both locally and globally, further enhancing its position and role in many countries of the world, while opening new markets through its continuous innovation and efficient operations Internal and external.

Huawei has taken advantage of the unique opportunity offered by the booming Chinese economy over the past few years, enabling it to achieve real success in the domestic market, meeting the needs of consumers by designing smartphones that fit the needs and demands of all user groups amid the growth of its customer base.

The strategic marketing:

Huawei has established its brand in the world through strategic marketing, through marketing campaigns around the world, including the sponsorship of many stars of art and sports globally and locally, and integration in other areas such as design, fashion, entertainment and other areas enhanced image and position by the public Constantly growing.

1-Recall the company's status continuously:

Huawei broke the long-held figure of Apple and reached the second largest phone vendor worldwide, ranking second behind Samsung. This is especially useful in the campaigns that the company implemented, especially the features of its phones from quality in manufacturing, performance, etc., It is worth recalling the company's position, sales volume and the strength of its hardware specifications.

2-Public relations campaigns:

The company has focused on public relations campaigns, digital and experimental, rather than traditional mainstream campaigns, even though they do these advertising campaigns as well. For example, the company is currently running the photography competition. The entries are assessed by artificial intelligence; it has already received more than 700,000 entries.

3-Brand awareness campaigns:

Assisting local partners, Huawei launched ad campaigns tailored to its target audience. Huawei not only wanted to raise the efficiency of the product, but also wanted to focus on building awareness of its brand. The company knew that in order to get a bang in the global market they had to embrace local markets and create the right content, and as a result they created a Huawei Best Wei campaign.

The name of the campaign is attributed to the Malay language of the Malaysians. This campaign brought together creative content, local talents and media platforms to connect with its target audience. In 2016, the campaign won the gold medal at the Marketing Excellence Awards. What makes the campaign a genius step is its focus on the local. You've signed up with Media Prima Television Network to create campaigns or videos that will leave a mark on the Malaysian audience. Such a way of marketing thinking makes the company rapidly expand in many markets.

4-Collaborate with a list of celebrities:

Huawei has made a number of successful celebrity collaborations continuously. This celebrity list has a huge fan base. As such, cooperation with them can ensure greater brand awareness. Among these successful collaborations was a publicity campaign for its smartphone P9, which was featuring Henry Cavill and Scarlett Johansson. The announcement highlighted the photographing potential of the P9 and P9 Plus 12-megapixel smartphones.

5-Offer new products at extensive exhibitions:

Exhibitions are a great way to increase brand awareness, promote new products, and showcase the company's achievements and innovations. One of the secrets of Huawei's success is to introduce its new products in large-scale exhibitions. In recent years, Huawei has led a number of joint activities and exhibitions at the World Mobile Congress. In February 2017, for example, more than 100 operators and partners from around the world attended the event, demonstrating the innovations that resulted from collaboration with the company. During the event, the company

also engaged industry partners and operators in future trends in the mobile industry and advised them on how to achieve value-driven growth.

The company goal:

Huawei's clearly stated goal is to become a leader in smartphones. It is not the first brand that tries to do so, and will not be the last, and of course they face some severe challenges to get there. The most important thing for the company now is America, where the company's phones are currently banned due to national security problems, although it appealed to the US Federal Trade Commission to end the embargo in August.

For Huawei, being a Chinese is an opportunity and a challenge. Go back for 5 years and you'll find that Made in China is a sign of low quality and rusty technology, while Chinese companies led by companies such as Alibaba are innovative and think-provoking. The Chinese company name gives it as a unique selling point

The company's strange name was very useful because it breaks your attention, it takes some time to learn, and when you learn it, you do not forget it. But there are still concerns about Chinese technology. The United States is not the only country to issue a ban. Australia recently ruled that Huawei could not win contracts to build fifth-generation networks because of a clear tightening of the Chinese government's grip on technology companies and exposure of telecommunications companies to its use in espionage. South Korea is widely expected to follow suit. But this may not be enough to stop the march of this Chinese company that will not rest until it dominates the world.

Customer-First Attitude

Customer first attitude on huawei products can create competitive advantage, for the early years of Huawei everyone in the company had to turn their eyes to the customers and their backs to the bosses. In desert and rural areas in China, rats often gnawed the telecom wires, severing customers' connections. The multinational telecom companies providing service at that time did not consider this to be *their* problem, but rather that of the customer. Huawei, in contrast, viewed the rat problem as one the company had the responsibility to solve. In doing so, they acquired extensive experience in developing sturdier equipment and materials – such as chew-proof wires — which helped them later on to gain several big business accounts in the Middle East, where similar problems stymied the multinational firms.

Long-Term Thinking

The employee-ownership arrangement not only helps Huawei attract and retain dedicated employees, but also allows the company to plan for the long term. Ren Zhengfei has also credited it with allowing them to stay close to their goals and long-term vision. For example, Huawei plans the development of the company by decade, whereas most of their competitors such as Ericsson and Motorola plan it by financial quarter or year. Being privately held has allowed Huawei to work on its

10-year plans, while its competitors struggle to follow near-term fluctuations of the capital market.

Huawei SWOT analysis:

Is an organized planning technique used in the study and planning of the environment and strategic decisions of the company?

By assessing the four components of the method and studying the strengths, weaknesses, opportunities and threats of the project.

Strength:

- Leadership, it's been #1 in sales of network equipment. It's held into the position since 2014. Also it's disturbing the oligopoly of Apple and Samsung.
- Innovation: Huawei has received the award of the best innovation at the world intelligence Vehicle conference 2017.
- Cost leadership: The company has been competing in low prices. So therefore, it's competing with Apple and Samsung by providing high-quality products with low prices.

Weakness:

- Huawei is very bad at forecasting the demand of their products, which will make the company inventory very high compared to its competitors.
- The inefficient and the lack of planning in a financial aspect. The company could use its cash much more than what it was doing in the past.
- The gaps in the company products range is very narrow. That's it doesn't give the customers much choices.

Opportunities:

- The company could gain the opportunity to conduct a differentiation pricing strategy due to the new technologies.
- Because of the government agreement new markets will provide the company the opportunity to enter new emerging markets.
- Due to the decrease of the transportation cost due to the low prices of shipping it will bring down the cost of its products which will boost the company sales.

Threats:

- The strength and power of the local distributors is growing is considered a threat in some markets, as higher margins are paid to the local distributors by the competition.
- The seasonal demand of the highly profitable products may impact the company profitability in short and medium term.
- The consumer buying behavior may change from online channel which will be threatening to the existing physical infrastructure driven supply chain model.

Huawei problems and solving

Since 1997 when Huawei has established mobile phone all over the world. The latest years, the Chinese networking and telecommunication equipment maker had used summers its greatest smartphones in the market making it very successful time for the company. We can say that it is only fitting they named the company Huawei as it is very translated as splinting achievement for China or action for China. In Chinese language, Huawei had ranked as the world's third largest smartphone manufacturer, Huawei not only produces high - quality phones, but also adds

remarkable features that can rival Apple and Samsung as well. It certainly has established itself as one of the best smart phone makers in the market today. But like its competitors, Huawei's products also encounter glitches and flaws from time to time.

- First problem that most huawei users complain about is the camera doesn't work properly there is an error the camera most often freezes
- Second problem the memory, the limit of the memory, which you always have to to buy another memory or delete some photos videos or apps
- Unfortunately, how are we product are not like Apple products or android product smart phones, One of the Huawei problems is function of sharing, transferring and receiving files using the Bluetooth feature. But from huawei users and buyer comments they always complain about the Bluetooth connection which is always disconnect so when does happen you have to switch your phone off and turn it on again

Huawei organization performance:

According to huawei website that shows the financial statement. We can see that their revenues had raised up 2016 comparing to 2015 and 2014.

	2017		2016		2015	2014	2013
	USD Million* (CNY Million)				(CNY Million)		
Revenue	92,549	803,621	621,674	395,009	288,197	229,005	
Operating profit	8,645	56,384	47,515	45,786	34,205	28,128	
Operating margin	9.3%	9.3%	8.1%	11.5%	11.9%	12.2%	
Net profit	7,276	47,455	37,062	36,310	27,886	21,003	
Cash flow from operating activities	14,770	96,336	69,218	62,000	41,755	22,664	
Cash and short-term investments	30,656	199,943	145,853	125,208	106,038	81,944	
Working capital	21,093	137,676	116,231	89,018	72,566	75,180	
Total assets	77,462	606,225	443,834	372,166	309,773	244,091	
Total borrowings	6,121	30,925	44,790	29,886	28,508	23,033	
Owner's equity	26,925	175,618	140,133	119,089	93,985	86,268	
Liability ratio	65.2%	65.2%	68.4%	68.0%	67.7%	64.7%	



In conclusion

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