

Hung Hau Corporation's strategic analysis using Hoffer matrix**Kazimierz Wackowski¹, Hoang Tien Nguyen², Boleslaw Rafal Kuc³**¹ Warsaw University of Technology
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Vietnam's economy is currently an open economy. Vietnam is actively joining world economic organizations such as WTO, AFTA, etc. Therefore, every business operating in the economy must comply with market and competition law and regulations. In order to gain a competitive advantage,

enterprises must know how to maximize their advantages and consider in every decision to achieve the highest efficiency. The article examines the business operation and strategy of Hung Hau holding using Hofer matrix as an analytical tool.

Keywords: Corporate Strategy, Matrix, Strategic Analysis, Business Environment**1. Introduction****1.1 History of Hung Hau Holdings**

Hung Hau Development Joint Stock Company, abbreviated as "HungHau Holdings" was established in 2010, initially focused on Agriculture, Education and Distribution. With a long-term vision and a view of sustainable development, HungHau Holdings currently focuses on developing in 06 strategic areas including:

- Agriculture (HHA)
- Biotechnology (HHB)
- Communication (HHC)
- Distribution (HHD)
- Education (HHE)
- Food (HHF)

HungHau Holdings constantly strives to create products and services towards perfection exclusively for its customers and partners. Regardless of the field, HungHau Holdings also shows professionalism and creativity to build a brand with Vietnamese identity and honor Vietnamese values.

1.2 Brand identity

The logo of HungHau Holdings is an image of two "H" letters intertwined symbolizing unity, inextricably linked by the powerful, showing mutual trust, together sustainable development. In terms of the main color meaning, blue is the symbol of the vast ocean, expressing the vision to reach out to the great sea, and the hope for a bright future. Green is a symbol of vitality, representing the beautiful life of the Hung Hau people. Green is also a symbol of the agricultural industry, which is the core activity of HungHau Holdings. Blue and green are the two main colors of HungHau Holdings, contributing to the identity color of the brand. Along with the stylized "H" symbol, the 3-7 scale color line becomes the core of HungHau's signature sign system. The ratio 3-7 is also reflected throughout the management and development strategy of HungHau Holdings, specifically, besides taking care of employees' lives, HungHau Holdings spends 70% of its profits for public investment reinvestment company, contributing to stable and sustainable development.

In terms of slogan, "Trust your choices" is the value that HungHau Holdings wants to aim for in the future, which is reliability and consistency, professionalism, openness and forward-thinking spirit, towards sustainable development.

2. HungHau Holdings' development strategy

With the enthusiasm and continuous efforts to conquer new heights of the Board of Directors and all officers and employees expressed through the slogan "Trust your choices", HungHau Holdings is determined to pursue the core values and goals of HungHau Holdings. Its mission is to:

- Agriculture is a fundamental field, contributing to changing Vietnam's agriculture towards modernity.
- Education creates stability and sustainable development, investing in Education is the focus of strategic development with the aim of providing quality human resources for the society, for HungHau Holdings.
- Distribution to increase accumulation and create momentum for future development.
- Bring the best benefits to all Shareholders, Partners and Employees of Hung Hau.

To achieve the above goals, HungHau Holdings understands that: must associate and cooperate with reputable and capable companies and organizations for sustainable development together.

2.1 Agriculture

Established very early in 1976, HungHau Agricultural Joint Stock Company - HungHau Agricultural (formerly known as Seajoco Vietnam) is proud to be one of the pioneering enterprises, representing innovation with the mission of bringing to the market. Seafood products with outstanding quality and high nutrition. Over the course of nearly 40 years of construction and development, HungHau Agricultural has affirmed its positive value through efforts to innovate technology, accumulate know-how, improve management level, staff capacity and worker skills.

The Company's products have been present in most of the continents with a wide range of products to meet the needs of active consumers to consumers with the most demanding requirements in terms of product quality and nutrition. These include the market leading exporter's customers come from Europe (France, Belgium, Netherlands), Japan, USA, Australia, the United Arab Emirates and the distribution channels in the country through a system of supermarkets and restaurants such as: BigC, Coop Mart, Metro, Vinmart, Lotteria, Pizza hut, Seoul Garden, Circle K...

With the achievements, the Company has had enough basis to develop and expand its business to a broader scope - the agricultural field and confidently bears a new name - HungHau Agricultural - was born from the beginning 2015. This once again opens up a new step, a new page in history with defined goals and missions: Hung Hau Agriculture Joint Stock Company is honored to accompany and develop the key economic sector of Vietnam.

Achievements

- Certificate DL01: License to export to the EU market
- ISO 9001:2000 certification: Quality management system according to ISO 9001 version 2000
- ISO 2200:2005 certification: Food safety management system according to ISO 2200 version 2005
- HALAL certification: Quality management system according to the standards of the Muslim community HALAL
- BRC certification: Quality management system according to global food standards - BRC (standard of British retail association)
- In 1992: the company was honored to receive the 2nd class Labor Medal for its achievements in production and business from 1987 to 1991.
- 1998: The company was honored to be awarded the 1st class Labor Medal by the State for outstanding achievements in production and business activities in 1993 - 1997.
- 2002 - 2008: The Company's Trade Union was honored to receive the emulation flag and certificate of merit from the Vietnam Agriculture and Rural Development Union for the Women's Movement 2 "Being good at water work - Taking care of housework".
- 2013: Received the Certificate of Merit from the General Confederation of Labor for the collective with excellent achievements in the movement of emulating

good labor and building a strong trade union organization.

- 2014: Received a certificate of merit from the Vietnam Federation of Agriculture and Rural Development Committee for the unit with high-quality Collective Labor Agreement and the flag of the General Confederation of Confederation of Vietnam for the collective.
- 2015: Received the Vietnam Gold Star Award on October 4, 2015
- On September 5, 2016, the company received the award: "AEC Priority Integration Sector Execution Awards" by ASEAN Business Advisory Council
- In 2017: The company was honored in the VNR 500 - 500 largest enterprises in Vietnam 2017
- In 2018: The company was honored in the top 500 Vietnam Prosperity Enterprises BP 500 - 2018

2.2 Food Industry

Being a member of Hung Hau Holdings (HHH), with a staff of over 20 years of experience, is one of the leading companies in Vietnam engaged in the production, processing and export of fruit and vegetable products under fresh, frozen, dried, steamed, fried products; frozen whole fruit and various noodles with high nutritional value, along with industrial snacks. HungHau Foods (HHF) instant noodles products are currently available in the domestic market, distributed widely throughout Vietnam's provinces and cities through distributors, agents and supermarkets such as Metro, Lotte Mart, Co.op Mart, Vinmart, Big C...

Vision: With the basic principle for future development, which is to bring a stable and peaceful life to all its members, create an encouragement for all members to contribute together and share the results based on the principle of harmony and fairness. In addition to business development, Hung Hau Food Co., Ltd. also constantly cares about the community, demonstrates the corporate social responsibility, and contributes to improving social welfare. The company always strives to build a Vietnamese value chain for Vietnamese people through high-quality food products that are distributed nationwide.

Mission: Hung Hau Food Co., Ltd. connects with the community, with customers, with partners by prestige, by the quality of food that brings abundant energy. Taking the interests of consumers as a guideline to create core values, strength and operating motto of each brand named Hung Hau Food throughout the development process.

2.3 Education Services

With the goal towards rapid and sustainable development, contributing to providing a quality trained human resource, meeting the needs of society as well as preserving and promoting good traditions and culture of Vietnam, HungHau Holdings has invested and developed HungHau Education from Kindergarten to Doctorate according to eight Vietnamese vocational training ladders including Kindergarten, High School, Intermediate School, College and University.

Current HungHau Education members include:

- Van Hien University (VHU)
- Van Xuan College of Engineering and Technology (HEX)
- Van Tuong Intermediate School (HET)

- Van Hanh High School of Medicine and Pharmacy (HEH)
- Au Lac Hue Middle School (HEA)
- Viet Elite School Primary School
- Au Lac Kindergarten

2.4 Distribution and logistics

HungHau Distribution Company Limited (HungHau Distribution) is proud to be a member of HungHau Holdings. Participating in the Distribution field is an important step in the process of promoting the system, developing production, and improving business efficiency of HungHau Holdings. Hung Hau distribution segment focuses on 2 main areas: fuel distribution business and distribution of consumer food products in the domestic market. During the process of formation and development, HungHau constantly strives to bring the best products and services to its customers. At the time of establishment, the distribution segment of HungHau operated in the form of a general agent of petrol and oil distribution units and a domestic sales department; Later, it was planned to become 2 member companies under HungHau Holdings: HungHau Petro and HungHau Distribution. In 2017, within the common orientation of HungHau Holdings on optimizing resources and increasing business efficiency, the two companies mentioned above were merged into HungHau Distribution Company Limited (HungHau Distribution). Officially becoming a distribution trader, with a warehouse system of 5 million liters of petrol and a network of petrol stations and petrol agents throughout the Central Highlands, Southeast, Southwest and Ho Chi Minh City. Chi Minh. Hung Hau Petroleum Company Limited is a key member of the Distribution Division. Distribution activities of HungHau Holdings also contribute to exchange and share cultural values of many different lands through trading activities, import and export of goods with a system of stores and agents. Retail manager of Hung Hau Distribution Co., Ltd.

2.5 Communication and media

HungHau Cosumer operates with the goal of making long-term investment plans and implementing strategic projects. Besides providing tourism, communication, events, and security services, HungHau also is investing in sports through:

- Dong Thap Football Club
- Hoanhao Capital Co., Ltd
- Mekong Heritage C ORP
- HungHau Security Service Trading Co., Ltd
- Dong Thap Football Development Joint Stock Company

2.6 Biotechnology

Founded with a mission based on modern science, the combination of research processes and high-tech technical equipment to create environmentally friendly biological processes and products. HungHau brand, serving the basic and practical needs of people, contributing to the socio-economic development of Vietnam. Biotechnology is one of the new fields that HungHau Holdings is focusing on investing and developing. Hung Hau Biological Co., Ltd. with projects to produce high-biomass herbal products is being built and developed towards creating high-tech, smart and environmentally friendly agricultural farming areas.

3. Hofer matrix method

One of the edges of the Hofer matrix is the life cycle stages of the region (5 stages), the second edge is the competitive position of the business in the given region. The sequence of building Hofer matrix is as follows:

- Classification of strategic units (SBU)
- Determine the strategic position of each strategic unit
- Position each unit on the regional life cycle circle by creating a matrix of 15 regions, each circle corresponding to a strategic business unit (SBU). The size of the circle represents the strategic unit's market share as measured by sales to the total earnings of the business. The bold slashes in the circle represent the strategic unit's market share for the given product group or the regional strategic unit's market share.

The steps to implement the matrix:

1. **Step 1:** Determine the criteria to evaluate the competitive strength of the enterprise
2. **Step 2:** Determine the relative importance of the criteria by assigning relative weights to each criterion that satisfies the conditions
3. **Step 3:** Rate the factors on a scale from 1 to 5.
4. **Step 4:** Multiply the weight of each factor by the corresponding score to determine the score for the importance of each factor.
5. **Step 5:** Calculate industry attractiveness and competitive position by multiplying the values of each criterion by their values and adding the products
6. **Step 6:** Put in the graph with the vertical axis representing the development cycle of the industry, the horizontal axis representing the competitive advantage of the enterprise.

The stage of evolution of the product:

Comment: Education, food, agriculture, and distribution are in the competitive phase - growth and have a relatively strong competitive position. For the media, Dong Thap Football Development Joint Stock Company needs to practice more to achieve the set results.

Conclusion: In the Hofer matrix, the strategic orientation of Hung Hau Group is to try to shift its group of industries to the top, to the left is the best.

4. Conclusions and recommendations

Conclusions

- Constantly striving to create perfect products and services exclusively for our customers and partners.
- Show professionalism and creativity to build a brand with Vietnamese identity and honor Vietnamese values.
- Proud of the achievements that the Company has achieved in the past years and at the same time is the driving force to promote growth in the next period, successfully realizing business and production goals in the future.

Recommendations

- As the world is declining due to trade war and Covid-10, the global economy is still increasingly integrating with new generation FTAs, we are proposing much stronger supportive role of the Government to help businesses increase their resistance, increase competitiveness, and overcome challenges.

- Improve and enhance the interaction, coordination capacity and action between ministries, sectors and localities in a synchronous and transparent manner, aiming to help localities attract sustainable and effective investment.

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