

**BUSINESS EXPANSION STRATEGIES: A CASE STUDY OF
A FAMILY-OWNED BUSINESS UNDER SECOND-
GENERATION LEADERSHIP**



KHORNCHAWON SUWONARONG

**A THEMATIC PAPER SUBMITTED IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS FOR
THE DEGREE OF MASTER OF MANAGEMENT
COLLEGE OF MANAGEMENT
MAHIDOL UNIVERSITY
2024**

COPYRIGHT OF MAHIDOL UNIVERSITY

Thematic paper
entitled
**BUSINESS EXPANSION STRATEGIES: A CASE STUDY OF
FAMILY-OWNED BUSINESS UNDER SECOND-GENERATION
LEADERSHIP**

was submitted to the College of Management, Mahidol University
for the degree of Master of Management

on
25 August 2024



Khornchawan S.

Ms. Khornchawon Suwonarong
Candidate

Winai Wongsurawat

Assoc. Prof. Winai Wongsurawat,
Ph.D.
Advisor

Nathasit Gerdsri

Assoc. Prof. Nathasit Gerdsri,
Ph.D.
Chairperson

Vichita Ractham

Assoc. Prof. Vichita Ractham,
Ph.D.
Acting Dean
College of Management
Mahidol University

Kittisak Jernsittiparsert

Prof. Kittisak Jernsittiparsert,
Ph.D.
Committee member

ACKNOWLEDGEMENTS

I am incredibly thankful to my advisor, Professor Winai Wongsurawat, for his endless patience, thoughtful feedback, and constant encouragement throughout this journey. His guidance helped me shape this research into something I'm proud of, and his belief in my abilities motivated me to push forward, even during the most challenging moments.

A special thank you goes to The Crystal Company and all the interviewees who graciously gave their time and shared invaluable insights that made this research possible. I'm also deeply grateful to my amazing friends from CMMU 25B and the College of Management, Mahidol University. Together, we've navigated academic hurdles, laughed through the tough times, and supported one another all the way.

Above all, I want to extend my deepest gratitude to my family for their unconditional love and support. You have been my constant source of strength. I also want to take a moment to thank myself, Khornchawon Suwonarong, for the dedication and perseverance I've shown in completing this paper. This achievement is as much about my personal growth as it is about my academic success.

Khornchawon Suwonarong

BUSINESS EXPANSION STRATEGIES: A CASE STUDY OF A FAMILY-OWNED BUSINESS UNDER SECOND-GENERATION LEADERSHIP

KHORNCHAWON SUWONARONG 6549046

M.M. (MARKETING AND MANAGEMENT)

THEMATIC PAPER ADVISORY COMMITTEE: ASSOC. PROF. WINAI WONGSURAWAT, Ph.D., ASSOC. PROF. NATHASIT GERDSRI, Ph.D., PROF. KITTISAK JERMSITTIPARSERT, Ph.D.

ABSTRACT

In today's competitive business environment, family-owned companies face both opportunities and challenges, particularly during generational transitions. This study explores the transformation of The Crystal Company, a family-owned business in Thailand's luxury crystal glassware market, as it moved from its original, traditional operations to a modernized business model under the second-generation leadership of Mr. Ronan. The research aims to uncover how strategic changes in leadership, trade practices, and product diversification contributed to the company's growth and adaptation to new market conditions.

Through a qualitative approach, combining interviews and analysis of company documents, this study highlights the importance of embracing modern trade techniques, streamlining operations, and expanding product offerings to remain competitive. Key findings reveal that The Crystal Company's success lies in its ability to innovate while staying true to its core values, ensuring both efficiency and customer satisfaction. This research provides valuable insights and recommendations for family-owned businesses facing similar challenges, emphasizing the need for continuous improvement, strategic innovation, and flexible leadership.

KEY WORDS: FAMILY BUSINESS/ GENERATIONAL LEADERSHIP/ BUSINESS TRANSFORMATION/ MODERN TRADE/ STRATEGIC INNOVATION

23 pages

CONTENTS

	Page
ACKNOWLEDGEMENTS	ii
ABSTRACT	iii
CHAPTER I INTRODUCTION	1
1.1 Introducing the Crystal Company	1
1.2 Problems Due to Changing Consumer Behaviors and Preferences	2
1.3 Introducing Mr. Ronan as the Change Agent	2
1.4 Initial Difficulties in Implementing Modern Operations	2
1.5 Research Questions Framing the Study	3
1.6 Value and Contribution of the Study	3
CHAPTER II LITERATURE REVIEW	5
2.1 Introduction to Family Businesses	5
2.2 Governance in Family Businesses	5
2.3 Conflict Management in Family Businesses	6
2.4 Resource Management in Family Businesses	6
2.5 Shift to Modern Trade Practices	7
2.6 Organizational Restructuring for Efficiency	7
2.7 Diversification of Product Portfolio and Customer Base	7
CHAPTER III RESEARCH METHODOLOGY	9
3.1 Research Design	9
3.2 Data Collection Methods	9
3.3 Document Analysis	10
3.4 Sampling	10
3.5 Interview Process	10
3.6 Interviews	11
3.6.1 CEO Interview	11
3.6.2 Founder Interview	12
3.6.3 Sales and Marketing Manager Interview	12

CONTENTS (cont.)

	Page
CHAPTER IV FINDINGS	13
4.1 Background Story	14
4.2 Theme 1: Transition to Modern Trade Practices	15
4.3 Theme 2: Organizational Restructuring for Efficiency	16
4.4 Theme 3: Diversification of Product Portfolio and Customer Base	17
CHAPTER V CONCLUSIONS AND RECOMMENDATIONS	19
5.1 Conclusions	19
5.2 Recommendations	20
5.3 Limitations	21
5.4 Future Research	21
REFERENCES	23

CHAPTER I

INTRODUCTION

In today's fast-changing business world, companies need to constantly adapt their strategies to stay competitive. This is especially true in traditional industries, where businesses must balance maintaining their core values with the need to innovate and meet evolving market demands. The Crystal Company's shift from a traditional business-to-business (B2B) model to a modern, diversified enterprise highlights this challenge and shows the importance of strategic transformation.

1.1 Introducing the Crystal Company

The Crystal Company, established in 1997, is a leading distributor of crystal glassware in Thailand. Initially, the company operated as a niche supplier of luxury glassware, focusing on providing high-quality, custom-designed products for temples, luxury hotels, and large corporate clients. This business model relied heavily on the reputation and quality of premium European glassware brands such as Crystalex, Nachtmann, and Spiegelau, which were highly valued in Thailand's luxury markets. Under its first-generation leadership, The Crystal Company built a strong client base through personalized services and word-of-mouth referrals.

Initially, The Crystal Company operated primarily as a B2B business. The company focused on high-quality crystal glassware, catering to a niche market that included temples, luxury hotels, and high-end corporate clients. These clients valued the premium European brands the company imported, such as Crystalex, Nachtmann, and Spiegelau. The business relied heavily on word-of-mouth referrals and long-term relationships with clients who placed large, high-value orders. In its early years, The Crystal Company differentiated itself by offering customized glassware design and engraving services. This approach, however, presented challenges. Customers often had specific aesthetic preferences but lacked an understanding of the functional aspects of

different glass types. To address this, the company decided to expand its range of pre-designed glassware, making it easier for customers to find products that met their needs.

1.2 Problems Due to Changing Consumer Behaviors and Preferences

Before the COVID-19 pandemic, The Crystal Company was already facing declining sales due to shifts in consumer behaviors and preferences. As consumer tastes modernized, new trends like minimalism gained popularity, disrupting traditional market preferences. This significantly impacted The Crystal Company's traditional luxury-focused market. The COVID-19 crisis made these challenges worse, as consumers' purchasing power significantly declined. Faced with these mounting issues, The Crystal Company recognized the urgent need to adapt its strategies to achieve sustainable sales growth.

1.3 Introducing Mr. Ronan as the Change Agent

The leadership transition to Mr. Ronan in 2021 marked a significant turning point for The Crystal Company. Mr. Ronan, who brought extensive experience from a leading digital media company in China, aimed to modernize the company's operations and expand its market reach. His vision included adopting modern trade practices, restructuring the organization for greater efficiency, and diversifying the product portfolio and customer base. This period of crisis became a pivotal moment for reassessing and implementing transformative changes within the company.

1.4 Initial Difficulties in Implementing Modern Operations

Initially, the shift to modern trade practices faced skepticism from within the company. The founder expressed concerns about abandoning the traditional methods that had consistently yielded positive results. However, recognizing the rapid changes in technology and consumer behavior, the founder supported the transition, albeit cautiously. This support was crucial as it helped bridge the trust gap between existing clients and the new leadership, ensuring a smoother transition.

Mr. Ronan's implementation of modern trade practices eventually led to significant improvements. The introduction of e-commerce platforms and expansion into physical retail spaces enhanced The Crystal Company's market presence and operational efficiency. The company successfully adapted to the new business model, stabilized sales, and achieved sustainable growth, proving that the modern strategies were effective in the long run.

1.5 Research Questions Framing the Study

This study focuses on three key themes to explore The Crystal Company's strategic transformation:

1. **Shift to Modern Trade Practices:** How did The Crystal Company integrate modern trade practices to enhance market presence and operational efficiency? This question examines the strategic initiatives, such as launching online sales platforms and leveraging digital marketing, that helped the company reach new customer segments.
2. **Organizational Restructuring for Efficiency:** What specific restructuring strategies were implemented to optimize efficiency and productivity at The Crystal Company? This inquiry looks into the reduction of the workforce, realignment of employee roles, integration of advanced ERP systems, and the introduction of new management tools to streamline operations.
3. **Diversification of Product Portfolio and Customer Base:** How did The Crystal Company diversify its product offerings and expand its customer base to ensure sustained growth? This part of the study investigates the strategic expansion into new market segments, including the introduction of more affordable product lines and the targeting of a broader customer demographic.

1.6 Value and Contribution of the Study

The transformation of The Crystal Company provides valuable lessons for both academic researchers and business practitioners. This study aims to contribute to the field of Marketing Management by detailing a real-world application of strategic transformation in a traditional business setting. By analyzing The Crystal Company's

strategic shifts, organizational changes, and market expansion techniques, this paper seeks to enhance academic understanding of effective business transformation strategies.

For practitioners, the insights from The Crystal Company's experience offer practical guidance on navigating market changes, enhancing operational efficiency, and expanding market presence. The study underscores the importance of adaptability, continuous improvement, and strategic planning in achieving long-term success. It also highlights the challenges businesses face during such transformations and the strategies employed to overcome them, providing a valuable blueprint for other companies seeking to undertake similar journeys.

The strategic transformation of The Crystal Company under Mr. Ronan's leadership underscores the necessity of balancing tradition with innovation in today's competitive business landscape. By embracing modern trade practices, restructuring the organization for efficiency, and diversifying the product portfolio and customer base, The Crystal Company has positioned itself for sustained growth. This study will delve deeper into these themes to provide a comprehensive understanding of the company's transformation and its implications for the broader business community.

CHAPTER II

LITERATURE REVIEW

2.1 Introduction to Family Businesses

Family businesses are a unique and prevalent type of enterprise, blending family ties and entrepreneurial ambitions. These businesses range from small local operations to large conglomerates with a global footprint. They play a crucial role in employment, innovation, and economic growth. Typically, a family business is defined by its ownership and management, often passed down through generations, intertwining family dynamics with business operations.

The complexities of family relationships significantly impact these businesses, influencing their organizational structure, decision-making processes, and overall operations. Key areas of focus include trust, effective communication, succession planning, and conflict resolution. Family businesses often prioritize long-term goals, aiming to preserve and grow wealth across generations while upholding family values and traditions (Gersick et al., 1997; Chrisman et al., 2012).

2.2 Governance in Family Businesses

Effective governance in family businesses involves creating systems of institutions, rights, and obligations through which the business is managed and regulated. Proper governance structures are essential for balancing stakeholder interests and generating value. In family businesses, governance is particularly complex due to the family's involvement in ownership, management, and strategic planning.

A governance model proposed by Chrisman et al. (2012) emphasizes the family's influence on business goals, strategies, and performance. Unified ownership and control can amplify the family's power within the business. However, this also necessitates clear governance mechanisms to manage decision-making processes, ownership structures, and succession planning effectively.

For the Crystal Company, introducing formal governance structures like family councils and constitutions could provide a framework for decision-making and conflict resolution. These mechanisms ensure transparency, equitable treatment of family members, and alignment with long-term business objectives (Arteaga & Menéndez-Requejo, 2017).

2.3 Conflict Management in Family Businesses

Conflict management is crucial in family businesses due to the potential for intense personal conflicts that can affect business operations. Managing conflicts involves resolving disputes and protecting both the family and the business from failure. In family businesses, conflicts often arise from differing attitudes, ideas, and opinions among family members involved in the business.

Ramadani et al. (2020) emphasize the importance of structured conflict management processes. Effective conflict management transforms disagreements into collaborative solutions, maintaining family harmony and business productivity. For The Crystal Company, implementing formal conflict resolution mechanisms could help address disputes and foster a cooperative business environment.

2.4 Resource Management in Family Businesses

Resource management is vital for business success, especially in family businesses where resources are often limited and closely tied to family contributions. Effective resource management involves not only acquiring resources but also strategically configuring and utilizing them.

Barney (1991) highlights that resources are the cornerstone of a firm's long-term competitive advantage. In family businesses, resources typically include financial capital, networks, and knowledge contributed by family members. The challenge lies in configuring these resources effectively to support business operations and growth. For the Crystal Company, strategic financial planning and careful resource allocation are essential to maximizing operational efficiency and achieving sustainable growth (Sirmon & Hitt, 2003).

2.5 Shift to Modern Trade Practices

Shifting to modern trade practices involves integrating digital technologies and e-commerce platforms into traditional business models. This transition allows businesses to reach broader markets and improve operational efficiency through real-time data analytics and digital marketing strategies.

For the Crystal Company, adopting modern trade practices like launching online sales platforms and expanding into physical retail spaces was crucial in enhancing market presence. This shift required significant changes in business operations and marketing strategies to meet the evolving preferences of digital-savvy consumers (Rogers, 2003).

2.6 Organizational Restructuring for Efficiency

Organizational restructuring involves realigning company structures and processes to improve efficiency and adapt to new business realities. This often includes workforce optimization, process reengineering, and the integration of new technologies.

For the Crystal Company, implementing advanced ERP systems and realigning employee roles were key strategies for enhancing operational efficiency. These changes aimed to streamline business processes, reduce redundancies, and improve overall productivity (Lewin, 1951).

2.7 Diversification of Product Portfolio and Customer Base

Diversification strategies involve expanding the range of products and targeting new customer segments to spread risk and increase revenue potential. This approach is particularly important for businesses looking to reduce dependence on a limited range of products or markets.

For the Crystal Company, diversifying its product offerings and expanding its customer base were essential steps in achieving sustained growth. By introducing more affordable product lines alongside luxury brands, the company could cater to a broader demographic and mitigate market risks (Carney, 2005).

The literature highlights the importance of governance, conflict management, resource management, modern trade practices, organizational restructuring, and diversification in ensuring the success and sustainability of family businesses. For the Crystal Company, these strategies were critical in navigating market changes, enhancing operational efficiency, and expanding market presence. The insights from The Crystal Company's experience provide valuable lessons for other family businesses seeking to achieve long-term success in a dynamic business environment.



CHAPTER III

RESEARCH METHODOLOGY

This chapter details the research methodology employed to investigate the strategic transformation of The Crystal Company. The study specifically examines the company's transition to modern trade practices, organizational restructuring for enhanced efficiency, and diversification of the product portfolio and customer base. To gain a comprehensive understanding of these changes, a qualitative research approach was adopted, focusing on a case study methodology. This approach allowed for an in-depth exploration of the unique challenges and strategic initiatives undertaken by the company. Primary data was collected through semi-structured interviews with key stakeholders, including the CEO, the founder, and the sales and marketing manager. These interviews provided valuable insights into the internal and external factors driving the company's transformation.

3.1 Research Design

A qualitative case study approach was selected to gain detailed insights into the specific context and experiences of The Crystal Company. This method allows for a comprehensive exploration of the company's strategic changes and their impact on operations and market position.

3.2 Data Collection Methods

Semi-structured interviews were conducted with three key stakeholders:

1. CEO Interview: The CEO shared his strategic vision and leadership approach during the transformation.
2. Founder Interview: The founder provided a historical perspective on the company's operations and the impact of the leadership transition.

3. Sales and Marketing Manager Interview: The sales and marketing manager discussed the challenges and outcomes of new sales and marketing strategies.

The interviews were recorded and transcribed to ensure accuracy and facilitate detailed analysis.

3.3 Document Analysis

In addition to interviews, various company documents were analyzed. These included historical sales records, organizational charts, and marketing materials. This helped provide additional context and validate the data from the interviews.

3.4 Sampling

Purposive sampling was used, targeting individuals with extensive knowledge and experience within the company. Participants were chosen based on their roles and contributions to the company's strategic transformation. Although the sample size was small, it was sufficient to gain a deep understanding of the internal and external challenges faced by the company and the strategies employed to address them.

3.5 Interview Process

The interview process was designed to gather comprehensive insights while allowing interviewees to share their experiences openly. Here's how the process unfolded:

1. Preparation: Interview questions were crafted to align with the research objectives. They focused on the strategic changes implemented at The Crystal Company, the challenges faced during these transformations, and the outcomes achieved. This preparation ensured the interviews would generate detailed and relevant information.

2. Conducting Interviews: Each interview lasted between 60 to 90 minutes. Conducted in a semi-structured format, the interviews allowed flexibility to delve deeper into specific topics as needed. This approach facilitated a natural flow of conversation, enabling interviewees to provide more nuanced and detailed responses.

3. Recording and Transcription: All interviews were recorded with the participants' consent to ensure accuracy. These recordings were then transcribed verbatim, capturing every detail of the discussions for thorough analysis. This process helped maintain the integrity of the information and provided a reliable basis for analysis.

3.6 Interviews

The semi-structured interviews were designed to allow for flexible and in-depth discussions on key themes such as modern trade practices, organizational restructuring, and diversification of the product portfolio and customer base. Each session lasted about 45-60 minutes, ensuring enough time to explore these topics thoroughly. The conversations were recorded, with participants' permission, and transcribed for a detailed analysis. This approach provided a rich source of data, capturing the perspectives and insights of each stakeholder comprehensively.

3.6.1 CEO Interview

The interview with Mr. Ronan, the CEO, focused on his vision for The Crystal Company, the strategic changes he implemented, and the challenges he faced.

Key questions included:

- What motivated you to implement modern trade practices at The Crystal Company?
- How did you approach the restructuring of the organization for greater efficiency?
- Can you describe the process of diversifying the product portfolio and expanding the customer base?

Interview Highlight: "The shift to modern trade practices was a major challenge. I focused on implementing online platforms and digital marketing to reach new customers and restructuring the organization for greater efficiency through ERP systems."

3.6.2 Founder Interview

The interview with the founder explored the impact of the leadership transition on the company and the founder's perspective on the changes.

Key questions included:

- How did you feel about the strategic changes implemented by Mr. Ronan?
- What were the biggest challenges you faced during the transition?
- How has the company benefited from the new strategies?

Interview Highlight: "Initially, I wasn't sure if the new strategies would work. I had my doubts about abandoning our traditional methods, but I had to acknowledge the changing market dynamics and consumer preferences. It was a risk, but it was necessary for our long-term success."

3.6.3 Sales and Marketing Manager Interview

The interview with the sales and marketing manager focused on the operational aspects of the strategic changes and their impact on sales and customer relationships.

Key questions included:

- What were the main challenges in shifting to modern trade practices?
- How did the restructuring impact the sales and marketing departments?
- Can you provide examples of how the diversification strategy has affected your work?

Interview Highlight: "Being here since the founder's era, we were used to the old ways of managing the business with a family-based system and limited technology. It wasn't as efficient as it could be, but it was what we were comfortable with. When Mr. Ronan came in, he introduced more systems, like ERP and inventory management. Initially, we thought it would be better to just stick with what we knew, but the results were impressive once we adapted. It took some time to learn the new systems, but in the end, it made our work easier and more efficient. For example, we used to plan stock for just a few clients, but now we can distribute it to many more, reducing slow-moving stock."

CHAPTER IV

FINDINGS

This chapter presents the findings of the research on the strategic transformation of The Crystal Company. The data was collected through semi-structured interviews with key stakeholders, including the CEO, the founder, and the sales and marketing manager. The analysis focuses on three primary themes: the transition to modern trade practices, organizational restructuring for efficiency, and diversification of the product portfolio and customer base. The findings are discussed in detail, highlighting the key lessons and themes that emerged from the interviews.

There was a total of three interview sessions with three different stakeholders. The sessions were designed to be informal to allow the interviewees to share their experiences freely, especially since the topics involved challenges and conflicts. The interview with Mr. Ronan (CEO) was held on 13 June 2024 via Google Meet, lasting approximately 45-60 minutes. The interviews with the founder and the sales and marketing manager were conducted in person at the company's headquarters on 4-5 July 2024, with each session lasting about 45-60 minutes. The aim was to gather comprehensive insights into the strategic transformation of The Crystal Company.

After all, the interview sessions, the findings were summarized into three main themes: the transition to modern trade practices, organizational restructuring for efficiency, and diversification of the product portfolio and customer base. Each theme combines perspectives from different stakeholders to provide a holistic view of the company's transformation. The subsequent analysis identifies the key challenges and lessons learned from this process.

4.1 Background Story

The Crystal Company, established in 1997, is a leading distributor of crystal glassware in Thailand. Initially, the company operated primarily as a B2B business, focusing on high-quality crystal glassware for a niche market that included temples, luxury hotels, and high-end corporate clients. These clients valued the premium European brands, the company imported, such as Crystalex, Nachtmann, and Spiegelau. The business relied heavily on word-of-mouth referrals and long-term relationships with clients who placed large, high-value orders. The Crystal Company differentiated itself by offering customized glassware design and engraving services, although this approach presented challenges as customers often had specific aesthetic preferences, but lacked an understanding of the functional aspects of different glass types.

In 2021, Mr. Ronan took over the leadership of The Crystal Company. With experience from his previous role at a leading video community company in China, Mr. Ronan brought a fresh perspective to the business. He immediately identified inefficiencies, particularly in document management and interdepartmental coordination, and took steps to modernize these processes. One of his first major initiatives was to restructure the organization, which involved reducing the workforce from 70-80 employees to around 40 employees, ensuring that each employee's skills matched their responsibilities. This restructuring was based on thorough performance evaluations and behavior assessments. Additionally, technology such as ERP systems and IT solutions was introduced to streamline operations further. The introduction of CCTV systems also improved oversight and security within the organization.

Mr. Ronan addressed internal conflicts, particularly between the General Manager and the marketing team. The conflict stemmed from differing perspectives on market strategy and operational priorities. The General Manager, who had been with the company for many years, favored traditional marketing methods and was resistant to the new digital marketing strategies proposed by the younger, more tech-savvy marketing team. This led to frequent disagreements and a lack of coordination between the two departments.

To resolve this conflict, Mr. Ronan implemented several key changes. First, he established regular joint meetings between the General Manager and the marketing team to foster open communication and collaboration. During these meetings, both

parties were encouraged to share their perspectives and work towards a common understanding of the company's strategic goals. Mr. Ronan also introduced cross-training programs to help both the General Manager and the marketing team understand each other's roles and challenges better.

Additionally, Mr. Ronan redefined the roles and responsibilities within the marketing department to ensure a clear delineation of tasks and reduce overlaps. This helped in minimizing misunderstandings and streamlining workflows. He also introduced performance metrics that aligned with the company's strategic objectives, ensuring that both departments were working towards the same goals.

The implementation of these changes led to a more collaborative environment, with improved communication channels and a shared sense of purpose. The General Manager and the marketing team began to appreciate each other's contributions, leading to a more cohesive and productive working relationship. This resolution not only addressed the immediate conflict but also established a framework for resolving future disagreements constructively.

4.2 Theme 1: Transition to Modern Trade Practices

Under Mr. Ronan's leadership, The Crystal Company shifted its focus from traditional B2B transactions to modern trade practices. The company successfully expanded into the online market, leveraging platforms like Shopee and Lazada to reach a wider audience. This shift allowed for better cost control and provided valuable insights into consumer preferences through real-time data. Additionally, The Crystal Company increased its presence in major shopping centers, such as Siam Paragon, Emporium, and Central, to tap into a broader consumer base. This strategy drove volume sales and enhanced brand visibility, establishing The Crystal Company as a household name in the Thai market.

1. Significant Differences in Marketing Material: Before the transformation, The Crystal Company's marketing materials were primarily focused on traditional, high-end B2B clients. The materials emphasized the luxury and customization aspects of their products, often featuring intricate designs and detailed descriptions of their premium European glassware. The marketing strategies relied heavily on printed brochures, direct

client meetings, and word-of-mouth referrals. Visuals were more traditional, highlighting the craftsmanship and exclusivity of the glassware.

After Mr. Ronan's changes, the marketing materials underwent a significant transformation to appeal to a broader and more diverse customer base. The company adopted digital marketing strategies, creating vibrant and engaging online content tailored to modern consumer preferences. The new materials included sleek, minimalistic designs that resonated with contemporary trends, reflecting the shift towards modern trade practices. Online advertisements, Social media campaigns, and Influencer collaborations became integral parts of the marketing strategy. These materials showcased a variety of product uses, from everyday household items to special occasion glassware, highlighting affordability without compromising quality. The use of real-time data allowed for targeted marketing efforts, ensuring that promotional content was relevant and engaging for different customer segments.

2. Annual Sales Before and After Reforms: The analysis of the company's sales records revealed that annual sales increased by 5-6% each year following the reforms implemented by Mr. Ronan. This growth, however, has not yet reached the sales levels recorded before the COVID-19 pandemic. Despite this, the reforms have led to a significant increase in net profit due to better financial management. This was achieved through more efficient operations, cost control, and the adoption of modern trade practices, which collectively enhanced the company's profitability.

4.3 Theme 2: Organizational Restructuring for Efficiency

Mr. Ronan's approach to organizational restructuring was instrumental in enhancing operational efficiency. By reducing the workforce and aligning responsibilities with employee skills, The Crystal Company improved efficiency and reduced operational costs. The introduction of technology, such as ERP systems and CCTV, further streamlined processes, ensuring better coordination and oversight. The adoption of the Kaizen philosophy encouraged all employees to contribute to ongoing improvements, fostering a culture of continuous enhancement. This approach emphasized incremental improvements, which collectively resulted in significant operational gains.

Kaizen Philosophy: Mr. Ronan introduced the Kaizen philosophy, focusing on continuous improvement and employee involvement. This shift was crucial for addressing inefficiencies and enhancing operational processes at The Crystal Company. By involving employees at all levels in regular brainstorming sessions and problem-solving workshops, the company identified and implemented numerous cost-effective improvements. For instance, reconfiguring the warehouse layout and introducing a new inventory tracking system significantly improved efficiency and reduced handling times. In the customer service department, the adoption of a new ticketing system streamlined the management of inquiries and complaints, leading to faster response times and higher customer satisfaction. Additionally, small changes in the production process, suggested by workers, minimized waste and boosted product quality. These incremental changes, while seemingly minor on their own, collectively resulted in substantial operational gains. The Kaizen philosophy cultivated a proactive and engaged workforce, continuously driving The Crystal Company toward higher efficiency and productivity.

Clear Separation of Family and Company Accounts: The accounting department was restructured to clearly separate family and company accounts, ensuring better financial management and transparency.

4.4 Theme 3: Diversification of Product Portfolio and Customer Base

Diversification of the product portfolio and the expansion of the customer base were crucial strategies for reducing the risk of unsold inventory and reaching a broader market.

Introduction of New Products: Under Mr. Ronan's leadership, the company introduced high-quality glass products from Europe, incorporating technologies like tempered glass. These products were competitively priced and accessible to a broader market. The sales and marketing manager noted that they used to plan stock for just a few clients, but now they could distribute it to many more, reducing slow-moving stock.

Expansion of Customer Base: The customer base was expanded by opening new accounts, increasing from about 30 to over 60 locations, with the customer base growing to over 25,000. This diversification provided a broader market for different

products. The increase in customer locations provided a diversified market for different products, ensuring that unsold items in one area could be marketed elsewhere.

Handling Contracts and Team Development: In negotiating new contracts, Mr. Ronan faced initial resistance from his team but persisted. He taught his team effective negotiation strategies, resulting in better handling of both old and new clients. Initially, there was skepticism about his approach to modern trade practices, but they worked through it, and the results were better than expected.

Challenges and Adaptation: The founder initially had reservations about the new strategies, fearing that abandoning traditional methods might not yield the desired results. However, the successful implementation of these strategies proved otherwise. The founder explained that while initially unsure, seeing the positive results convinced them that adapting to change was necessary for the company's long-term success.

In summary, the findings of this research highlight the significant impact of strategic transformation on The Crystal Company. The transition to modern trade practices, organizational restructuring, and diversification of the product portfolio and customer base were crucial in addressing the challenges posed by changing market dynamics and economic conditions. The lessons learned from this case study provide valuable insights for other family-owned businesses seeking to navigate similar transformations.

By adopting a comprehensive approach that includes modern trade practices, efficient organizational restructuring, and strategic diversification, companies can enhance their competitiveness and ensure sustainable growth. The success of The Crystal Company under Mr. Ronan's leadership underscores the importance of flexibility, innovation, and continuous improvement in today's rapidly evolving business environment.

CHAPTER V

CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

The strategic transformation of The Crystal Company under Mr. Ronan's leadership highlights the crucial role of adaptability, innovation, and continuous improvement in achieving business success in a dynamic market environment. The company's journey from traditional B2B operations to a modern, diversified enterprise has been marked by several key developments.

The shift to modern trade practices, including the adoption of online platforms and digital marketing, was pivotal in significantly expanding the company's market reach. Utilizing platforms such as Shopee and Lazada, The Crystal Company marketed products like coffee and wine glasses more effectively, reaching a broader audience. The use of real-time data facilitated better inventory management and cost control, which was essential in staying relevant amidst rapidly changing market conditions. This transition not only improved sales but also provided valuable insights into consumer preferences, allowing the company to adapt quickly and effectively.

Organizational restructuring played a central role in enhancing operational efficiency. Reducing the workforce from 70-80 employees to around 40 was a strategic decision aimed at improving efficiency. Integrating technology such as ERP systems and IT infrastructure streamlined operations and enhanced coordination across departments. Aligning employee roles with their skills and promoting a culture of continuous improvement through the Kaizen philosophy significantly boosted productivity. Additionally, the clear separation of family and company accounts ensured better financial management and transparency, fostering a more professional business environment.

Diversifying the product portfolio and expanding the customer base were critical strategies for mitigating risks associated with unsold inventory and market fluctuations. Introducing high-quality European glass products alongside affordable options from various manufacturers allowed The Crystal Company to cater to diverse

market segments. This approach reduced the risk of unsold inventory and expanded the customer base from 30 to over 60 locations, serving approximately 25,000 clients. Strategic expansion into new markets and effective contract negotiations significantly contributed to revenue growth, showcasing the importance of diversification in achieving sustained business success.

5.2 Recommendations

To further build on the success of these transformations, several recommendations can be made:

Embrace Modern Trade Practices: Continue to leverage online platforms and digital marketing strategies to reach a wider audience. Stay updated with the latest trends in e-commerce and digital marketing to remain competitive and responsive to consumer preferences.

Enhance Organizational Efficiency: Maintain the focus on organizational restructuring by regularly reviewing and realigning employee roles and responsibilities. Invest in technology and training to ensure the workforce remains skilled and adaptable to new processes and tools.

Diversify Product Offerings: Keep expanding the product portfolio to cater to different market segments. Explore new product lines and innovations that align with consumer trends and preferences, ensuring the company remains relevant and appealing to a broad customer base.

Sustain the Kaizen Philosophy: Sustaining the Kaizen philosophy of incremental improvements is vital for continuous growth. Encourage employees to contribute ideas for process improvements and recognize their contributions. This approach fosters a motivated and engaged workforce, ensuring the company remains agile and capable of responding to new challenges and opportunities. For example, regular brainstorming sessions and workshops can be organized where employees at all levels can share their insights and suggestions. Implementing even small changes can lead to significant improvements over time, such as optimizing workflow processes, reducing waste, and enhancing product quality.

5.3 Limitations

Several limitations were encountered during the study, which should be considered when interpreting the findings. The research relied on interviews with three key stakeholders, potentially omitting the perspectives of other employees and stakeholders within the company. Expanding the sample size could lead to a more thorough understanding of the transformation process. Additionally, the findings are specific to The Crystal Company and may not be directly applicable to other companies in different industries or contexts. Future research could explore similar transformations in other family-owned businesses to validate the findings.

Time constraints also posed a limitation, as the research was conducted over a relatively short period. This timeframe may not fully capture the long-term effects of the strategic changes implemented. Investigating the transformation over a longer period could provide valuable insights into its sustainability. Furthermore, access to certain internal documents and detailed financial data was limited, which may affect the depth of the analysis. Future research could benefit from more comprehensive data to support the findings.

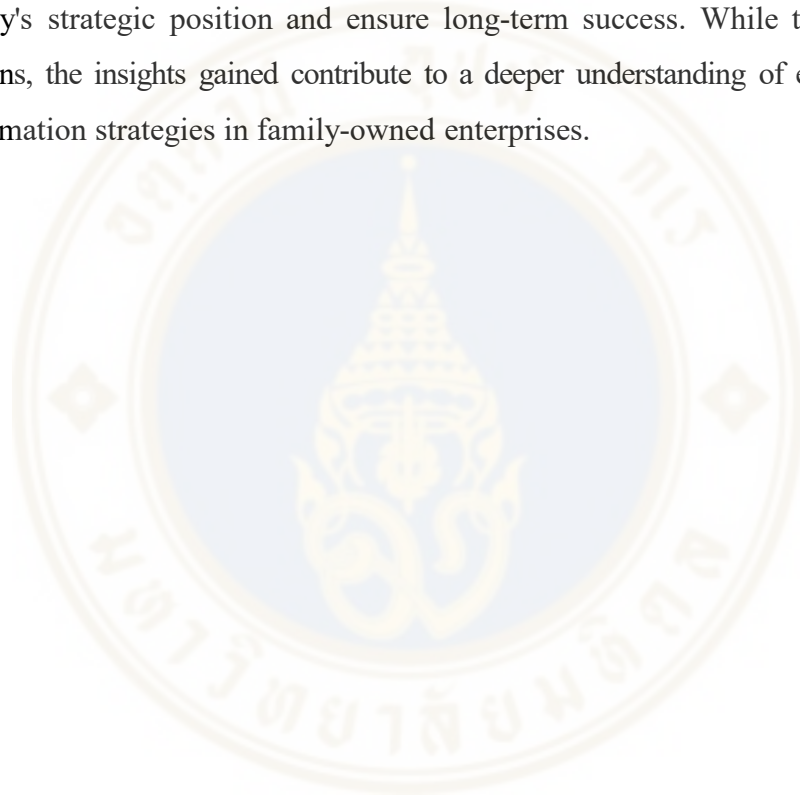
5.4 Future Research

Future research could benefit from conducting studies over an extended period to explore the lasting effects of strategic transformations on business performance and sustainability. This approach would help reveal how strategies develop and change over time. Comparing transformations in various family-owned businesses can also offer a broader view of effective strategies, highlighting common challenges and successful practices across different contexts.

Involving a larger and more diverse group of employees in future studies can capture a wider range of experiences and perspectives on organizational changes. Gaining insights from employees can shed light on how effective transformation strategies are from an internal viewpoint. Additionally, examining the impact of advanced technologies, such as artificial intelligence and machine learning, on business operations and decision-making processes can provide further understanding of how to enhance efficiency and

competitiveness. Exploring these technologies can help businesses stay ahead in the ever-evolving market landscape.

The strategic transformation of The Crystal Company underscores the necessity of adaptability, innovation, and continuous progress in managing the complexities of modern business environments. By successfully transitioning to modern trade practices, restructuring the organization for greater efficiency, and diversifying the product portfolio and customer base, The Crystal Company has laid a solid foundation for sustained growth and profitability. The recommendations offered aim to further strengthen the company's strategic position and ensure long-term success. While the study has its limitations, the insights gained contribute to a deeper understanding of effective business transformation strategies in family-owned enterprises.



REFERENCES

- Arteaga, R., & Menéndez-Requejo, S. (2017). Family constitution and business performance: Moderating factors. *Family Business Review*, 30(4), 320-338.
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99-120.
- Carney, M. (2005). Corporate governance and competitive advantage in family-controlled firms. *Entrepreneurship Theory and Practice*, 29(3), 249-265.
- Chrisman, J. J., Chua, J. H., & Sharma, P. (2005). Trends and directions in the development of a strategic management theory of the family firm. *Entrepreneurship Theory and Practice*, 29(5), 555-575.
- Chrisman, J. J., Chua, J. H., Pearson, A. W., & Barnett, T. (2012). Family involvement, family influence, and family-centered non-economic goals in small firms. *Entrepreneurship Theory and Practice*, 36(2), 267-293.
- Gersick, K., Davis, J., Hampton, M. M., & Lansberg, I. (1997). *Generation to generation: Life cycles of the family business*. Boston, MA: Harvard Business School Press.
- Lewin, K. (1951). *Field Theory in Social Science*. Harper and Row.
- Ramadani, V., Memili, E., Palalić, R., & Chang, E. P. C. (2020). *Entrepreneurial Family Businesses*. Springer Texts in Business and Economics.
- Robbins, S. P., & Coulter, M. (2012). *Management* (11th ed.). Upper Saddle River, NJ: Pearson Education, Inc.
- Rogers, E. M. (2003). *Diffusion of Innovations* (5th ed.). Free Press.
- Sirmon, D. G., & Hitt, M. A. (2003). Managing resources: Linking unique resources, management, and wealth creation in family firms. *Entrepreneurship Theory and Practice*, 27(4), 339-358.
- Zellerger, T. (2017). *Managing the Family Business: Theory and Practice*. Cheltenham, UK: Edward Elgar.