

Strategic Analysis: A Case Study of Sunsweet Public Company
Limited



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This individual study investigates and describes the organizational and market factors associated with providing a management framework that has benefited Sunsweet Public Co.,Ltd. to have a disproportional share of the food and agricultural industry's overall profits, providing fuel for further market dominance.

The study consists of two different studies: one study examines the market situational analysis offering a broad look at an industry that provides a comprehensive information outline of the industry overall, and it is headed. Whist the other examines the company's performance, competitive analysis, and prospect and examines the other factors associated with the outcome of being a leader in the market.

The purpose of this study is to investigate and discuss the related factors associated with determining the critical success of Sunsweet Public Co., Ltd. by utilizing a range of research and analysis methods. Moreover, as a researcher, this paper will conduct studies to find all the key relevant factors that can contribute to their overall performance, be precise, increase sales revenue, and maintain significantly lower costs than competitors within the same industry.

The formulation of business strategy could be one of the most challenging tasks for the companies as it involves the analysis of various dimensions both inside and outside the business. To comprehensively understand strategic planning is a crucial matter for businesses as it demands a high level of sympathy about the nature of business and various information before planning the strategies. Strategic planning helps the organization set its moving direction and allocate the business assets and resources to achieve the ultimate goal by maintaining a balance between the demands and supplies. This section of the report will depict the relevancy of the mission, Sunsweet Public Co., Ltd.'s vision statement Limited with its strategic decisions, and the elucidation of significant planning factors. This report will analyze the company's environment and critical strength and weakness that influence Sunsweet Public Co., Ltd.'s strategic design, along with carrying out three levels of strategies including conduct a corporate strategic, business strategic, and functional strategic analysis of Sunsweet Public Co., Ltd., and nevertheless also synthesizing all aspects to provide some

Field of Study: Business and Managerial Economics Student's Signature

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Nevertheless, I would like to offer my special thanks to the MABE's staff for their assistance and coordination. Without the MABE's staff's attention, namely Ms. Siripatt Pilandannadilk and Mr. Sakol Deeprasert, it would not be possible to conduct the corporate visit, especially during the pandemic outbreak of coronavirus disease.

This valuable corporate visit program provides me a first-hand opportunity to learn and understand Thai corporate operations, as well as a melting pot of mine theory learning and real-world practice. It was a privilege and honor to work and study under Professor Chalaiporn's guidance.

Panupong Senapitak

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Data and Method

This report adopts information from doing company visits and the deductive research approach with the secondary research method, mostly from Sunsweet Public Co., Ltd.'s annual report as of 2019. The report will present the business analysis, built up by the relevant business models such as Porter's value chain analysis, SWOT analysis, PESTEL analysis, Generic Competitive Strategy, and BCG matrix through the literature review. These business strategy models can be found in many business books and articles. Apart from provided information from the company's annual report, the study also carries the secondary research approach to collect more relevant information about the external business environment from various reliable published article sources.

Business Description

Company background

In 1992, established KC Chiang Mai Food Industry Company Limited where Malee Sam Pran Company Limited owned 25 percent of the company's shares. The company produces and distributes canned fruit products, and the factory is situated in Chiang Mai. Four years later, Mr. Ongart Kittikhunchi and his family bought the company's shares, holding afterward altogether 25 percent of listed capital. At the end of 1997, Sunsweet Public Co., Ltd.'s was established with one million baht listed capital by Mrs. Jiraporn Kittikhunchai, Mr. Ongart Kittikhunchais' wife. The company aims to distribute and export agricultural products such as onions and fresh vegetables. In 2002, Tongta Company Limited was established by Mr. Ongart and three other business people. In the same year, Sunsweet Public Co., Ltd. wanted to penetrate the agricultural products, but the company had just entering the beginning phase of doing business and having only a few customers and thus are not earning enough profit to support its expanding strategy. So the company decided to increase its listed capital from one million baht to 50 million baht by issuing more common shares to the existing shareholders and proportions. Hence, this method of increasing capital will help the business to support its expansion. After Sunsweet Public Co., Ltd. has successfully raised financial capital, it utilized that financial capital by purchased assets from KC Chiang Mai Food Industry Company Limited. The purchases included land, building, tools, equipment such as steam sterilizer, lid closing machine, packaging machine, tomato boiling machine, and corn manufacturing machine to use in Sunsweet Public Co., Ltd.'s business (Sunsweet Public Company Limited, 2020).

The expansion strategy of Sunsweet Public Co., Ltd. has not stopped as nowadays; the global agricultural production has continued to increase, driven by the rapid growth of

consumers around the world. Among the changes seen in the agro-food industry, there has been one significant increase in trade among emerging and developing countries, increasing importance. Therefore, Mr. Ongart and his family decided to established KC World Food Company Limited, which later become Sunsweet Internation Company Limited, to engage in the agricultural products trading business. To support its further growth of business expansion, the company increased its registered capital to hundred million baht.

Meanwhile, KC Chaing Mai Food Industries Limited has stopped its business operation within the same year as registered capital is being raised since it did not generate cash inflow. Therefore, Sunsweet Company Limited begins producing and distributing processed sweet corn as its primary business (Sunsweet Public Company Limited, 2020). Under many years of business operation, the company has received a range of awards and certifications, including ISO 14001:2004, which is the standard for canned sweet corn production, Hazard Analysis and Critical Control Points for sweet corn products by the Ministry of Agriculture and Cooperatives (Sunsweet Public Company Limited, 2020) and Prime Minister's Industry Award 2010 from Ministry of Industry. In 2009, the company changed Tongta Company Limited to Sunsweet Bio-Energy Company Limited, therefore aligning with corporate strategy. Later on, in 2011, the company was honored to receive the prize for excellent export of goods and services from the Thailand Prime Minister's Export. Apart from the prize, the company also received the British Retail Consortium Standard (BRC) for the production of canned sweet corn (Sunsweet Public Company Limited, 2020). After receiving outstanding awards and certifications, Sunsweet Company Limited continues to enhance its businesses. In 2012, Sunsweet Company Limited set up a new factory to manufacture frozen sweet corn to penetrate the ready-to-eat market. The shifting consumer's food preferences towards the ready-to-eat foods market are projected to expand as the busy lifestyle of working individuals and students' hectic work schedules also play an essential role.

In 2014, Sunsweet Company Limited started operating a retail industry business by setting up So Sweet Company Limited to distribute processed sweet corn products for franchise retail business. In 2015, the company had meets the quality assurance procedures complying with international standards in terms of manufacture and products itself, including Good Manufacturing Practice (GMP) certificate for the packing house of sweet corn, green soybean, and asparagus according to Thai Agricultural Standard TAS 9035-2553 from Department of Agriculture, Ministry of Agriculture and Cooperatives. The company also received International Food Standard (IFS) for canned sweet corn, canned corn soup, sweet corn in a retort pouch, and frozen sweet corn from SGS-International Certification Service GmbH, Germany (Sunsweet Public Company Limited, 2020). Simultaneously, Sunsweet Company

Limited also received a Manufacturer Certificate for packaging and frozen food products (Sunsweet Public Company Limited, 2020). A year later on, the company announced significant changes to its corporate and legal structure. The company applied the managerial concept called corporate restructuring. The company sought to become a major corporation; hence, the need for restructuring is mandatory. Sunsweet Company Limited (SUN) reorganized the company structure through the process of acquiring the company shares. Sunsweet Company Limited bought 99.99% shares from shareholders in three of its existing businesses, including Sunsweet International Company Limited, Sunsweet Bio-Energy Company Limited, and So Sweet Limited. Consequently, the three companies become SUN's subsidiaries. Furthermore, the company raised its registered share capital from 100 million baht to 108 million baht, in which case follows the terms and conditions of the Board of Directors, The Board of Investment (BOI) and raised its capital again in 2017 from the total of 108 million baht to 150 million baht (Sunsweet Public Company Limited, 2020).

Besides, Sunsweet Company Limited has also been granted promotional privileges by The Thailand Board of Investment (BOI). To clarify, BOI is a government body aimed at encouraging foreign investment in Thailand. BOI has been mandated to facilitate the investment into promoted activities in Thailand. With BOI approval, the company can enjoy a range of benefits and operating business like never before; hundreds of hurdles of running a business in Thailand will be removed. One of the common examples that BOI uses to attract investors would be placing an incentive for businesses to either take the advantages of tax or non-tax incentives or both in some cases. However, to gain those benefits, a business must be eligible by meeting BOI's standard criteria first. For example, a business must contribute benefits to the country to some extent. Besides, a business must fall under the required criteria to be eligible for the benefits, namely, agriculture and agricultural products, Mining, ceramics and essential metals, light industry, metal product, machinery, and transport equipment, electronic industry and electronic appliances, chemicals, paper and plastics, Services and public utilities, Technology, and innovation development. Sunsweet Company Limited has been granted various privileges, for example, the tax exemption on the net profit from the promoted activity for eight years since the first earnings of such activity and 25 percent of investment in construction in addition to normal depreciation.

However, in 2017, the company liquidated all shares held by the Company in Sunsweet Bio Energy Company Limited and So Sweet Company Limited to Mr. Ongart Kittikhunchai, founder of Sunsweet. Within the same year, the company transformed its business into a public company listed on the Market for Alternative Investment (MAI) and later changed its name to Sunsweet Public Company Limited. After the company successfully raised capital from the

initial public offering, they used that capital to invest in new machinery, increasing its production capacity from one ton up to three tons per hour.

Currently, Sunsweet Public Company Limited has operated its manufacturing and distribution of processed sweet corn and other agricultural products such as white beans in tomato sauce, frozen green soybean for export overseas and sells them under the brand KC. Moreover, Sunsweet Public Company Limited also operates a business called Sunsweet International, a subsidiary of the company, relating to sourcing and selling food and agricultural product for the domestic and foreign market under the KC brand's standard.

Mission and Vision

The mission and vision statement of any company typically plays a vital role in determining their strategic planning. As of today's society, there is a significant increase in competition in all industries worldwide. Companies need to come up with more advanced goal setting while developing new business strategies. Moreover, these two approaches need to be in the same alignment. Large companies and small businesses can hugely benefit from utilizing a mission and vision statement with its proper use. It provides businesses a reason for their existence. It is a blueprint of an organization presenting an organization's plans for the future. In other words, the purpose of vision to find something. These statements are usually the backbone of most organizations. Mission statements have its goal to explain the exact reason for the company to be existence. This statement is the company's primary objective to show its plans, aims, and programs. It targets people like employees and employers who work for the company. Therefore, it regulates workers to aim to merge all the individual's activities into the group. Clear mission statements also tell people whether they are doing work that is worthwhile or not. However, not many people understand the differences between mission and vision. Many people are still confused about vision statements and vision statements. A vision statement is a bit different from a vision statement. A vision statement typically is considerably created after a mission statement to determine future goals that are to be achieved. It can be defined as the inspirational and aspirations statements for the organization. It is a long-term goal that describes the position of the company's position in the next five to ten years.

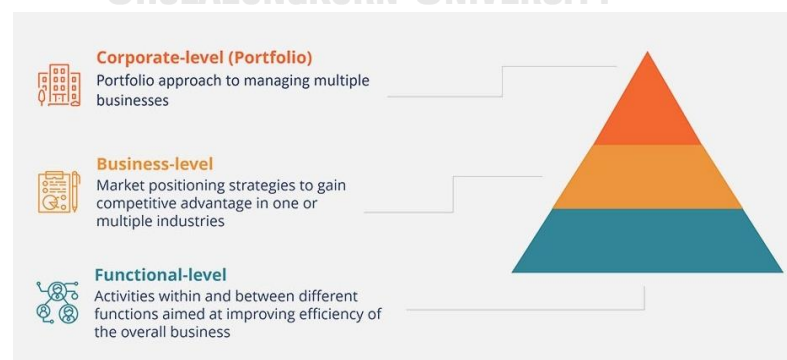
To some extent, vision and mission are a sense of purpose and hope given to its employees. For Sunsweet Public Co., Ltd., the company has its vision to continuously operate in the food and agricultural business, maintain its position in the leading sweet corn business, focus on modern technology, and meet international standards. According to Mr. Ongart Kittikhunchai, "we have attempted to develop many things to reduce the effects such as using technology to help forecast and plan raw materials, using replacement machinery in part of

labor shortages and increasing production efficiency and using currency management tools; therefore, we are continuously striving to develop these things." The company has separated its mission into six dimensions. First, the company focuses on innovation. To support the product process, the company has cooperated with the government and private sectors for a research center of sweet corn. Therefore, they aim to add more value to the product. Secondly, the company cares about the quality of its products. A company produces and sells products globally; the company has paid much attention to the safety standard complying with partner countries' law. Third, the company cares about its employees' life quality and often promotes pride to be a part of the organization at all levels. Plus, the company seeks a high potential candidate to help businesses shape competitiveness globally. Fourth is knowledge. Given its emphasis on product development, it would not be possible without learning from outside sources. Fifth, to gain competitive advantages and become the leader in developing the sweet corn business, the company focuses on building long-term and sustainable relationships with business partners. Lastly, Sunsweet Public Co., Ltd. also considers society's interest by taking responsibility for the impact of their activities in every aspect of their business operation.

Strategy Analysis

A strategy is at the heart of the business. No matter which industry you are competing in, strategy always determines who will be the winner. In doing a business, the strategy allows a business to rise above the others and be successful. Strategy can be formulated at three hierarchy levels, including the corporate level, the business level, and the functional level.

Figure 1: Level of Strategies



Functional-Level Strategy

The bottom level of strategy is called functional strategy. This level of strategy is considered to be the day-to-day strategy. It is the strategy that will ensure the organization moves forward in the right direction. It is perhaps the most significant of all, as, without a daily

plan, the company may not grow at the same pace as the market. Functional strategy defines the relationships needed between business units, departments, and teams to reach the goals. As Sunsweet Public Co., Ltd., this paper will use Porter's value chain analysis to analyze how various company departments add value to the overall business. The framework analyzes the flow of value-adding activities from the raw material suppliers to the end customers. It looks at what value the company adds to each link and thereby uncovers the company's competitiveness. The value chain consists of nine value activities that create added value and thereby its margin or profit. The company's profit can be defined as the difference between the customer's product's value and the total cost of producing the product. The price that the customer is willing to pay for the product minus the total cost in the nine activities in the value chain. The nine activities in the framework can be divided into two categories. The first category is called primary activities. It is comprised of main activities happening in the firms' operation. Typically, it consists of the activities directly involved in the production and selling of the actual product. The second category is called support activities. These activities go across the primary activities, aiming to coordinate their functions as best as possible with each other.

Value Chain Analysis

Primary Activities

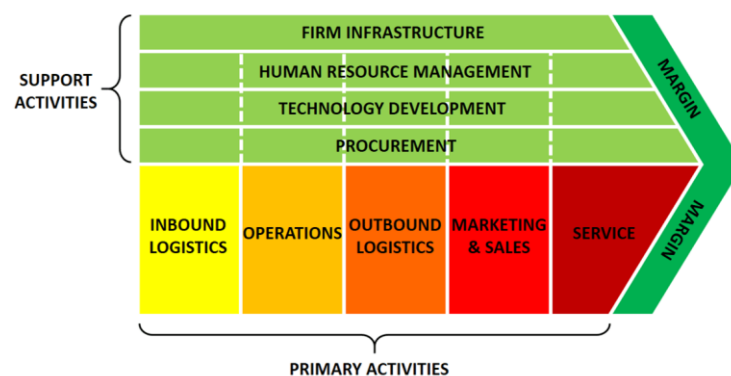


Figure 2: Value Chain Analysis Framework

Primary activities consist of five activities, including inbound logistics, operations, outbound logistic, marketing and sales, and service. At Sunsweet's inbound logistic, all the corns are coming from their contract farmers. Instead of obtaining supplies from their farms, the company establishes a relationship with local and non-local farmers in a written contract, where both parties have to agree on the same conditions. Farmers then sell their harvest directly to the company at an agreed price. This strategy allows the company to obtain a high volume of raw material and gain economy of scale advantages since a machine can operate with its full

capacity. In return, Sunsweet Public Co., Ltd. will provide support in the form of agricultural inputs, a provision of extensive technical support, along with financial help if needed. Nevertheless, their support also involves close control of the production process as well. The agricultural inputs that the company provides to their contract farmers were mainly from international companies, naming Pacific Company Limited and Syngenta Company Limited. Each agricultural inputs has an agricultural cycle of somewhere around three to five years. After that length of time, the company has to look for a new gene-edited seed and test it in their sample farm to see whether the plant can grow effectively. If there are no problems arise throughout the entire process, the company will start processing its agricultural product into processed food in various forms including, canned sweet corn, pouch sweet corn, or frozen sweet corn. Then the work will be passing to a marketing team, and their role is to identify whether products will succeed on a global stage or not. After all, if the product tends to succeed, the outsourcing agricultural input producer will start producing the seed.

Initially, the company has an idea to use agricultural inputs from domestic suppliers. However, they found out that when they use agri-inputs produced domestically, their crops yield a lower agricultural production growth, resulting in very low efficiency. Later, the company realized that they could feed their agri-input to the contract farms if they can develop their seeds. Therefore, it could enable them to reduce their overall cost and gain a higher profit margin. However, this is challenging for the company due to its genetic modification and concern for human health. So they decided to stop the project and continue obtaining supplies from international companies. Before farmers become a partner with Sunsweet Public Co., Ltd., the company will send their staff to survey and conduct an assessment to ensure that their partner's area meets the specifications for the cultivation and suitable for plantation by considering various vital factors. For example, a farmer's identity, soil condition, and near the water supply source; therefore, to achieve a high-quality yield. After passing all quality inspections, they will agree to buy off the farmers' crops at an agreed price. When farmers yield their production, they can sell it directly to the company or supply it through their brokers and receive a lower profit. A broker acts as an intermediary to collect fresh sweet corn from the nearby farms and deliver it to Sunsweet Public Co., Ltd.'s factory under quantity, quality, and price as agreed in the contract. When all raw materials enter the factory, staff will randomly pick sampling and enter the quality inspection process to meet the specifications accordingly. In terms of raw material selections, the company has defined corn varieties, characteristics, and quality such as a straight cob, long, no curve, aligned corn kernel, consistent coloring, no

defects, age of the corn, weight, size, and growing the corn according to Good Agricultural Practice standards (GAP) (Sunsweet Public Company Limited, 2020).

After passing through all procedures, the remainder of sweet corn will be trimmed and steamed blanching, which has a purpose to soften the corn; therefore, easy to peel. After sweet corn has been peeled, it will be moved to the next station to cut into a kernel. Corn will be cut into a kernel at this station while using it to control kernel corn quality. The raw material will then pass to canned sweet corn, pouch sweet corn, or frozen sweet corn, respectively, which reaches the end of preparing the raw material.

Then another process that happened in the operation stage is production and packaging. At this stage, the kernel corn will be grading process. The kernel corn will be grading into two classifications, regular and large, before packing into various packaging types. It will then be filled with the desired formula and weighed to meet the lid closing and sealing process's standard weight. However, it is slightly different when manufacturing a frozen sweet corn product and ready to eat product sweet corn. For frozen sweet corn product, kernel corn will be transferred to a washing station, washed again, and steam blanched to promote the enzyme's inhibition. Then each kernel of corn will be detected for defection. It will then be packaged into a sealed bag according to the required weight and size and store at freezer temperature. For ready-to-eat sweet corn is the simplest one. After the kernel enters this production, it will be inspected for defection, and it will be packed into pouch bag water and vacuum sealing before cooling and metal detecting.

After the raw material is turned into finished products, canned sweet corn, pouch sweet corn, or frozen sweet corn, it will be passed to the sterilization station to maintain food quality and promote longer shelf-life. Besides, the process also allows the products being possibly distributed at ambient temperatures. Before finished products are being shipped out from the factory, the products must be reconciled for their quality and other quantitative details to files on record and labeling and packaging according to the customer's requirement.

On the third primary activity, outbound logistics, the finished products will be shipped out to customers from a warehouse or distribution center. The distribution channels that the company is using can be divided into two main types, including foreign countries and domestic distribution. However, their revenue's primary source is generated from foreign countries such as Japan, Taiwan, and Korea. It has contributed to around 80% of their income. Since the high volume of the order for distribution in foreign countries, the company will only distribute through large distributors, food importers, and sales agents. The company has expanded its

distribution channels from supplied to exporters like agents and food exporters into modern trades and convenience stores, such as 7-Eleven and Marko, in the domestic market under the KC brand. Each day, distributors will come and pick up the finished products at the Sunsweet Public Co., Ltd.'s warehouse and distribute them to their stores located around Thailand. This entire process takes less than 12 hours for the products to leave the warehouse and reach all 7-Eleven stores around Thailand.

After products are being displayed at the stores, it becomes a responsibility for the marketing and sales team to boost sales and penetrate more distribution shares in the market. For example, a marketing team may develop a new marketing campaign to build awareness. Sunsweet Public Co., Ltd. has consistently promoted its products through the main channels, including exhibiting products at trade fairs for food-related entrepreneurs both at the domestic and foreign markets to publicize its products to be well known and exchange business information, and maintaining existing customer relationships. Besides, to develop a better marketing strategy, the company surveying competitors and current market conditions to keep up with trends, make better business decisions, and maintain its competitive edge. It helps the company reduce the risk of uncertainty that products will not be transferred into cash. Nevertheless, the business does not have any aftersales services provided to their customers.

Support Activities

Sunsweet Public Co., Ltd. consistently further improves their primary activities of the value chain with support activities. It is undeniable that their support activities play a vital role in every primary activity. Below are the four supporting activities happening across their primary activities.

First, procurement activity is the acquisition of inputs or resources (Evan Tarver, 2019). Sunsweet Public Co., Ltd.'s agricultural inputs mainly receive from Pacific Company Limited and Syngenta Company Limited. The procurement activity helps support inbound logistics and operation activity because, without outstanding input, the company may not yield high-quality agricultural products.

Second, Sunsweet Public Co., Ltd.'s vision is to become a sweet corn business leader by utilizing modern production and technology with efficiency, applying it into their production process. So the company has invested a significant amount in its capital, including high-quality machinery and advanced technology from abroad, to optimize its production. The company also adopts a smart farming management concept to help farmers grow their plants more

efficiently, promote through the Smart Farming project, and support and encourage farmers to grow sweet corn. The smart farming management concept utilizes advanced technologies to automatically measure and control sweet corn planting and data enhancement to increase its overall efficiency. For example, it starts with the weather station measuring the temperature change; therefore, sending real-time data to the processing unit with the wireless transmission system. If any cultivation plot cannot maintain its moisture content on a standard level that promotes growth to corn, the processing unit will control the electronic water pump systems to supply water to the cultivation plot and turn off once the cultivation plot has reached its appropriate moisture level. The use of technology has supported operation activity. Contract farmers will have less complexity in terms of monitoring their field. They can spend a lesser amount of time and effort while still producing quality products and maintaining farm efficiency.

Third, Sunsweet Public Co., Ltd. provides support to all primary activities through human resource management activities. Human resource management consists of activities that involved recruiting talents, hiring high performers, and providing adequate training and development to their employees. The company has an annual training, aiming to enhance their employees' skills. Besides, welfare benefits will be provided as an incentive in motivating the employees. When employees pass the program, they will become better employees who can contribute more productivity to the company. Hence, it will help all primary activities become more efficient since every activity will require human tasks more or less.

Fourth, Sunsweet Public Co., Ltd. uses external auditors to review their quarterly and annual financial statements to ensure their accuracy. The activity is considered as one of the support activities, firm infrastructures, even though the company outsourcing the third party to manage. It helps outbound logistics become an easier task to do. The activity helps the company enable more business opportunities because using both internal and external auditors increases the company's financial report's reliability. For example, if company want to distribute their products to a country where the market is very competitive. Only big players are in the market. There are high possibilities that Sunsweet Public Co., Ltd. may need to enter the market via joint venture or partnering with some existing firms; otherwise, the company may not follow the competitors in the market. Hence, having reliable financial reports may come in handy for attracting businesses to partner.

To sum up, every business unit in Sunsweet Public Co., Ltd. can contribute value through day-to-day activities, as shown in the value chain analysis framework. In primary

activities, inbound logistics can enable the company to gain an economy of scale advantage. Since the company receives a high volume of agricultural inputs from many contract farmers, the production cost will be lesser due to the machine being used at its total capacity. In the operation stage, all the tasks were done by robots. So it means that products will be consistently produced. More output can be produced with fewer hours of input. It increases the production efficiency. As for outbound logistics, Sunsweet Public Co., Ltd. fully uses distribution services under their distributors. By outsourcing the activity, the company does not have to invest in the distribution infrastructure such as a truck. Also, the company may not perform distribution tasks as well as a third party. In this case, 7-Eleven can distribute the products to all the country's branches within 12 hours. Lastly, marketing and sales can significantly reduce the risk of uncertainty that products will not be transferred into cash. All activities in primary activity can help the company drive down the cost of doing business that every business unit can contribute. On the other hand, support activity can add value to the product. Sunsweet Public Co., Ltd. procures its input from two reliable companies. Despite well genetic modification seeds, it allows them to produce a quality yield. Technology allows the contract farmers to spend a lesser amount of time and effort while still producing quality products and maintaining farm efficiency. Human resource management can improve employees, therefore, contribute more productivity. As well as promote employee welfare and satisfaction on the job. Firm infrastructure enables more business opportunities for the company. All activities in support activity can help the company add more value to the product.

Business-Level Strategy

A business-level strategy focuses on how the firm is going to compete with its business rivals. This strategy level can be defined as a mechanism for the company to achieve a competitive advantage in the marketplace. This paper will support analysis through Porter's Generic Strategies framework based on this fundamental concept level. The framework helps a business to define its competitive position. According to Porter, the framework consists of two dimensions, including sources of competitive advantages and competitive scope. The competitive advantage source can be classified into two approaches; low cost and differentiation; meanwhile, the scope of competitiveness defines the market into two types, including narrow and broad market. With the combination of two-by-two matrixes, Porter explains the strategies into four tactics: cost leadership, cost focus, differentiation, and differentiation focus. For cost leadership strategy, the company can apply this strategy by being a leader in terms of cost within the industry or market while still delivering products and

services. The company that succeeds in achieving the cost leadership strategy usually has the accessibility to the capital needed to invest in advanced technologies that enable the company to bring down the cost of production. Besides, these companies generally have efficient logistics and are located in a low-cost-based nation; for example, Thailand has a lower labor cost than European Union countries. Meanwhile, the cost-focused strategy is almost the same as the cost leadership strategy; however, the cost-focused strategy emphasizes cost-minimization within a focused market, whereas the cost leadership strategy focuses on a broad market. On the other hand, the differentiation strategy often occurs when products or services are involved in making the product different from and more attractive than those in the market. These products or services will typically involve features, functionality, durability, and even brand image that the customers value. The strategy will offer specialized products and services in a broad market, whereas the differentiation focus strategy will pursue within a focused market. If a firm could pick the right generic strategy to compete, a firm can genuinely benefit from exploiting its competitive advantage. However, choosing the right generic strategy will depend on external and environmental behavior and its core competencies. Hence, to analyze the company's core competencies, this paper will use the SWOT analysis framework. A framework is an assessment tool identifying four dimensions of the company, including strength, weakness, threat, and opportunity related to the business competition. However, to complete the analysis, this paper will use the PESTEL analysis framework to identify the company's opportunities and threats because the model considers macro-environmental factors for a broader scope compared to SWOT analysis.

A SWOT analysis consists of four dimensions of assessment, including strengths, weaknesses, opportunities, and threats. Starting with the strengths of Sunsweet, firstly, the company has a relatively low cost of production comparing to other manufacturers in Thailand. It is because can take advantage of having the economy of scales of production. The company procures a high quantity of raw material from their contracted farmers, enabling the company to maximize the production capacity. Secondly, the company's products are quality-oriented. The company has invested a lot in machines and technologies to ensure their quality of the products. Thirdly, Sunsweet penetrates the production capacity shares in the domestic market. The company's production capacity is accounted to be around 30% of the entire country's production. It means that corn's demand and supplies heavily rely on Sunsweet. Fourthly, the company offers various products ranging from canned sweet corn, canned sweet corn soup, sweet corn retort pouch, and frozen sweet corn. In other words, the company grasps a wide range of customer's needed. However, despite the strengths of the company, the company still

suffers from several weaknesses. Firstly, most of the company's revenue was generated from the foreign market, which means it is exposed to high foreign exchange risk and tax and foreign regulations. Secondly, the company relies on few distribution channels. Their sales will also rely on few distribution channels.

This paper will use the PESTLE analysis framework harmonizing with the framework to complete the SWOT framework analysis. A framework is a management tool whereby an organization can assess major external factors that pressure its operation to become more competitive in the market (Kenton, 2020). For the PESTEL analysis framework, the model consists of six elements: political, economic, social, technological, legal, and environmental. Starting with the first element, political, the owner of the company is the president of the sweet corn association in Thailand, which, in other words, he has an indirect power in manipulating the price of sweet corn in the market. For example, he can establish regulations to favor his company's production. It is considered an opportunity for the company. For the economic element, there are opportunities as well as threats. Starting with opportunities, Sunsweet is located in Thailand, which has a relatively low labor cost. For the threats, because the company's revenue heavily relies on sales from the foreign markets, so the company always expose to the risk of currency fluctuation. Sunsweet has to face a negative perception of processed foods from the domestic market for the social element. Consumers in Thailand still not believing in the processed foods even though there is richer nutrition contained. For the technology element, the company adapts the smart farming concept to enhance its production process, making it more efficient. It is an opportunity for the company to increase its production capacity. For legal, some threats outweigh opportunities. The company obtained privileges from the BOI to have a tax exemption for a specific year of operation. However, on the other side of the world, European Union countries have raised a tax measurement to prevent dumping and trade barriers and consumer protection law much stronger than the one we have in Thailand. It is considered to be a threat to the company. For the last element, the company has business opportunities in terms of the environment. Firstly, Sunsweet benefits from having a favorable climate that supports the growth of agricultural products. Secondly, there are a significant number of the availability of agricultural inputs. It provides opportunities for the company to open up a new avenue for seeds modification. With the higher number of inputs available, firms can take a lot of trial and error to find a seed that gives the best result.

From analyzing Sunsweet's core competencies and external and environmental behavior related to the company, based on Porter's Generic Strategy framework, it can conclude that the company applies the differentiation strategy. Sunsweet invested a lot of time and effort,

and financial capital to the research and product development. Also, utilized advanced technologies to deliver a high-quality of corn products therefore, customers can perceive the products as more attractive. Apart from that, the company can benefit from having a high number of inputs in Thailand. It has opened up a new avenue for the company to succeed in seeds modification, enabling them to have well-modified seeds. Another fact is that their corn products contain richer nutrition compared to the standard corn available in the market. Considering the company's market, Sunsweet targets industry wide because the company offers a variety of corn products ranging from canned sweet corn, canned corn soup, sweet corn in a retort pouch, and frozen sweet corn. The company can ensure that the company attempts to capture all the customers seeking any types of corns.

Corporate-Level Strategy

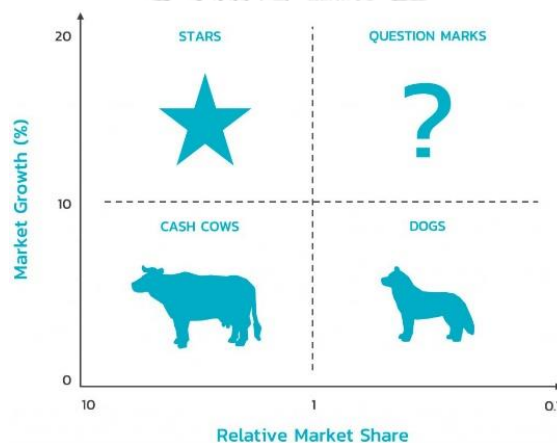


Figure 3: BCG Matrix

A corporate-level strategy fundamentally is concerned with the selection of business in which the company should participate and the development and coordination of that portfolio of businesses. A corporate-level strategy can be defined as a plan to hit a specific target needed to achieve the business's overall goals. The strategy will be formulated for the whole organization. In essence, the strategy deals with the decisions related across the various business departments in the company and the competition in the industry. This strategy level helps the company address the foundation question that the company wanted to achieve; whether the firm wanted to grow or expand a business by generating more revenues from sales of products or services or wanted to maintain the market share or even considering redefining the business. To identify and suggest the strategy that Sunsweet should follow, the paper will use the Boston Consulting Group Matrix (BCG Matrix) to analyzing a company's product portfolio. The model also referred to as a product portfolio matrix, is a business planning tool

that evaluates its brand portfolio's strategic positioning (Corporate Finance Institute, 2020). It classified the company's products and services into a two-by-two matrix, which explains a two-dimension analysis of the management strategic business units, including industry growth rate and relative market share (Haradhan, 2017). The company's portfolio can be categorized into four quadrants naming, Stars, Cash Cows, Question Marks, and Dogs (Haradhan, 2017). The stars are indicated that the company has gained a significant market share in a fast-growing market. They are considered as the source of opportunity for growth (Thompson & Strickland, 1995). In this situation, it is typical for the company to have a high cash consumption rate due to its high growth rate. However, it can offset in the later stage where profits are realized. They tend to generate a large number of profits. The investment usually goes into R&D expenses, high sales per employee, and superiority on competitive technologies (Hambrick et al., 1982). The cash is indicated that the company has a significant market share but living in a mature period of slow-growing industry (Thompson & Strickland, 1995). At this stage of operating the business, the investment needs are minimal because the market is not worth investing in anymore. The growth of the industry is low, as well as promotion and placement of investment. Hence, the needs for capital reinvestment and competitive maneuvers are unavoidable if wanted to maintain market shares. The question marks are businesses that have small market shares in a high-growth market. They are not generating much revenue in their industry; however, they are the most managerially intensive products and require extensive investment and resources to escalate their market share. The question marks have the potential of becoming stars through the demand of extensive investment but still can eventually become a cash cow if the market growth slows (Mohajan, 2015). Dogs are businesses with low market growth while having a small proportion of the industry's market share. They are not generating large amounts of cash because they have weak internal and external positions. The businesses identified as dogs are often considered liquidating, divesting, or trimmed down through economization (Haradhan, 2017).

After analyzing Sunsweet's performance using the BCG matrix, this paper can conclude that the company is categorized as question marks. Even though Sunsweet is over-perform in the Thailand market, however, the company is still under-perform if considered a global competition level. The company is proliferating in the market, but the company's products have a low market share. In essence, the proportion of Sunsweet's products' export value, in the past three years, to overseas compared to the export value of Thailand to overseas were accounted to be 18.23%, 19.67%, and 23.66%, relatively. This number is considered a tiny proportion compared to the competitors' exporting value in the domestic market; for example, competitors

like River Kwai International Food Industry Company Limited, Karn Corn Company Limited, and Majestic Food Industries Company Limited can export more in terms of the value. With the use of the BCG matrix, this paper can provide a rigid recommendation to the Sunsweet regarding the corporate level strategy that the business should focus on in its current market. In the meantime, the company should seek a higher penetration of the market share by increasing the frequency of promotion to escalate sales revenue. After successfully gaining more market share, the company should consider diversifying their business portfolio to another related business; for example, non-season products like an apple. It is because apple is one of not so many agricultural products that consume globally.



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