

Leadership and the Execution of Strategic Plans — Yes Analytic Study

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Abstract

The 21st century is the era of the knowledge economy. In order to do the best to promote talents, Asian countries are not only making great efforts to improve themselves with educational resources and environments, but also to encourage people to study abroad to obtain new knowledge, ideals and concepts. The number of people studying abroad and planning to go abroad to receive training every year is increasing constantly past few years, and the real amount of people who study abroad is going up steadily. YES, founded in 1997, is an educational guide for students who want to study abroad in the U.S.A., Britain, Canada, Australia, and New Zealand. Presently, YES is focusing on the Taiwanese Market, which unfortunately is shrinking, because of economic problems, birth-rate in decreases and a great portion of Taiwan's population migrating to Mainland China, just to name a few. Since, the consumer rate, for YES's services are declining, which need immediately resolutions. To resolve the shrinking market in Taiwan, the researcher recommends YES adopts two strategies as follows: (1) Organizational structure strategies and (2) Operational business strategies.

Keywords: Strategic Plans, Analytic Study, Operational business strategies

摘要

二十一世紀是知識經濟時代，為了培育更優秀的人力，亞洲國家不僅盡最大努力去改善他們自己本國之教育資源與環境，並也積極鼓勵國人出國唸書以汲取新的知識、國際化之想法與概念。尤其在過去短短這幾年內、出國唸書之人數也一直呈現穩定的成長，而 YES 創立於 1997 年，是一個以教育服務為主並極力輔導與協助學生申請美國、英國、加拿大、澳洲和紐西蘭等國家攻讀學士、碩士、博士學位之公司。其目前主要市場是以亞洲市場為主。不幸的是，由於亞洲經濟問題之延伸、國民出生率之下降以及台灣學生轉移至中國大陸就學…等等之影響，YES 公司整體營運不論是在服務顧客群之總人數或公司年收入上均呈現負成長的趨勢，這是極為嚴重問題而且須立即改善，根據研究者深入研究並擬定與採取其策略壹“組織結構策略”，策略貳“商業操作策略”，以協助 YES 公司來促進台灣日益萎縮之教育市場，並可將這些策略方式提供於相關企業參考。

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1. INTRODUCTION AND INDUSTRY ANALYSIS

The 21st century is the age of the knowledge economy (Rodd, 2002). In order to promote people abilities, the Asian governments are not only doing their best to improve themselves through educational resources and environmental funding, but also by encouraging people to study abroad, to obtain global knowledge, ideals, and thoughts. YES, founded in 1997, is an educational guide for students who want to study abroad in the U.S.A., Britain, Canada, Australia, and New Zealand. YES has a diversified family of companies, including an English language school for entrance examination such as, TOEFL, GRE, GMAT, a travel agency for overseas flights, services to obtain visas and travel, a publishing house providing books of test and publication, an application counseling office for individual students' needs, as well as, a high school preparatory, and the Pan-AYESn Education Foundation (YES, 2004). YES's headquarters is in Taipei, branches in Hsinchu, Taichung, Tainan, Kao Hsiung, and Hualien in Taiwan (YES, 2004). The scope of YES hopes to offer experience and information for people studying abroad, while expecting to obtain a great number of students from various databases, utilizing practical materials to receive an immediate, accurate response. In the way, students derive specialized opportunities to obtain information about English as a second language (ESL) via programs, universities, colleges, and boarding schools. YES's management philosophy is to provide continuous, comprehensive services which help the dreams of countless students, who wish to study abroad.

In Taiwan, the most popular countries people want to study abroad in are the English language countries. The U.S.A., Britain, Canada, Australia, and New Zealand, account for more than 98% of the people who study abroad (Ministry of Education in Taiwan, 2004). Presently, YES is focusing on the Taiwanese Market, which unfortunately is shrinking, because of economic problems, birth-rate in decreases and a great portion of Taiwan's population migrating to Mainland China, just to name a few. Since, the consumer rate, for YES's services are declining, which need immediately resolutions.

Table 1.

Statistics for students studying abroad in Taiwan

	2000	2001	2002	2003	2003 compared to 2002
USA	15547	14878	13767	10324	-25.0%
Canada	2583	2296	2433	1813	-25.5%
UK	8567	7583	9548	6662	-30.2%
Australia	2104	2397	2894	2823	-2.5%
New Zealand	496	645	740	571	-22.8%

(Source: Ministry of Education in Taiwan)

1.1 Opportunities of YES

- Parents are willing to pay for their children's education
- Taiwan needs more qualified personnel to develop economy and technology
- Taiwanese government provides low-interest loan for studying abroad
- Easy to build relationship with colleges and go internationalization
- Create some special programs with foreign universities

1.2 Threats of YES

- Economy is recession in Taiwan
- Unemployment rates are going up
- Population birth rates are going down
- Asian financial crisis
- Terrorists' threats after 9/11
- New entrants into the market
- More and more graduate schools are set up in Taiwan
- More and more population in Taiwan migrate to other countries
- More and more people study in Mainland China
- Students can apply schools directly by themselves with computers or educational fairs.

2. COMPANY AND ORGANIZATION ANALYSIS

YES wishes to be Taiwan's leader for language training purpose by maintaining its existence, within the realm of study abroad counseling. YES has obtained its outstanding respectability and reputation through educational means, promoting the process of learning. Moreover, because YES believes in giving back to the society, the Pan-AYESn Education Foundation was founded to help support Chinese education, for this purpose YES integrates information and resources to supply students with many free services, so students do not only accept English language training but also have the opportunity to visualize their study plans, with effectiveness and efficiency, but allows for relative discussion groups as well. The core value of YES is to provide excellent quality services to help students to obtain their dreams of studying abroad, progress professionally, and obtain new knowledge, ideals, and benefits, widening their present paradigms. YES management philosophy is always to provide a complete package of services by integrating overseas' study resources, the latest developments, outstanding teachers, and a comfortable environment, within which students are able to reach the core value of their goal.

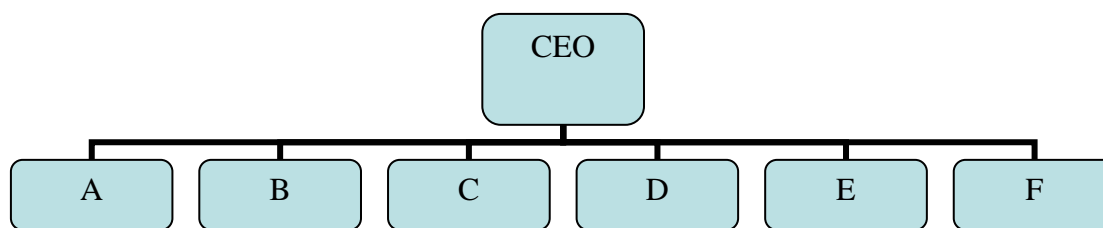
YES repeatedly obtains examinations from ETS, checks changes in examination questions, and examines new trends in examining, in order to prepare students to face new examination developments. To prepare for the computer TOEFL test and English oral test in

2005, YES has cooperated with an Internet company, in AYES, and developed an on-line course, using up-to-date inter-active Internet technology (YES, 2004). The course not only offers a new learning surrounding that has been well customized for Chinese, but also takes benefits of the Internet's instantaneous speed. Students can receive answers and results immediately after they complete a test. If students have any problems with the test questions, they also can discuss them with teachers in classes. YES has also developed YES Smart Site, the first understanding web site designed to connect the challenges of today's rapidly, changing environment and evolving technologies (YES, 2004). The website provides inter-active services and custom-made message to students including examinations of TOEFL, GRE, GMAT, and SAT for study abroad, departure preparations such AS, travel visas and flight tickets, introduction materials for to application procedures, and past experiences of teachers and students.

YES's target focuses on students who want to study abroad. The system also provides exclusive access to the Eusa.com, and On-Line Applications. Eusa.com's services provide the information of 6,000 AYESn colleges and universities to help students research. YES participates with the convenience of Internet for a global reach to help Chinese students, around the world for study abroad purpose (YES, 2004). Unlike other counseling companies, who simply follow the request of students, YES assumes a very precise and rigorous counseling approach. They insist upon all students creating their individualized career paths before they consider choosing a subject/program/course and a school. They sometimes recommend to these students to postpone their studies, particularly if students have no immediate objectives. The result makes YES one of the most trusted academic counseling institutions in the education industry, whereby students must pass particular branches of support, within the unique system creating YES.

From this management philosophy and students' oral instruction, YES is able to have more students, well-known faculty and educational resources, as well as upgrade its software capabilities and hardware facilities, with the support of outstanding alumni, whose experiences will help create positive images to virtually allow YES to foster study abroad opportunities to a greater number of students, and in turn permitting these student to achieve major goals, for future employment (YES, 2004).

There are five branches in Taiwan which comprise YES. These branches are all owned by the YES group. Their strategies focus on alliance with foreign universities and educational institutions, in order to diversify their studying programs, for attracting more students. There appears to be a small market, within domestically related educational issue. YES does not have strategic alliances within the domestic relations with other businesses in Taiwan, in order to avoid conflicts of interest arise.



A: Application Counseling Office	D: Publishing House
B: English Language School	E: Pan-AYESn International Education Foundation
C: Travel Agency	F: Six branches

Figure 1 The YES's Organizational Structure

2.1 Strengths of YES

- A strong brand name and reputation
- Offices are in every main city and near universities in Taiwan
- Provide a complete package of services
- Help students identifying career objective
- Authenticating English language proficiency
- Recommend plans that individual needs
- Provide books and publication of test to students
- Assist students with their accommodation, visa and travel

2.2 Weaknesses of YES

- Cost in Taiwan is higher than average of others
- Lack patent protection
- No exclusive rights to represent foreign universities

To resolve the shrinking market in Taiwan, the researchers recommend YES adopt two strategies, as follows: (1) Organizational structure strategies including (a) YES's market strategies, (b) YES's geographic organization structure, and (c) YES's communication Strategies, and (2) Operational business strategies including (a) flexibility strategies, (b) distribution Strategies, (c) diversification strategies, (d) service strategies, and (e) price strategies, and will be introduced as follows.

3. PROPOSED STRATEGIC PLAN FOR YES -ORGANIZATIONAL STRUCTURE STRATEGIES

3.1 YES's market strategies

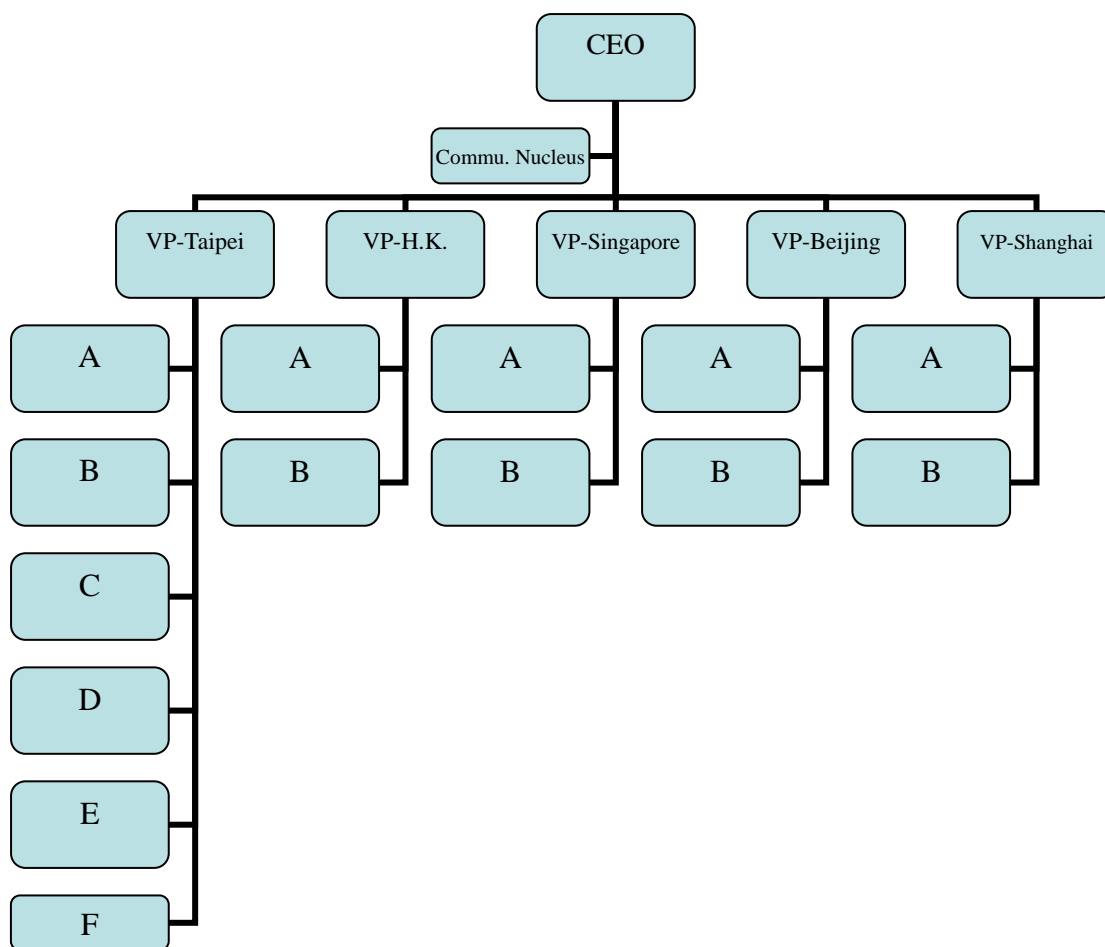
The YES's market strategies include: (1) only to keep three branches of Taichung, Tainan,

and Kao Hsiung in Taiwan, and (2) to expand international markets and focus on Chinese in Asia. The high operating costs, unfortunately creating low economic benefits for the following branches in Taiwan's markets, which are part on YES, are. YES may close its door or franchise the branches in areas of Taiwan: Hsinchu and Hualien. Specific reasons are (1) the two branches are not main cities in Taiwan, therefore, there is a small number of students for the program; (2) Hsinchu is too close in proximity to Taipei or Taichung for which students can commute; also Chiayi is near Tainan, which is within travel distance by car; (3) YES already has evening, weekend, and correspondence courses, and can utilize those approaches to support different students needs. (4) YES can create new visions for classes by Internet based on its Smart Site, for lower cost.

To expand international markets, the researchers recommend YES a focus on the markets in Mainland China (Shanghai and Beijing), Hong Kong, and Singapore, as a beginning step, because there are many more Chinese in those areas. This might alleviate some of the problems or conflicts by minimizing language barriers and cultural practices.

The researchers also suggest YES's organizational structure be design to: (1) create a geographic organizational structure for the benefit of obtaining markets, to flow directly into local sectors, for positive results; (2) the structure levels are as low as possible because the more levels will be the problems in communication from managers to employees; (3) these face-to-face services reduce the time to markets, and supply strong regional relationships with customers; (4) this regional presence helps YES monitor local regulations and provides the market feedback in order to track the regional markets; and (5) it is easy to duplicate and set up successful experiences to new branches in other countries.

There may also be negative repercussions in duplication of staff at headquarters and branches, creating cost disadvantages, if a geographic structure is designed and implemented. To resolve these problems, YES should take approaches to cut down its costs, such as: (1) the CEO is also vice president and the chairman of the Pan-AYESn International Educational Foundation in Taiwan, (2) vice presidents are also responsible for either application counseling office or English language school, and just have one manager for the other department in HK, Singapore, Beijing and Shanghai, (3) Taiwan headquarters contacts with foreign universities or institutions, then shares all information to branches, (4) printing books in Mainland China then ship it to Taiwan, HK, and Singapore, (5) only set up an university in Mainland China with AYESn school by alliance to attract people who want to obtain a degree in Asia, and (6) only set up two most profitable departments of application counseling offices and English language schools in HK, Singapore, Beijing and Shanghai.



A: Application Counseling Office	D: Publishing House
B: English Language School	E: Pan-AYESn International Education Foundation
C: Travel Agency	F: Five branches

Figure2 YES's New Geographic Organization structure

3.2 YES's Communication Strategies

Communication networks can be classified into two categories: “formal” and “informal” (Douglass & Pinto, 2003). Informal networks are relatively less structured and more spontaneous than the formal ones, springing from the daily communication among people inside an organization, and they can help an organization to reach its objectives, when they provide, to the managers who know how to use it, the acquisition of information coming from a great variety of personal contacts (Tompkins, 1967).

YES's informal networks are in place and employees have open access to each other through face to face meetings, letters, memos, telephone calls, e-mail reports, or documents. Employees make themselves easily available to vice presidents or managers in order to deal with any problems. For resolving the potential conflicts of interest, YES will adopt several

steps at each branch to understand and resolve problems. When vice presidents or managers obtain the necessary information or problems from their employees, they will share the problems with their department employees individually or as a group, and get collective ideas and suggestions from them. Vice presidents or managers combine their ideals, evaluate alternative options, and attempt to reach agreement on a solution.

Greenbaum (1976) identified four kinds of different formal networks: (1) the regulative network consists of the channels a company uses to establish plans, regulations, policies, and procedures, (2) the innovative network is concerned with flexibility, adaptability and changes, (3) the instructive-informative network provides the information the staff needs to produce productively and efficiently, and (4) the integrative network has the objective of keeping or improving employee self-esteem, group cohesion and organizational morale.

There are also formal processes in YES for vice presidents or managers to support and advise employees. Employees are observed by their vice presidents or managers annually. This process is documented and the employees receive written and verbal feedback. Vice presidents or managers meet with their employees and the meetings are recorded. There is clear guidance to ensure a meeting with employees who have unsatisfied performance. There are three monthly vice presidents, or managers, meetings at each branch, and vice presidents must meet at least two times a year with the CEO at headquarters.

Each organization manages two communication flows that are in horizontal and vertical directions (Schuler, 2002). The horizontal direction communicates among departments, management, centers, units and staff, and the vertical direction includes ascending and descending flows (Hirahara & Murase, 2003). The descending vertical flow is from the highest to the lowest levels – the management to the workers, and the ascending vertical flow is from the lowest to the highest – the workers to the management (Hirahara & Murase, 2003).

In order to build good communication in organizations, YES should set up an independent Communication Center, and the Communication Center will be linked to the CEO directly. The Communication center will be responsible for the management of all communicative activities internally and externally, in order to keep these communications at an acceptable level of efficiency, according to the objectives of the organizations. The emphasis is on the creation of a management structure of internal circulation of necessary information to guide the work and spread an integrated action policy, in all senses. It also guides the communication work of several external sources, such as universities, language schools, government, publicity, public relations, and research.

4. PROPOSED STRATEGIC PLAN FOR YES -BUSINESS OPERATIONAL STRATEGIES

Modern organizations face a very dynamic environment for which it is imperative to re-think unique strategies that are more aligned to stable conditions (Bellamy & Becker & Kuwik, 2003). YES should focus on five business strategies: (1) Flexibility strategies, (2) Distribution Strategies, (3) Diversification strategies, (4) Service strategies, and (5) Price strategies.

4.1 Flexibility strategies:

YES adopts different strategies between Taiwan and Mainland China. Because it is not easy for people who live in Mainland China to apply for F-1 visas to study in AYES, the market in Mainland China will focus on people who want to study in England, Canada, Australia, and New Zealand. Moreover, China's government does not allow foreigners to own a company that services people who want to study abroad, so YES will take the way of joint ventures to set up two brands in Shanghai and Beijing. YES, therefore, takes three advantages from the joint venture structure: (1) losing strong foreign nationalistic sentiment, (2) acquiring expertise, tax, and other benefits, and (3) diversifying risks.

4.2 Distribution Strategies:

In recent years, people assume that the Internet will change everything, rendering old rules about companies and competition obsolete (Porter, 2001). YES should not only provide on-ground courses in Taiwan, but also provide some courses online, to reach e-business strategies and a new economy. The courses include (1) on-line career training programs into Taiwan to enhance non-professional and professional career skills, (2) international certification and license training such as CFA, CPA and CMA, and (3) business foreign language skills to increase international competitiveness.

4.3 Diversification strategies:

YES's services should be diversified, and will provide unique benefits to customers. The study tours should offer diverse choices. In addition to foreign language training courses, students can choose from a variety of courses based on personal interests, such as cooking, fashion modeling, graphics design, tourism and hospitality, culture, arts and movie certificate programs.

4.4 Service strategies:

YES should encourage employees to listen to customers, know the competitor's offerings, realize the causes of dissatisfaction, and learning from close contacts, with customers. They

also should see themselves as a highly qualified provider and ask language schools and universities to deliver top-quality service, and academic studies to students.

4.5 Price strategies:

For setting prices to final customers, YES should establish prices that will be charged for separate services, not just whole package. YES pricing strategies are based on costs, demand, or the price of competing service in different demands.

5. CONCLUSION

YES's goal is to enhance businesses and strengthen as a premier integrated educational services provider. To achieve this objective, the four elements of strategy are as follows:

Lead in Taiwan - In Taiwan, YES is the leading educational services with a stable business. YES has maintained their leading market position despite liberalization of the market and intensifying competition. This reflects YES ability to offer a comprehensive package of educational services, coupled with strong reputation recognition. YES will aim to continue to defend their market share and margins.

Grow in HK and Singapore - In HK and Singapore, YES's wholly-owned branches are the leading challenger to the incumbent educational operator. YES will need to maintain its track record of market share growth, to expand margins, and grow profits. To reach these goals, YES will deliver the most simple, innovative and reliable experience for customers; ensure cost leadership in target markets; establish leadership in attractive new markets; and strengthen the company's challenger culture.

Partner across China - YES has strategic investments in two associated companies in Shanghai and Beijing. They need to lead positions in their respective educational markets, where strong penetration growth is contributing to rapid profits growth. YES focuses on execution and maximizing the value of existing businesses and regional partnerships. This has included reviewing opportunities to increase shareholdings in existing associates and YES also have the flexibility to consider new investments. The geographic focus will remain in China, with a preference for strategic investments where YES can add value by taking an active role in management.

Innovate for the Future - Providing innovative educational solutions to meet evolving customer needs has been core to success. To enhance position as an integrated provider of educational services for businesses and consumers, YES will nurture human and intellectual capital to achieve organizational excellence.

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