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“Huawei” corporate strategy

Abstract. *This article is discussed the successful Chinese company “Huawei”. It is a typical example of a Chinese company in which they expect heroic returns, self-discipline and decisive performance of their duties from employees. “Huawei” is successful as it competently uses various corporate strategies. The most unusual of these is a strategy called “Wolf Pack” or “Wolf Spirit” strategy. It is “bloodthirsty”, that is, greedy for money and prosperity. Employees have fearlessness, resilience to tough conditions and the ability to work as a team.*

Keywords: *strategy; company “Huawei”; success; management system; promotion; equipment.*

Корпоративная стратегия Huawei

Аннотация. *В статье анализируется успешная китайская компания Huawei. Она типичный пример китайской компании, в которой предусмотрено ожидать от сотрудников полной отдачи, самодисциплины и решительного исполнения своих обязанностей. Huawei успешна, так как грамотно использует различные корпоративные стратегии. Самой необычной из них является стратегия под названием «волчья стая», или стратегия «волчьего духа». Она является «кровожадной», т. е. жадная до денег и больших достижений. Сотрудники имеют бесстрашие, устойчивость к жестким условиям и способность работать в команде.*

Ключевые слова: *стратегия; компания Huawei; успех; система менеджмента; продвижение; оборудование.*

In the context of a dynamically changing external and internal environment, the development and implementation of a corporate strategy is becoming increasingly important. Today, for “Huawei”, a corporate-type company in the external environment, significant changes are observed: economic, legal, demographic, scientific and technological, etc. Creating a corporate strategy involves using almost all the resources of companies, including information and intellectual ones.

Essentially, a corporate strategy is an enterprise management plan. It covers all the activities of the company and helps managers in various industries to manage all the affairs of the enterprise. This plan is created by the management of the company, with the main perspective being the heads

of key industries. This strategy is closely related to diversification, since in its structure it is the creation of new enterprises in industries, as well as the purchase of enterprises that are already part of them. Now there is a creation of new theories of corporate governance, the core of which is the relationship and activities of the main management with the composition of the management of subordinate enterprises and organizers [1, p. 294].

It should be noted that the strategy implies the necessary solutions to issues, so strategic decisions in the development of strategic companies are especially complex and important, should be planned and implemented, clearly coordinating all the links in the management system. A company that produces a certain type of product requires coordination with the product strategy.

The corporate strategy largely depends on the investment infusion and is important in the development strategy of corporate companies.

The corporate strategy has many definitions that can be taken for more information about this phrase. Let's say we take the following definition that a corporate strategy is a strategy that characterizes the general direction of growth of an enterprise, the development of its production and sales activities [2, p. 169].

If we turn to the evolution of the development of the company's management system, then at first the term corporate strategy was considered only as a choice of the necessary set of solutions that are aimed at the goals and objectives of the company, to those aspirations that the company will come to in the future.

Today, the meaning of the term corporate strategy has expanded significantly, that is, corporate strategy in a broad sense of its meaning is a set of problems that a company may face during the period of its activity. Today, the concept of corporate strategy is more perceived as the creation of value, coordination of activities within the market.

In its original form, the "corporate strategy" served as a set of solutions that created further goals to promote the company. It has 3 aspects, the first of which monitors the persons involved in the control of the value of the production enterprise and shareholders on profit. The second is to observe actions in conditions of market activity, i. e. configuration. The third is considered as observation in the field of the management position of the enterprise management, in fact, a certain hierarchy, where the importance of the strategic progress of the business is observed.

You can often hear the phrase "successful companies", they concentrate on strategic areas in the field of application of all company resources. Very important for any enterprise is the number of consumers of its products. Therefore, special attention is directed to the development of situations of meeting the needs of the clientele and a place in the target market, as well as the cost of the company and its production calculations [3, p. 81].

Many strategies are described in the scientific literature, but in order to succeed, all strategies must be consistent and closely interact with each other. Each level forms a strategic environment for the next level, i. e. the lower level strategic plan is constrained by strategies of higher hierarchy levels.

It is necessary to admit that “Huawei” is a professional telecom operator headquartered in Shenzhen, Guangdong province, China, which mainly manufactures and sells telecommunications equipment. It was founded in 1988 and provides networking equipment, services and solutions to customers around the world. China’s high-tech enterprises in the market are also the most important suppliers in my country’s telecommunications market. By 2007, the number of “Huawei” employees had grown to 70,000, and operating profit reached 100 billion. Among the 500 largest operators in the world, 31 of them chose “Huawei” as their partner [4, p. 16].

The success of “Huawei” as China’s most successful private enterprise is inevitable. Inevitability lies in its strategic positioning, internationalization strategy, client strategy and technology strategy.

The most interesting strategy, from our point of view, is “Wolf Pack” strategy. “Huawei” is a typical example of a Chinese company in which they expect heroic returns, self-discipline and decisive performance of their duties from employees. Founder and President Ren Zhengfei is a former officer and a great devotee of the military style of leadership. He believed that workers should be hungry, and to eat, they should get their food, they should work well for the company, only then they will be full. He insists that workers be loyal and dedicated to their cause. This management strategy was called the “Wolf Pack” [5, p. 87].

One of the important components of the structure is the shared participation of all employees. “Huawei” is not supported by external funds and is not traded on stock exchanges, it belongs to employees, and there are more than 80 thousand of them. “In fact, this is virtual property, that is, a block of shares primarily gives the right to receive dividends and must be bought by the company upon dismissal of the employee. The company’s management mechanism from the outside looks a little confusing. The Standing Committee has the right to select a team of senior management of the company, including a rotating of general directors (CEO)” [6].

The general director of the corporation changes every six months. Each time one of the three vice-chairmen comes to this seat. The logic here is as follows: in “Huawei”, it is believed that the management of a large and complex company should not fall on the shoulders of one person for a long time. “The Strategic Decisions Committee, headed by the current CEO, reports to Ren Zhengfei, who retains veto power over all decisions”.

This strategy has been applied by “Huawei” since its inception and at the current stage and provides for the use of ambiguous and non-standard methods and techniques of doing business in combination with the ability to build relationships with other market players, including potential partners, while relying on extensive knowledge of the specifics of each individual region and the ability to adapt to changing external environment conditions.

As a conclusion it is necessary to say, that at present, “Huawei” holds a leading position in many aspects of the telecommunications business, and also actively develops a network of local partners to more actively and effectively conquer local markets with their specific features.

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