

City University of Hong Kong

香港城市大學

The Globalization Of a

Hong Kong Electronic Manufacturer

企業全球化：一間香港電子廠的經驗與啟發

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Abstract

Hong Kong's consumer electronics manufacturing industry was started in the 1960's when a few US companies set up electronic components factories in Hong Kong. The industry evolved over time to become one of Hong Kong's largest exports today. With manufacturing facilities primarily located in nearby Pearl River Delta in China, Hong Kong's electronic manufacturers now supply a very significant share of the World's demand for consumer electronic products. However, majority of Hong Kong's electronic manufacturers remain in the contract manufacturing business facing business challenges from razor thin margin, over-capacity and rising costs. Only a few Hong Kong electronic manufacturers deviated from the norm and developed into sizable global companies.

This thesis is a single retrospective longitudinal case study about the globalization of GP Electronics Limited, which was started as a contract manufacturer of consumer car radios in the 1980's. From its humble start, GPE developed into a global business controlling two premium loudspeaker brands supported by a global sales network today. This inquiry covered GPE's acquisition of two premium loudspeaker companies in the United Kingdom in 1992 to the company's subsequent development into a global business by integrating the capabilities of the acquired businesses with the competences of the company.

I am a member of GPE's senior management team and have been working in the team responsible for GPE's globalization for more than 20 years. I witnessed and, for a long time, was at the centre of GPE's globalization process. I attempted to use this doctoral dissertation to objectively and systematically record and analyze

GPE's globalization process. I studied the successes and failures in GPE's globalization strategies to try to identify the underlying casual relationships which contributed to these successes and failures. I hope that findings from this inquiry could help GPE's next generation management to gain in-depth understandings of what happened during the company's globalization. I believe that having the understanding of what strategies worked and what didn't could help stimulate their imagination to reveal new possibilities and trigger fresh ideas for their quest to further develop GPE's now global business. I also wish that findings from this inquiry could illustrate and explain, basing on GPE's globalization, a viable approach to firm globalization which could serve as reference for managers from other Hong Kong electronic manufacturers or even for managers from other emerging economies in Asia.

From the academic perspective, GPE's globalization process was consistent with two pivotal theories on firm globalization, the Uppsala Internationalization Model and the Eclectic Paradigm. Based on the empirical evidence obtained from this inquiry, a model for effective foreign market entry and sustainable business growth was proposed.