

Business strategy and management method on the example of Samsung

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Abstract

As the world we live in today is becoming more and more interconnected and the global market is constantly evolving, enterprises are required to adopt innovations and implement precise managerial decisions that are of great accuracy. Considering the challenges that are incorporated in doing business, companies are obliged to choose the adequate strategies to execute and achieve success. Moreover, the understanding of factors that affect business is of importance since conducting a successful business is never accidental. Long-term preparation is the key for prosperity. Additionally, in order to operate on an increasingly competitive level, it is important to take into account competitions way of doing business as well as the importance of planning for entering foreign markets. To fully grasp what is needed in order to succeed, the aim of this paper to, even remotely, showcase the needed steps for establishing a business. The example taken into consideration is based on the example of Samsung, a South Korean chaebol, which has been one of the most successful businesses in the world.

Keywords: strategy, management system, Samsung

JEL Classification: A13, F23, L1

1. Introduction

The concept of business cannot be unambiguously defined. Today, business is primarily defined as an activity of making money by producing and/or buying and selling goods. A successful business should be based on socio-economic, technological, political, legal and geostrategic understanding of the dynamic world/global environment and market, taking into account all the challenges of the time in which we live in.

Any kind of trade, although often uneven, is crucial for the further development of inter-country relations and the progress of the world economy. What makes the business process successful is the focus on creating better product value for potential customers. By aligning resources with market opportunities and challenges,

companies achieve a successful business strategy in which they gain a competitive advantage. There is no doubt that international business is complex and, if the focus is placed on only one segment of the business strategy, it is impossible to gain a full understanding of what is needed for success if most of the overall picture is missing. The steps and decisions that are made, both in life and in business, are based on the causes for the stated above and then the consequences that follow them.

In order to be able to operate at an increasingly competitive level, enterprises must continuously adopt innovations and implement open management through which all restrictions in doing business are removed. Samsung's secret to success lies in many well-made and calculated decisions, but one of the key aspects imbued in every move, is the readiness for flexibility and efficient use of various possibilities as well as the available and correctly allocated resources. Anyone who looks at Samsung's achievements and success throughout the years, cannot remain indifferent and deny its reach on the global market.

As the market is constantly changing and evolving, it requires companies to keep up with the given changes. The example of Samsung throughout its history shows how with flexibility and adaptation to new challenges, it is possible to achieve success on a universal scale. Hence, when it comes to choosing the appropriate way to do business as, not only a domestic but as an international company, keeping in mind the factors that can affect decision making is of grave importance. Businesses nowadays should be prepared to acclimatize to different circumstances that are changing.

Considering the world is increasingly becoming more connected, enterprises that have an inclination to succeed need to put noticeably more effort into starting a business and keeping it afloat. It is important to learn the correct ways of adapting following the examples of businesses that have successfully made a name for themselves. Samsung earnestly has worked its way up, from being a mere trucking company, to one of the most successful businesses in the world. Therefore, the aim of this paper is to determine how different factors affect the process of decision-making and what it takes to preserve a successful business in the today's climate.

2. Strategy in business

Business strategies are an extremely broad term since they involve a whole range of activities that are applied depending on the circumstances, the specifics of the company and a desired goal. It is not possible to have a universal approach in the way

all companies operate, and this results in the complexity of the strategies themselves. Entering potential markets without a thoroughly developed strategy is naive since, even long-term preparation often ends in failure.

Thus, strategies are decisions and activities that enable companies to achieve and maintain a competitive advantage and improve their performance. It is a "game plan" for placing a company in a favorable business position and building sustainable competitive advantages (Thompson, 2007).

As the state of affairs, on the domestic and the global market changes on a daily basis, companies must keep up with the changes. In order to positively shift towards growth, a need for it must be firstly recognized, then concrete decisions and steps must be developed and implemented, no matter how small they sometimes may appear. As the world becomes more connected, competition is increasing and it is becoming more and more difficult to maintain a dose of innovation. In order for enterprises to avoid mistakes that can be fatal for a business, developing a concise strategy is necessary for survival (Porter, 1979). Achieving the desired strategic position can be accomplished with the help of successful formulation and implementation of the proper strategy.

In the heart of the company's operations, lies a constant demand for new competitive advantage. Since the global market has grown in size and the competition has become merciless, the search for new competitive advantage has become more and more difficult.

The market is changing at a rapid pace as a result of its size, and its ruthlessness leaves little to no room for enterprises to fall behind the competition if they want to stay "in the game." The process of considering ideas, then choosing and implementing them, is becoming increasingly constrained, necessitating extraordinary speed and the right resources on the part of the organization.

It is necessary to emphasize the fact that companies, regardless of the product or service they offer, must constantly work on maintaining high product quality and constantly invest in advancing and bringing the product/service to a higher level than it already is. Management, in addition to continuous improvement of existing product and capabilities, needs to detect potential opportunities that may be an option for upcoming ventures (Barney, 1991). The main goal companies try to achieve with the assistance of strategy is finding uniqueness in the sea of competition.

Businesses, from those that only operate locally to those that operate globally, go through a succession of stages as a product of their ambition to expand. The process through which a company goes for internationalization usually starts with market

supply and afterwards it expands with providing goods or services to international markets. This is primarily accomplished through sale of domestic products through a foreign representative, followed by a direct trade and manufacturing presence in international markets (Yip, 1995).

When it comes to the appeal of a country for deciding to do business in it, it is all dependent on the benefits, costs and risks the company has if it operates within the borders of that specific country. One of the distinctive elements that companies need to pay close attentiveness to is the value of the product and/or service. If a certain company is able to put forward a high-value product that is difficult to obtain in a foreign market, chances of success increase exponentially because of the advantage of being able to control prices in the absence of competition. If a company decides that doing business in a foreign market is profitable, it needs to start thinking about implementing a strategy to achieve a desired goal (Hill and Hult, 2017).

Achieving the desired goal is a complex and time-consuming process. Attaining a wanted objective often comes with years of work and effort but success is never guaranteed. Furthermore, since a positive business result cannot be understood without understanding what precedes it, a brief history of Samsung is presented below. A business system of Samsung, which has undergone many alterations, ultimately resulted in success and transformed into one of the most successful global companies of today.

3. A brief history of Samsung

Samsung is a global conglomerate with the headquarters situated in Seoul, South Korea. As the largest South Korean chaebol, it consists of a variety of connected enterprises, the majority of which are grouped under the Samsung brand (business conglomerate). Some chaebols undoubtedly date from the Chosun dynasty, Korea's longest-lived and final dynasty, while others were founded later, when the country was liberated from Japanese colonial authority in 1945 (Jun, 2009).

On March 1, 1938, Lee Byung-Chul founded Samsung Trading Co. in Daegu, a South Korean town, a trucking company that is considered a forerunner of Samsung. From its inception until 1945, Samsung transported goods both within the borders of its country and beyond. Since 1947, the company has been based in Seoul, and until the beginning of the Korean War in 1950, it was one of the ten largest "trading companies." With close to 40 employees, Samsung began operating as a trucking company and continued as a grocery store, selling groceries such as vegetables and

dried fish to China. He had his base in the capital until the outbreak of the war, but when Seoul was conquered by the North Korean military, Lee Byung-Chul was forced to relocate his company to the south (Burris, 2020).

By relocating its business, Samsung gained a crucial comparative advantage, and that was its location. While being located on the southeast coast, Samsung had continuous contact with the Japanese, who used the south of the country as the largest exit port in transportation of all exploited Korean resources. Lee Byung-Chul, through resourcefulness, took this opportunity to enhance his own business by obtaining loans from Japanese banks. Although Samsung as a company did well during the Japanese occupation, after the establishment of independent South Korea and in the years after liberalization, Samsung benefited immensely. The property remaining after the departure of the Japanese was distributed in complimentary terms to domestic enterprises by the Korean government in hopes of rebuilding and strengthening the country after years of misfortune. Furthermore, the government under the President Rhee Sung Man in 1948 pursued a policy of import substitution. The government has put the majority of its aid into industries to replace imports of primary products like textiles, cement, sugar, glass, and other items that the state has fully protected with lower tax rates, interest rates, and preferential financing. Cheil Textile and Cheil Sugar Company, for example, were forerunners of Samsung and achieved large profits in the import substitution business (June, 2009).

During this phase, his business benefited from a new protectionist policy adopted by the Korean government, which aimed to help large domestic conglomerates (chaebol) by securing them from rivalry firms and providing them with inexpensive financing (Bondarenko, 2021).

Due to the huge funds needed to repair the war damage, the government of President Rhee Sung Man launched a reconstruction project after the war, which included the reconstruction of damaged infrastructure and industrial facilities. Through the project, several corporate companies were given the opportunity to transform into chaebols by participating in a variety of ventures, especially in the manufacturing sector. The key reason for the accumulation of wealth of some companies is in the political advantages given by the government as well as in the use of emerging opportunities in post-war reconstruction. Government measures of the privileged were manifested in: privileged disposal of acquired property (formerly owned by the Japanese), import licenses, privileged access to bank loans, in the unfair distribution of cash and aid materials, etc. (Kang, 1996).

Shortly afterwards, in 1950, the Korean War broke out. The North Korean invasion can be considered a proxy war between the Soviet bloc and forces led primarily by the

UN and the United States. The Korean War, which followed a short period of South Korean independence, destroyed the entire industrial and economic foundations of the country. Staying in the south of the country proved successful for Samsung due to the massive influx of American troops and equipment. Shortly after the end of the war, Lee Byung-Chul started a sugar refinery, then expanded his business to textiles and built the largest wool factory in Korea at the time. Since diversification proved to be a very successful strategy, which enabled the expansion of the range of production and sales, Lee Byung-Chul focused on it as a way of doing business. With the help of early product diversification, it is rapidly expanding to areas such as retail, insurance, securities, etc. (Burris, 2020).

Under the new administration of President Park Chung-hee, who came into power from 1963 to 1979, the South Korean economy was opened and focused on increasing and expanding exports. Samsung's most popular division today was founded with government support after passing a 50% tax abatement for electronics companies in 1969. In the 1970s, Samsung was able to deliver televisions and other electronic devices to residents' homes, making it a symbol of South Korea's modernization.

Moreover, all of the above would not have been possible if Lee Byung-chul had not been brilliantly positioned near the high-ranking politicians of the time. Having had a good relationship with senior officials, he made good use of government assistance due to unfortunate circumstances. Samsung is a symbol of South Korea's economic change, which has grown from one of the poorest countries in the world to one of the richest countries after World War II.

By the year 1987, Samsung was already the leader in South Korea on most markets, when Lee Byung-Chul's son Lee Kun-Hee came into the position as the second president of Samsung. As a consequence of the growing domestic revenues in the newly liberalized economy of South Korea, as well as the ever increasing competition from Japanese electronics firms who established a number of manufacturing facilities across Southeast Asia, Samsungs foreign position as a lower-budget manufacturer has become untenable.

Lee Kun-Hee, in the early years of 1990s, observed Japanese companies' hesitation to take on digital technology in the manufacture of cameras, audio equipment, and other electronic devices, despite the fact that Japan was the largest producer for the analog market. As a result of their reluctance, a "door opened" for Samsung and he achieved outstanding development. By introducing digital technology, through agility, innovation and creativity, it successfully managed to outperform the competition in the new digital market (Khanna, Song and Lee, 2011).

Samsung, even though a South Korean company, is deeply enrooted in Japan. South Korea, at the time the company was founded, was a Japanese colony. Samsung's first president, Lee Kun-Hee's father, got his education in Japan, and the company built its foundations in industries - consumer electronics, memory chips and LCD panels - that Japan once dominated. Accordingly, Samsung has distinguished itself in its domestic market under the Japanese model of diversification and vertical integration. Diversification corresponded to South Korea's weak foreign capital markets, as the company was able to rely on internally generated money from one operation to finance others.

Samsung draws its origins from Japan. South Korea was under Japanese colonization when the company was established. Lee Byung-Chul, the first president of Samsung, was educated in Japan, and the business burgeoned in industries that were once monopolized by it, such as memory chips, LCD panels and consumer electronics. As a result, Samsung has differentiated itself on the home market by following the Japanese model known for vertical integration and diversification, which corresponded to Korean frail external capital markets, since the corporation was able to utilize revenue earned internally to fund other operations (Khanna, Song, & Lee, 2011).

However, before understanding corporate culture and the way of doing business that adorns a company like Samsung, it is important to understand South Korea's national culture as it greatly affects not only people, but also management style in both domestic and foreign markets. Associations that come to mind when examining the business world of South Korea, are associated with concepts such as high level of education, emphasized connectivity, extreme top-down decision-making pattern, favoring towards seniority, growth orientation, the spirit of "can do", dominance of large business groups in the national economy, etc. Cho and Yoon (2001) propose that there are six key components of Korean traditional cultural heritage: emotional harmony, high contextual orientation, hierarchy, discrimination of outside groups, networking and Confucianism.

Confucianism has had the greatest cultural impact of all the aforementioned. The majority of interpersonal interactions are determined by factors such as age, gender or social status as a result of its influence (Chung, Lee and Jung, 1997). The way that Confucianism speaks of the five cardinal human ties, the parallel in the relationship between the enterprise's owner and its subordinates can be drawn. South Korea's emphasis on tradition, not just in a way of life but also in business, shows that everyday cultural and social values are being transferred to corporate culture. Traditional values have an impact on business culture, as shown in the table below.

Table 1. Effects of traditional social values onto characteristics of corporate culture (Rowley and Bae, 2003.)

Traditional Social Values	Corporate Culture Characteristics
Absolute loyalty of subjects to sovereigns	Owner's authority and paternalism
Close relationship between father and son	Inhwa (harmony) belongingness and kinship-based relations
Separate roles for men and women	Devotion to the company (in particular for male workers)
Precedence of elders over younger people	Hierarchical system among members and seniorityism
Mutual trust among friends	Trustworthy relations among colleagues and collectivism
Favoring eldest son, ancestor worship and emphasis on family members	Kinship-based ownership and succession, Yongo (blood, geography, education-based connections)

Furthermore, Chung, Lee, and Jung (1997) state that firms emphasize the common values expressed in the word *Sahoon*, a Korean term that is of great importance in corporate culture and can be explained as a “company credo”. It reflects personal and cultural values, as well as the beliefs of top management and the founders. *Sahoon*, as a formal statement of what the company considers most important, emphasizes attitudes about harmony, collectivism and order within the company. Korean companies through *Sahoon* express the attitude expected from relationships within the company, outside it and within society, while Western companies often link their core values to technical performance such as product excellence or customer service. When it comes to shared value or Samsung's *Sahoon*, it is "respect for the individual, the pursuit of technology and empowerment."

As a country that has been a Japanese colony for years and within which segments of Japanese practice are intertwined, to understand the Korean context, it is essential to understand Japanese as well. Historically, Japanese management can be viewed as an evolutionary outcome of the "rice culture" from which practices such as consensus-making, tendencies toward diligence, and group effort emerged. Business culture in Japan, based on holism and collectivism, attaches little importance to individualism, while placing great value on masculinity, distance of strength, long-term orientation, avoidance of uncertainty, etc. (Jun, 2009).

Lifelong job rotation, employment, group agreements, advancement based on length of service, the philosophy "just in time" (JIT), "Kaizen" (continuous improvement), and other aspects of Japanese business culture are some of the most noticeable differences between Japanese and Western business culture. When

employees work long hours, they gain job enrichment and career advancement, while the company expects employee commitment in exchange for job security. The candidate takes a tremendous risk by entrusting his career to a single company. When a Japanese employee leaves a huge business in the middle of his career or gets laid off, he will have a much harder time finding another job than his Western counterpart (e.g. American or English). Longer working hours are also a feature of Eastern corporate culture as compared to OECD countries (June, 2009).

Job rotation is considered to be the most effective method of improving employee motivation, improving performance, and thus improving productivity and efficiency in Japanese companies. In a typical Japanese company, the starting point for all decision making is input into the end result of the organization. Seeing that everyone participates at all levels, the system guarantees their dedication (i.e., group decision-making by consensus) (Jun, 2009).

Speaking of Samsung, Lee Kun-Hee, as the successor to his father's company, understood the importance of the culture and value system of the surroundings within which he grew up in. Aware of the fact that if he wants to expand his business, he needs to take steps towards change. He was also aware that there is room for business expansion beyond the borders of South Korea if Samsung moves away from its highly-integrated system and introduces new practices that would be inconsistent with tradition and the status quo.

A new management initiative to import best practices from the West through strategy formulation, compensation and talent management in Samsung's existing business model was introduced in 1993. Samsung Electronics President Lee Kun-Hee, during a tour of European cities, announced an initiative in which he called for a complete redesign of Samsung and its employees to truly become a global brand. Lee Kun-Hee's "New Management" from the same year was influenced by a paradigm shift during the 1990s. The paradigm shift, a term introduced by Thomas Kuhn, an American physicist and philosopher, through globalization, the technological revolution, and the aftermath of the Cold War, has influenced the emergence of the "New Management" (Jung, 2014).

Samsung was also undergoing restructuring, fueled by the financial crisis between 1997 and 1998. With realizing that there is room for progress, urgent elaboration and realization of its vision, Samsung has transformed the company from an average distributor for a wide variety of products to one of the most successful companies with a name that is recognizable in all parts of the world.

The goal of "New Management" was to significantly improve design, marketing, research and development, all while preserving key strengths in the process of production as well as keeping in mind the need for continuous improvement of products and / or services. Acceptance of the established practices from the Western business world and the implementation of the strategy of "mixing and matching" manifested itself in several ways:

1. Formal procedure for identifying, adapting and implementing the most advantageous Western practices;
2. Ongoing efforts to establish Samsung's culture as open to change by bringing in foreigners and sending domestic experts abroad;
3. Lee Kun-hee's intervention to defend long-term investments from the effects of short-term financial pressures.

As a result of everything mentioned previously, Samsung was able to build its hybrid system of management (Khanna, Song, & Lee, 2011).

4. Hybrid management system of Samsung

Samsung mainly used the Japanese management system until the 1980s, but soon after realized that it was necessary to encourage the company to make changes in order to surpass a well-integrated system and to successfully deal with foreign markets. In the early 1990s, Samsung ventured to riskily incorporate best Western practices onto a previously, mostly Japanese model, in order to execute business operations on foreign markets. A new management style was put together that was a hybrid, consisting of the best features of the Japanese and American approaches to management. Furthermore, it's important to note that the Korean management style in the early 1990s was very similar to the Japanese management style. Opportunities to adapt and implement new knowledge within the company were used to optimize the best features of both management styles. A considerable number of start-ups have the opportunity to take advantage and learn from good practices on the example of Samsung, which has successfully combined the traditional Japanese style of governance with the unparalleled Western style.

Samsung's hybrid system has fundamentally focused on innovation and progress. Moreover, an extensive modification was adopting a system of merit and promotion, consequently merging it within an organization where there was a strong tradition of reverence for the elderly. Western business techniques have been implemented into a fundamentally Japanese system for the past two decades, combining conventional

low-cost manufacturing capacity with the capability to quickly introduce products and/or services of high-quality in high-margin markets.

Although these business models may seem incompatible at first glimpse, they exhibited great functionality in practice. A focus on innovation has been introduced in an organization focused on the continuous improvement of existing processes. In a homogeneous working community, outsiders who did not possess the knowledge of the language and who were not familiar with the culture of the company/country were brought in. Furthermore, while the Japanese system focused on diversification as a way of doing business, Western companies pursued a strategy of focus. Samsung's hybrid system implements various strategies, but emphasizes the diversification of products in the market as well as greater focus within the company's business process. When it comes to participating in capital markets, where securities are traded, Samsung uses Japan's dependence on domestic markets and its Western focus on foreign markets. With the awareness of the benefits of both markets, Samsung enters and is present in the internal and external capital markets (Jung, 2014).

In the hierarchical structure and Confucian tradition of respecting the elderly, salaries for merit and advancement were introduced, while the younger employees were often placed in managerial positions in relation to the older ones. As odd as the combination is, the mixing of Eastern and Western business practices has borne fruit for Samsung. Samsung is still positioned as a market leader, as a consequence of his flexibility and investment in product research and development. This was made true through rightful inner reflection and implementation of the company's best development strategies (Jung, 2014).

The way a company like Samsung successfully stays superior in all measurable parameters is through understanding how decisions and courses of action, while they may be excellent, need to be implemented in the right time. Also, the belief given by President Lee Kun-Hee to his employees is that they need to maintain a sense of crisis when things work and act "cool heads" when a crisis occurs. Progress is possible, among other things, due to the great focus on the advancement of technology and technological resources, which with the help of properly allocated human resources are becoming a comparative advantage of companies like Samsung.

When it comes to Samsung's key competencies for success, one of them is the short time frame from making decisions to implementing them (decision-to-action). Also, the speed with which products, from going through a process of manufacturing to appearing on the market as a final good, can be commended (time-to-market). A crucial determinant that makes Samsung successful is its pursuit of innovative learning in segments that focus on continuous development, investment in research and

development, investment in manufacturing skills, management innovation, etc. The synergy of economies of scale cost-effectiveness and efficient use of digital convergence.

At Samsung, they realize that employee satisfaction is the forerunner of the rest and focus on open management is emphasized. The autonomy of the individual is respected and his creativity is appreciated. Open management makes management and its processes transparent in business. Going on, unlike the previous way of doing business, it is the implementation of a policy that promotes and encourages equal opportunities for all employees, regardless of characteristics such as age, status, gender, etc. The skills and knowledge that current or potential employees possess are of greater value than they have ever been at Samsung because everything mentioned is essential to maximizing human potential. This way, the principle of success on merit, without discrimination and barriers is supported. Based on their own skills, everyone has an equal opportunity to succeed within the company and their effort and work will be proportionately rewarded through promotions and compensations. This separates Samsung from most Asian companies since the emphasis on the individual is greater than in other similar companies. Samsung and its "People First" policy has proven crucial to the company's success. Special emphasis was placed on attracting and retaining competent, professional and excellent people from various fields. Also, with the help and continuous cooperation with regional experts, easy availability of local data around the world has been made possible (Jung, 2014).

Samsung leaves its focus on the customer and his needs, which, while respecting the global context, it tries to meet. Since we live in a world focused on aesthetics, it is important to satisfy the customer in this regard as well. Samsung combines functionality, efficiency, and a superior and simple design that has been meeting the needs of its customers for decades. Also, aware of the importance and impact of brands, maximizes the possibility of long-term growth through continuous innovation, launching new products and thus, entering new markets (Jung, 2014).

Samsung clearly distinguishes itself from the competition when it comes to the use of marketing and product design in business. Although most businesses recognize that addressing customer needs is crucial to their success, only a handful have prioritized listening to customers' needs and wishes. Samsung focuses on the consumer and his wants, which it seeks to provide while respecting the global context. Considering we live in an aesthetics-driven world, it's paramount to satisfy customers in this area as well. Samsung has been satisfying the needs of its customers for decades by combining utility and efficiency with a superb and simple design. Also, conscious of the importance and influence of brands, he maximizes the prospect of

long-term growth by continuous innovation, the introduction of new products, and thus the entry into new markets.

President Lee Kun-Hee understood well that growth, not only locally but also globally, requires a brand to reach a high quality level, as this is the starting point of any successful company. Through inspiring slogans passed from the top such as "change starts with me", "start changing now", "start with easy tasks", he established a consensus on some basic rules of what to change and then how to continue doing business. Through the "descent" to the level of a mere employee, and through his own commitment to improving employee conditions, strong will and leadership, President Lee Kun-Hee has reduced his dissatisfaction to a minimum. He understood the importance of the function of each employee, department and their share in the final product. With this way of treating employees, he gained their affection and this helped him build a leading company that also attracted outside talent. He used foreign experts to ensure the possibility of change for the better and different (Jung, 2014). Also, what makes Samsung a "smart" company is the understanding and acceptance of the fact that no way of doing business, be it Eastern or Western, is ideal. The following table shows the differences in corporate culture and managerial style between South Korea, Japan and Western companies.

Table 2. Comparison of corporate culture and managerial style: South Korea, Japan and Western companies (Source: Chang, 1983; Chung, Lee and Okuruma, 1988)

Column heading	Korea	Japan	The West
Overall Corporate Culture	Collectivism, humanism, familism, ability and efficiency	Collectivism, traditionalism and efficiency	rationalism, and Individualism, rationalism and equalitarianism
Decision - making	Individual decision-making centralized in one leader	Group decision-making with shared information	Individual decision-making or decision by majority
Employment	Lifetime employment	Lifetime employment	No specific guarantee of employment
Settlement of Problem	Settlement with authority and power of superiors and leaders	Arbitration of problems in advance and emphasis on harmony and loyalty	Perfect and thorough discussion when problems occur
Loyalty	High	Very High	Low
Collectivism and Individualism	Collectivism and individualism	Collectivism	Individualism

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Relationship Government	with	Intimate and collaborative relationship	Intimate and collaborative relationship	No direct relationship
Reward System		Combination of seniority system and performance-based system	Seniority system	Performance-based system
Overall Management Mode		Leadership-driven authoritarian mode	Environment-driven adaptive mode	Structure-driven mechanistic mode

Samsung's impressive advances, through the blending of incompatible business cultures and managerial styles, can serve as a good example and starting point for other companies to start from, what to adopt and do to succeed. By mixing different ways of doing business, traditional Japanese and more modern Western, Samsung has been able to reap their benefits and thus do business most efficiently.

5. Conclusion

Successful business depends on many factors and is never accidental. The development of the strategy and its implementation involves long-term preparation and the analysis of external (macroeconomic, market, technological, environmental, etc.) and internal factors (analysis of organizational structure, available resources - both material and human, intellectual and physical, organizational culture within the company and dr.). Through the analysis of these factors, the company creates a basis for making the correct and timely strategic choice; a company gains an understanding from which segment to extract product and/or service values and competitive advantages. After evaluating all the above, it is important to determine which strategic goals to pursue to meet the company's mission. After conducting an extensive and complex analysis, the company conducts market segmentation and selection (striving to conquer new ones) in order to implement the right business strategy.

It is very important, if not most important, to be flexible and adaptable in business. Every business requires a certain openness to change its initial ideas and intentions, but achieving success on a global scale is much more complicated. Countries all around the world provide different systems, so openness and understanding of diversity is necessary. Samsung certainly bases its excellence on adapting and recognizing the opportunities that opened up in the transformation of the political system and the consequent strong economic development of South Korea in the second half of the 20th century, "listening" to the global market and through

willingness to utilize more than one strategy (generic competitive strategy, broad differentiation strategy, intensive growth strategy, etc.).

Moreover, it is crucial to note that without the right surroundings, success is hard to accomplish. When it comes to Samsung's way of doing business, the key element for success is the right use of given resources, be it human, intellectual, technological, financial etc. Furthermore, something that is of great significance, for not only Samsung leaders but also any current or future enterprise owners is the virtue of astuteness. As the world of business goes through various adjustments on a daily basis, only with meticulous attention is it possible to endure the pressures of changing circumstances.

Additionally, for the development of Samsung, the wider historical and cultural context of the area in which it originated and developed was extremely important as South Korea was strongly influenced by external factors, primarily Japanese culture and tradition and after the Korean War, the Western world. Their influence has left a strong mark on the way of life of the people of South Korea, and thus in the way of doing business. Due to all the above, the implementation of essentially different practices is not surprising. In segments such as decision-making, hiring and employee relations, reward systems, problem approach, etc. the best of the Japanese and Western ways of doing business were used. Samsung, by creating a hybrid model, succeeded to be extremely successful.

Furthermore, emphasis should be placed on the fact that Samsung, although a technological enterprise, is aware of the fact that without the right people, it would not be able to achieve what it had. In addition, the factor of luck should not be disregarded. Even though there is much more to succeeding than mere luck, it is never too bad to have "lady luck" on your side. Besides, with a heavy history that adorns South Korea, the ways of the past are deeply incorporated in the ways of today, especially in a country where all business decisions are intertwined and under the influence of the social culture and environment. What made Samsung able to free itself from the weights of the past is the ability to foresee the possibilities that lay with exiting the domestic market and understanding that in business, as well as in life, there is always a better chance of achieving greatness if a leap of faith into the unknown is taken. Finally, it is especially important to understand the laws of business within real time, space and given circumstances. The formal framework through which business is conducted is only the first step that is important in the process of expansion, but ambition, personal initiative and business intuition undoubtedly form the core of successful business.

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