Worlds of Wisdom
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Worlds of Wisdom

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Introduction

A passion for history and geography has been a constant throughout my life. Since an early age, I loved reading about the legends, beliefs, and shaping factors of different countries. In other words, the appeal of what was foreign always called out to me. This background incited a lifelong wanderlust, bringing me to travels across northern Europe and Latin America.

However, I had always yearned to travel to Southeast Asia, and in particular to Thailand and Vietnam. My two reasons for desiring to travel to these countries could not have been any more different. Thailand called out to me as my father had a close friend from Thailand with whom he began his engineering career at General Electric. Additionally, my grandmother had traveled in Thailand in the 1960’s during her tenure in the Peace Corps and I grew up with stories of the allure and grandeur of Bangkok. In my mind, Thailand represented the hope for the developing world, the product of being the only Southeast Asian country to never to be colonized by European powers.

In all honesty the interest in Vietnam stemmed from a misguided, and uniquely American perspective. From my interest in history I knew of the atrocities American soldiers committed in the Vietnam War, and the global implications the war held. Additionally, the historical significance of the region across the centuries and across shifting Chinese, French, and American influences was of great interest to me. These influences, added to stories from my two great uncles that and family friends that fought in the war, caused me to realize that I had a biased perspective, and the only way to right it was to travel to the country, and work to understand the gradient of perspectives held by the Vietnamese people.
These reasons for wanting to go on the trip were supported by the academic value of the opportunity. All too often American university students are pigeonholed in their world view, and apply the same close mindedness to their academic endeavors. I wanted to actively combat that by gaining an understanding how the economics, history, and culture of a country shape its business environment. Additionally, my father briefly served as an ExPat manager in Ireland when I was growing up, so managing a company in a foreign country has long been a professional goal of mine.

I first learned about the opportunity to study abroad through International Business Seminars and NIU while searching for opportunities to travel on the College of Business’s website. After some summer travels in Colombia and Peru, I had become fascinated with learning more about developing nations’ economies in particular, and immediately went to see Dr. Lee. After pulling together funds from a variety of sources, I took a leap of faith and confirmed my place on the trip. Over the next week, my anticipation built as I read about the countries I would be travelling to and spoke with family members who had been to Vietnam and Thailand. The rest of the semester flew by, and before I knew it the trip was upon me.

When I boarded the plane to travel to Southeast Asia on New Year’s Day I had no idea what to expect. I had no idea how much I would come to value the people I met, businesses I visited, food I ate, and lessons I learned. My biases were challenged, and I felt that I truly grew as a person. By going a world away, I had come back with worlds of wisdom.
Impact of the Trip

I have so many people to thank for the lessons I learned on the trip, and chief among them are the generous scholarship donors. Their generous gifts allowed me to take the course over winter break in Thailand and Vietnam, and its impact will last a lifetime. While in Southeast Asia I was able to survey a variety of businesses and government entities, but it was the opportunity to experience the nations’ cultures firsthand that left the greatest impact on me. Their gift was of particular value as I am paying my way through school while living at home; their generosity made my dream of traveling to Southeast Asia a reality.

While abroad, I was able to take lessons I had learned from my classes in DeKalb and put them to use in a global context. I wrote detailed analyses of a variety of operations including PwC, the US Commercial Service, and the Ho Chi Minh Stock Exchange. Additionally, by conversing with both expatriate and Thai or Vietnamese managers, I obtained a basic understanding in some differences between our business cultures.

Beyond the academic value of the trip, it was one of the most thrilling experiences of my life. I tasted flavors still unknown in Western cuisine, and meet people from all over the world. A group of friends and I even took a day to travel outside of Bangkok and ride on the back of elephants through Thai jungles and visited the bridge on the River Kwai. In Vietnam, I traveled outside of Ho Chi Minh City to share a meal with the family of a friend in their own home and volunteered at a local orphanage.

All in all, the donors’ gifts have given me memories to last a lifetime and has ignited a passion for traveling. I strive to take my lessons learned abroad and to bring them back to my NIU community.

McComb
Summary of Companies

US Commercial Service Thailand – Stephen Anderson

The educational portion of the trip began with a visit from Stephen Anderson, the US Commercial Service officer in Bangkok to our hotel’s conference room. Dr. Anderson was an incredibly well-spoken and knowledgeable speaker, having received his PhD from MIT and having 20 years in the Commercial Service after years in academia. The US Commercial Service is a subsection of the Commerce Department, and has a presence in, “100 U.S. cities and in more than 75 countries that help U.S. companies get started in exporting or increase sales to new global markets” (International Trade Administration, 2018). One of the 18 US government agencies that handle trade, the Commercial Service assists firms with impasses including regulatory issues, intellectual property concerns, and with navigating foreign legal environments. The Commercial Service typically deals with midsize firms, as smaller firms do not have the resources to export, and large multinationals often have their own internal resources for overseas expansions.

Dr. Anderson began with a broad introduction to the Thai market. The first point he made was about the importance of the role of ASEAN in the Thai economy. The Association of Southeast Asian Nations is an economic alliance that seeks to promote the status of its 10 member nations (representing 9% of the world’s population), and has helped to facilitate the country’s massive economic growth in the recent decades. Thailand is the 2nd largest economy in ASEAN (after Indonesia) and in 2016 its GDP was reported by Anderson to be around $404 Billion USD, a 3.24% growth from the prior year. As our trip took place just after the New Year, he did not yet have the 2017 numbers but expected a similar growth rate of 3-4%. Thailand was
also the 28th largest export destination for the US, making up part of the $40 Billion USD per year in two-way trade between the US and Thailand. Overall, the Thai economy is export focused, and tourism is 10% of the GDP. Some of the major industries include automobile manufacturing, electronics, fashion, and food processing.

Dr. Anderson then dug in to a broader description of Thailand, saying Thailand has approximately the population of Texas at 69 million and the land mass of France, and Bangkok is its largest and capital city. Bangkok plays a large role in the country’s politics, economy, and culture as 10 million Thais live in the greater Bangkok area. The nation as a whole is well educated, boasting a 96% literacy rate but improving post-secondary education is a national focus. In addition, the country is overwhelmingly Buddhist at 95% and Dr. Anderson continually referenced the degree to which that shaped Thai culture.

Another profound influence on Thai culture its monarchy, and the reverence Thais give to the royal family. It was a fascinating time to be in Thailand, as the year of mourning for the recently deceased King Rama IX had ended, and the country was preparing for the coronation of his son, Rama X. Rama IX was a king that was held in high esteem, and his son (who was educated abroad and is living in Germany), is optimistically awaited but is viewed as a bit of an unknown entity.

Broadly, the major parties in Thai international trade relationships are as followed (in order): China, Japan, US, the EU, and Russia. Despite being Thailand’s largest trade partners, Dr. Anderson let us know that as in all international relationships, each has its complications. Sino-Thai relationships are complicated due a history of ethnic differences between the Thai and Chinese, and the centuries old ethnic Chinese community’s presence in Thailand. Even today the leadership of Thai companies is disproportionally ethnically Chinese as Thai leaders tended to
Gravitate towards civil services. Thai-Japanese relationships came back from a period of resentment (as Japan had invaded Thailand during World War II), and the two countries are now close. Thais hold the Japanese culture in incredibly high regards. In regard to the US, Thailand is our oldest treaty partner, after King Rama IV sent a letter to President James Monroe in 1833. However, recent relations have been challenging as the US backing out of the Trans Pacific Partnership (and the Trump presidency as a whole) are seen as very concerning to the Thais.

Overall, Dr. Anderson provided an overview to Thailand through the context of the US Commercial Service. It is his agency’s job to keep abreast of the current state of Thailand and assist US firms in exporting there, and this insight was an excellent way to start the educational portion of the trip. Upon asking him to generally describe the business culture of Thailand, Dr. Anderson spoke about the concept of “saving face,” and the Thais’ commitment to not embarrassing themselves or others – sometimes to a fault. The concept of “face” would be mentioned by all the speakers in both nations, and was one of my largest takeaways from the trip as a whole.

SWOT Analysis of US Commercial Service Thailand

Strengths

- Thailand has been a longtime US trade partner, and the country still represents a strong market to enter.
- The US Commercial Service has a community of existing US companies in Thailand to tap into.

Weaknesses

- As a government agency, budgetary concerns and funding are always of concern.
• Under President Trump, international trade administrations are in much more of a precarious state than during the Obama administration.

Opportunities

• The Thai government is looking to create massive infrastructure projects, creating variety of opportunities for US firms to engage in.

• The government is planning a third airport in Bangkok, greatly expanding trade opportunities.

Threats

• As foreign investment from other nations grow, the role of US entities in the Thai economy may diminish.

• Political reform is a constant concern in Thailand due to the precarious balance between military, bureaucracy, and monarchy.

• Corruption and lack of government transparency present difficulties of US entities to operate with, as they are still bound by US laws abroad.

• The insufficient English and STEM abilities of the Thai population.
Rembrandt Hotel by Warwick – Eric Hallin

When I first entered the Rembrandt hotel, I quickly realized that it was one of the most luxurious establishments I had ever stayed in, and was amazed by the symphony of languages I heard my fellow guests speaking. However, I was still taken aback by the knowledge and insight that Mr. Eric Hallin, the General Manager of the establishment would offer about the role of tourism in Thailand and the hospitality industry.

Mr. Hallin began with an introduction the Rembrandt, which has been affiliated the Warwick hotel group since 2001. A four-star establishment, the Rembrandt must deal with tighter margins and the greater price sensitivities of its guests than compared with five-star resorts, and greater guest demands than compared with three-star establishments. Mr. Hallin continually referenced his management philosophy of needing to, “Always learn more and more to adapt to the rapidly changing pace [of the travel industry].” As a testament to this, when Mr. Hallin first came to Bangkok there were 3,000 hotel rooms -- there are now over 30,000. Much of this growth stemmed from the late 1980’s (1988-1992) when Thailand’s economy began to boom. Bangkok in particular experienced explosive growth growing from five skyscrapers in 1982 to the sprawling sky line that the city boasts today. However, as Mr. Hallin pointed out, the Asian financial crisis in 1997 (the Thais call it the Tom Yum Goong crisis), has left its mark as “skeleton buildings,” unfinished high rises of purely concrete frames, can be spotted throughout the city.

In his nine and a half years as general manager of the property, and during his tenure of serving nearly his whole career in the hospitality industry in Thailand, Mr. Hallin has learned to attend to Thai and foreign guests alike. That is a key factor, as domestic tourism is a significant factor in Thailand. However, the 20.2 million foreign tourists expected in 2017 are still the
primary concern of the Thai hotel industry. This number has been growing as the Thai government has gone to great lengths to promote tourism, including the creation of a designated tourism police force. Chinese nationals make up the largest group of foreign tourists, as Thailand is relatively close and was made popular by a Chinese film “Lost in Thailand.”

The Rembrandt itself boasts 407 rooms and has 430 people on his staff. Those figures are accord with The Rembrandt’s management strategy, as Mr. Hallin attempts to distinguish the hotel by its service, and by the individual attention it pays to customers, and in particular to returning travelers. He stressed the value of brand affinity in an industry where consumers have an increasing number of alternatives. Part of the way that the hotel is doing that is by revamping its management and booking system, by moving from an outdated Oracle system to a more modern alternative. A challenge faced by the Rembrandt is increasing labor costs. Salary expenses increased from 18% to 32% of the establishment’s total expenses.

The Rembrandt books its guests through a variety of services. 50% of bookings are generated online and 40% are from an Online Travel Agent (OTA) service like Expedia, Priceline, or Booking.com. OTA’s are becoming an increasingly large factor in the hospitality industry and are becoming unavoidable partners to book guests as they gain in popularity. The OTA industry is quickly consolidating, giving the major players increasingly more bargaining power when dealing with hotels. Additionally, the role of social media greatly influences the way the Rembrandt operates, as a negative single social media review can be devastating for the establishment. In the future, Mr. Hallin suspects virtual reality to play a large role in the hospitality industry as guests will be able to experience a room much more fully before making a booking decision. Interestingly enough, sharing economy hospitality apps like Airbnb are not a
threat/pressure to the Rembrandt, as the surplus of hotel rooms in Bangkok keeps prices low enough as to where that competition is viable.

Overall, Mr. Hallin’s presentation was a frank and honest discussion on the Rembrandt, the tourism industry in Thailand, and the hospitality industry. His management style and background spoke to Bangkok’s status as a truly cosmopolitan city, and many of his examples offered insight into the Thai economy.

SWOT Analysis of Rembrandt Hotel

Strengths

- An affiliation with a luxury and well known international chain.
- Its location is extremely close to many tourist attractions, and relatively close to nearly all others.

Weaknesses

- High labor costs.
- Very tight margins.

Opportunities

- Virtual Reality will give a chance to highlight room features to guests.

Threats

- Online Travel Agents are gaining increasing leverage over hotel establishments.
- Social media reviews are a constant source of risk.
- The hotel competes with hundreds of other establishments for guests.
DKSH – Michael Hofer

Initially, from just the description and the students’ initial presentation, I had a difficult time getting a grasp on just what exactly DKSH did. However, Mr. Hofer’s presentation quickly cleared that up, and would go on to explain not only the differences between ASEAN and other Asian markets, but the role of third parties in retailing. Mr. Hofer began by explaining that DKSH offers outsourcing for Market Expansion Services (MES). This essentially means that sales, marketing, and other functions are handled by DKSH instead of the producing firm to varying degrees. Because of DKSH’s long history in Asia (more than 150 years), they can help firms launch their product with specialists in these functions that know the idiosyncrasies of individual markets well.

DKSH is large company, with 10.5 billion CHF (Swiss Francs) in annual sales, with 30,320 specialists, and 500,000 customers. DKSH values long term engagements very highly, and has an average client relationship of over ten years and in more than three different countries. It is broken up into four business units (Consumer Goods, Healthcare, Performance Materials, and Technology) whose market shares are broken up below. In fact, DKSH works with all the top 20 global pharmaceutical companies, and around 60% of the products in Thai pharmacies are provided by DKSH.
DKSH also offers an array of services including Third Party Logistics, Fourth Party Logistics, a Contract Sales Organization, and a Full Agency. The details of these functions as well as their income streams are shown in below. As DKSH says, they offer “flexible business models depending on your strategy.”

(DKSH, 2018)

Finally, Mr. Hoffer and the DKSH presentation offered great insight as to why healthcare companies are rapidly expanding into Asia. Six drivers of this growing demand are a large population, urbanization, aging society, baby boom, affordability, and morbidity. He also spoke about how it is a mistake to think of ASEAN as a monolith, rather each country has extremely unique cultures but can be roughly put into four market groups based on level of development. The first of these is emerging markets (Low GDP and poor healthcare infrastructure) and includes Cambodia, Myanmar, and Laos. The second is a grouping is on the low end of high growth markets and includes The Philippines, Vietnam, and Indonesia. Then there are the two
higher growth countries Thailand, and to and even greater extent Malaysia. Finally, Singapore is the final ASEAN nation listed and the only one to be considered a developed market by DKSH.

SWOT Analysis of DKSH

Strengths

• 150 years of experience in Asia.
• A reputation for “Swiss reliability.”
• Cutting edge market research.
• Long relationships with the 20 largest global pharmaceutical companies.

Weaknesses

• Operating in 38 countries leads to regulatory and legal complexities

Opportunities

• High healthcare demand, driven by a large population, urbanization, aging society, baby boom, affordability, and morbidity.

Threats

• Online pressure from retailers, especially Amazon and Alibaba.
Jelly Belly – Don Helton

Before departing, Jelly Belly was the only company I was skeptical about visiting. However, the two-hour trip to the factory built up my expectations, as I could see sprawling rice paddies and expansive factories. When we finally arrived at the factory we quickly saw it was in a free enterprise zone and was in the same industrial park as dozens of other multinational corporations including Ford.

Don Helton, the general manager of the plant, wasted no time in proceeding to the presentation and supplying us with a plethora of candy. He began by explaining, why Jelly Belly, a primarily American candy company founded in Bellville, Illinois and based in Oakland, would open its first international operation in Thailand. He explained that the location is logistically versatile, being 2 days away from the Strait of Malacca, 8 from the port of Shanghai, 35 from the European Union, and 38 days from the port of Oakland. This was a necessary consideration as the facility not only manufactures all of Jelly Belly’s foreign production, but parts of US production as well. Additionally, as part of building in the trade state the company could purchase the land (instead of the leasing usually made available to foreign companies), was given a ten-year tax break, and it was part of free trade zone. Additionally, labor costs were low with a production worker’s salary being about 350 baht, or $10 USD a day.

Mr. Helton, who has been in the food industry for the entirety of his career also spoke to some of the unique facets of management at Jelly Belly Thailand. First and foremost was the extent that the concept of “face” played in Thai culture. He gave a variety of examples, where he, and expat manager made a seemingly innocent (in a Western workplace) comment that had more a more dramatic outcome than expected. For instance, one day he complemented one of his employee’s neck tie as a way of making small talk. Upon returning from lunch, Mr. Helton saw
that the neck tie had been placed on his desk. The employee had taken the compliment to mean that Mr. Helton wanted the tie, and the employee did not want to lose face by not giving it to him. Mr. Helton also mentioned that a great deal of this mentality can be traced back to the Thai education system, where students are taught to not speak out or ask questions in fear of embarrassing their instructor. In fact, when Jelly Belly first came to Thailand they found that they had to make significant investment into their workforce before they could successfully begin manufacturing.

Jelly Belly Thailand is also unique due to its corporate history. Founded in Illinois and then later moved to California, the country was a small candy company until the presidency of Ronald Regan. As he was previously the governor of California president Regan had been exposed to the candy and had a bowl of them in the oval office. This created a hype around the company that caused it to grow into the international company it is today. Further growth stemmed from partnerships with Universal Studios to create to co-branded “Bertie Botts Every Flavored Beans” featured in the Harry Potter series and from the internet craze around the “Beanboozled” board game.

Finally, Mr. Helton guided us through the extensive process of creating Jelly Belly candies. A long process, their production is further complicated by the fact that 15,000 SKUs are produced in the factory, stemming from an assortment of flavor combinations, regulatory restriction for different markets, and different types of candy. Beyond the equipment used to manufacture the jelly candies, Mr. Helton also went into detail about the importance of the food lab in creating new flavors, and of their industrial kitchens in creating chocolate confections. Additionally, though the shelf life of most Jelly Belly products is about two years, the company
must have relatively quick turnaround from the conception of the confection to production as customers typically want the products within six months.

**SWOT Analysis of Jelly Belly**

**Strengths**

- An established brand.
- A committed and qualified owning family.

**Weaknesses**

- Thousands of different SKU’s.
- Regulatory environment of global food agencies.

**Opportunities**

- Strong partnership with media companies to continue to come out with dually branded products.

**Threats**

- The movement away from sugar consumption in developed nations.
US Commercial Service Vietnam – Joshua Leibowitz

As it was in Thailand, our first presentation in Vietnam was by a US commercial service officer. This again was a great asset as the presentation gave us a set of influences and themes that we could apply to the other companies in Vietnam. Additionally, understanding the role of the US Commercial Service allowed us to quickly get into the intricacies of the Vietnamese market.

Mr. Leibowitz began his presentation with a slide quoting “Vietnam, it’s a country not a war.” This powerful sentiment represents the problems that the US Commercial Service often deals with while attempting to persuade American firms to begin exporting to Vietnam. War hostilities are much stronger in America than they are in Vietnam, especially in the south of the country. That distinction lead to of one of Mr. Leibowitz’s main points, that it is essential to think of Vietnam as two distinct markets: The North and the South.

One reason for this is from the sheer logistics. Vietnam, an elongated “S” shaped country, is very difficult to traverse. In fact, from Ho Chi Minh City it is closer to fly to Bangkok than it is to fly to Hanoi. An additional reason to treat the countries as two separate markets is the profound differences in cultures between the North and the South. The South was historically supportive of both the French and Americans, and is much more economically developed and much wealthier. Vietnamese in the South live a much more Western lifestyle and often view Americans in the war as liberators. The North in contrast has always had a strong Chinese influence, and is the center of the communist government. Perhaps the best representation of this is that many southern Vietnamese still call Ho Chi Minh City by its colonial name (Saigon), as a quiet resistance against the communists’ rule. Additionally, the US Foreign Commercial Service
takes this into account having two offices in the country, one in Ho Chi Minh City and one in Hanoi.

Vietnam is more of developing market than Thailand for a variety of reasons, many stemming from a lack of infrastructure both financial and physical. In terms of financial infrastructure, the country has had much more limited access to foreign capital due to the closed nature of Communist economic policies until the mid-eighties. In 1986, a transition to increasing economic openness referred to as Doi Moi began to liberalize certain state-owned enterprises and open the country to foreign capital (Vuong, Dam, Van Houtte, & Tran, 2011). Additionally, the country’s banking policies for many years did not support private business, and consumer credit was limited as well. However, that is changing as both Visa and MasterCard are now available in Vietnam. Foreign investment is as follows and is shown below: Japan $9 billion USD, Korea $8.5 billion USD, Singapore $5.5 billion USD, China $1.4 billion USD, and the US at just $600 million USD.
Like Dr. Anderson did in Thailand, Mr. Leibowitz also expressed the importance of ASEAN in Vietnam and the disappointment of the Vietnamese at the Trump administration for withdrawing from the Trans Pacific Partnership. However, the Vietnamese do appreciate the Trump administration’s tough rhetoric aimed at China’s actions in the South China Sea, which is the nation’s greatest security concern. However, the opinion of Vietnam is generally pro-American even in the North. 89% of 18-29 year old’s have a favorable opinion about the United States and that figure increases to 97% in urban areas.

SWOT Analysis of US Commercial Service Vietnam

Strengths

• Pro-American sentiment shared by most Vietnamese

Weaknesses

• Foreign advantage in critical infrastructure investment.

Opportunities

• Investment opportunities in infrastructure especially in smart city technology.

Threats

• Reservations about doing business in Vietnam held by American veterans.
PricewaterhouseCoopers – Richard Peters

As someone who is beginning a career in technology consulting I was very excited to hear from PwC and though Mr. Peters was a partner in Assurance Services, I hoped to dig into what the operations for PwC Digital Services (the company’s technology wing) looked like in Vietnam, and to hear whether consulting best practices would differ by nation. Additionally, I enjoyed hearing tales from Mr. Peter’s tenure at PwC as he served almost exclusively as an ExPat in developing nations and in emerging markets. Before moving to Vietnam, he began his career in several African nations, developing industry expertise in the mining and communications sectors.

Mr. Peters gave great insight into how a financial services company functions in Vietnam. As most state-owned enterprises (besides those in several “protected” industries) have a targeted effort for government divestment, there is ample opportunity for mergers and acquisition, audit, advisory, initial public offering, and consulting projects. Of interest to me, was the great demand for IT security projects, and for analytics initiatives. Some key areas of interest in technology (that mirror trends in the West) are SAP and Oracle implementations, smart cities, and artificial intelligence solutions. PwC is known as the most expensive consulting firm in Vietnam and is in fact the country’s top taxpayer.

Some distinctions that Vietnam has as a market includes its cyber vulnerabilities. As a testament to this, the main airport in Ho Chi Minh City was hacked in July of 2016, likely by China (Clark, 2016). Not surprisingly, qualified cyber security professionals, especially those with their CISSP certification, are in incredibly high demand. Also common is to have multinational corporations to register as Thai entities in Vietnam as there is less red tape involved in establishing and operating a legally Thai firm. There is also a tendency for
Vietnamese firms to grow at an unsustainably fast rate and spiral out of control. Consequently, the more senior roles in firms are often expats, though PwC is doing its best to combat that through educational initiatives, hiring practices, and institutional partnerships. Mr. Peters hopes to transition to a largely Vietnamese leadership group in the future. PwC features a variety of diversity initiatives found in Western companies including those focused on promoting women in leadership, family, and LGBTQ+ rights. In contrast to many US firms, PwC Vietnam has a gender imbalance, with a surplus of female consultants.

In terms of accounting certifications, the banks in Vietnam have recently moved to be IASB compliant and educational institutions are pivoting toward teaching the guidelines. Additionally, PwC must have CPA’s on their projects which is made difficult by the three years of industry experience required to sit for the Vietnamese CPA exam. Consequently, PwC often assists qualified candidates in preparation for sitting for the Australian CPA exam or the ACCA certification from the United Kingdom as those are legally acceptable alternatives to being a Vietnamese CPA, and have more attainable prerequisites. PwC was one of the foreign companies that helped the Vietnamese government to define their accounting regulations in the post Doi Moi era of economic openness.

Some difficulties are found in doing business in Vietnam, many of which stem from the communist culture and from the concept of not wanting to lose face. For example, contract negation can often take prohibitively long, especially when dealing with a state-owned enterprise. This is due to an overabundance of “feasibility studies” that often produce unhelpful results if anything at all. There are a multitude of legal concerns associated with corruption and lack of transparency and especially using third parties to hide bribery. This rampant and unsavory practice in the Vietnamese market cannot be engaged in by PwC as the company is
bound by UK law. Additionally, no individual wants to make a final decision, to avoid having the ultimate responsibility for the success or failure of the project. Consequently, it is difficult to reach concrete decisions on projects.

*SWOT Analysis of PricewaterhouseCoopers*

**Strengths**

- As a legal entity of the United Kingdom, the firm could enter into Vietnam relatively early after Doi Moi in comparison to US firms.
- PwC helped to write the national accounting regulations.

**Weaknesses**

- PwC Vietnam is currently gender imbalanced with not enough males.
- There is a need for qualified information security management professionals.

**Opportunities**

- Decentralization of state owned enterprise creates many opportunities for financial services.
- The growth of domestic Vietnamese firms is creating a demand for financial services.

**Threats**

- The market for qualified Vietnamese employees is quite tight.
- Leadership is often poached by other firms.
- High staff turnover typically of a consulting company.
Ho Chi Minh Stock Exchange (HOSE) – Do Mien Trung Duc

Despite the sweltering heat of Ho Chi Minh City (if that was the country’s winter I cannot image what summer is like), I was determined to wear a full suit this day. The financial sector had always intrigued me and I was very curious to see what a stock market would look like in a liberalizing economy. My first intrigue at the Ho Chi Minch Stock Exchange (HOSE), seeing the gong used to open the market, as opposed to the bell for the New York Stock Exchange. But my observations quickly became much more in depth as I began to read the tickers on the walls of the lobby of the HOSE, and noticed the relatively few number of companies listed as well as the comparatively few indexes.

Do Mien Trung Duc, the Senior Communications officer, would go on to explain that is due to the fact that the exchange was only established in 2000, and that the country is still in a process of transition, opening its formerly state-owned companies to foreign and domestic investment. In addition, there is a second exchange, the Hanoi Stock Exchange (HNX) which handles the offering of small and midsize companies. Typically, companies will grow on the HNX and then transition to the HOSE.

Foreign trading accounts for about 15% of the HOSE’s daily volume and that number continues to grow. Currently there are significant barriers for foreign investors to trade on the exchange, but Mr. Duc expects these barriers to be removed to an extent in the upcoming years.
The exchange features several indexes including the VN Index (shown below), the VN 30, and the VN 100. In 2017 the HOSE had a market cap of $115 billion USD, and the exchange’s primary objective is to be upgraded to emerging status. Additionally, the exchange is seeking to change its technical infrastructure from one based off the Stock Exchange of Thailand to one based off the Korea Stock Exchange (KRX) to merge with the HNX. Also, the exchange based off KRX will support high frequency trading, and greatly reduce the number of human brokers required to run the exchange.

(Bloomberg L.P., 2018)

![Graph showing stock performance](image)

Interestingly enough, the state run dairy company Vietnam Milk (VNM), is the largest company listed on the exchange. A reason for this is that some of the historically larger industries including aviation, defense, and telecommunication are “protected industries,” closed off to foreign investment and much slower in terms of government divestment. An additional difference from Western exchanges is that the Vietnam does not have pension or mutual funds,
leading to a smaller overall volume without these institutional investors. As with many of these
trends, Mr. Duc expects that to change.

*SWOT Analysis of Ho Chi Minh Stock Exchange*

**Strengths**

- A plethora of companies are in the process of divesting, and 351 companies are
currently traded.
- A foundation of indices on which to build upon.

**Weaknesses**

- Currently very dependent on human brokers.
- The Vietnamese government is initially wary of foreign investors.
- The country’s risk ratings are lower than desired.

**Opportunities**

- Moving toward a new system will allow for high frequency trading.
- The eventual merger with HNX will allow for synergy and consistent management.

**Threats**

- Very sensitive to government decisions and regulations.
Intel Vietnam – Gina Proctor

The final visit was arguably the company most relevant to my field, my favorite tour, and the company on which I chose to write the in-depth report. Additionally, we had the honor of speaking with the plant’s Chief Financial Officer, Gina Proctor. Ms. Proctor was extremely knowledgeable and could effectively speak to the complexities of managing a company in a developing nation. She began by saying that Intel was in the process of transitioning from a computer company to a data company, and that the company’s production must be flexible. The Vietnam site is a testing and assembly facility, which opened in 2010 and was a $1 billion USD investment. Intel was the first major electronics company in the South (Samsung has manufacturing and assembly in the North), and due to the impact of its investment has very close ties with the government.

Being a multinational corporation in Vietnam is not without its downsides. Intel Vietnam makes its revenue through transfer pricing, as it sits in the middle of Intel’s supply chain. It receives fabricated silicon wafers from Intel wafer fabrication sites and then sells its manufactured and tested chips back into Intel. Successful operation has caused Intel to have a surplus of USD in the country, causing tensions with the Vietnamese government. The Vietnamese government offer a 0% return on Intel’s assets saying that Intel should instead invest in the country. Also, they are harsh on cash flows leaving the country, again asserting that it should be used for Vietnamese investment. For these and other strategic reasons, Intel has made significant capital investments in its Vietnam operation.

For instance, Intel has built its own power plant for the factory. When the plant first began its operations, the inconsistent Vietnamese power grid would cause momentary power fluctuations every few weeks. While the outages did not entirely stop production, the momentary
dip in meant that all current chips in all stages of production and testing would have to be completely discarded for quality control. After petitioning the government for greater reliability to no avail, Intel finally decided to make the capital investment to build its own power plant and grid. Additionally, when Intel first came to Vietnam, management found that the labor force did not have the strength in STEM fields to complete the semi-skilled requirements of testing and assembly. To remedy this, Intel spent millions on educational efforts and continues to invest in its workforce. This, along with partnerships with schools has led to 38% of the technical positions within the company to be filled by women, far above the national average.

These among other efforts, has caused the Intel plant to be extremely successful. It took the plant 4 years to make 100 million units, and it was looked at as a great milestone. Recently, the plant made 100 million in a single month. The plant has a 500,000-square foot footprint and produces 26 different product families including CPU’s and chips. This is achieved with 3,000 different employees, many of whom are bussed in from surrounding villages daily, and whose average age is 26. Worker retention is critical to Intel’s success as Ms. Proctor estimates that it takes at least 6 months for an employee to be successful. This is becoming an increasing problem as other electronics manufacturers are entering the local market and are begging to poach Intel employees at an increasing rate.

Perhaps most interesting was Ms. Proctor’s views on corporate culture. She continually stressed the importance of ethics, and alluded to many cases of other multinationals, American and otherwise, committing questionable ethical acts. She stressed that the “Intel culture” does not allow for that, and has implemented many ethical initiatives on the plant floor to combat issues with theft. She also emphasized that the Intel culture comes before Vietnamese culture in the workplace, which can at times be a point of conflict. For instance, Vietnamese workers often
expect a 10-15% raise per annum despite that not being Intel’s way. Ms. Proctor told about a time where she lost one of her best managers due to this. The worker feared that if she brought up the issue she would “lose face” so instead left for another company.

**SWOT Analysis of Intel Vietnam**

**Strengths**

- Strong government ties.
- World class manufacturing facility.

**Weaknesses**

- Difficulties in creating value with surplus capital.

**Opportunities**

- Surplus of land at the site.
- Increased demand for data products.

**Threats**

- Workers being poached by other firms.
- Susceptible to trade regulations
- Susceptible to currency fluctuations.
Summary of Cross Cultural Experiences

Thailand

I will forever remember Thailand as its moniker “The land of a thousand smiles,” and I am sure that at least 500 of those smiles came from me. I arrived in Bangkok in the middle of the night, I was hot, exhausted, yet as happy as could be. I had long yearned to travel to Thailand and my excitement could not be contained. I took a stroll with a friend that very night as I could not sleep from sheer excitement, and within minutes was offered a very “intimate” Thai massage from an establishment not so subtly named, Lucifer’s Den. I politely declined and went to sleep, already intrigued by the mysteries of Bangkok. The next day was spent exploring the older section of the city including the Dusit Zoo, temples, and seeing some of the palaces. I was immediately struck by the strong influence of the monarchy in Thai society. Whole sections of the city were adorned with monuments and portraits of kings and queens. I was also shocked by the openness of the temple we visited, we could roam around the campus as we pleased. I did my best to be modesty and to pay homage to the sanctity of the place, making sure to throw away my food and beverage before entering the temple.

Upon returning to the hotel, our group relaxed by the pool, taking in the skyline and a few Tiger beers. We then went to the introductory IBS dinner complete with delicious traditional Thai dishes. Food is such a large part of any culture, and as a perpetually hungry college student is a part of culture I am more than happy to enjoy. After dinner we were able to experience a traditional open-air night market.
The next day, after our seminars at the hotel had concluded, we went on a city tour of Bangkok. There we saw an array of different sites including the Grand Palace, Reclining Buddha, and Jade Buddha. I had read about each of these locations before, and longingly gazed at pictures of them in travel magazines, but experiencing them in person was indescribable. The brilliance of the golden wats, the intricacy of the decorations adorning the walls, and the overwhelming feeling of complete reverence made it an almost transcendental experience.

After the tour, I had scheduled to meet a friend of my father’s who was born and raised in the Bangkok area. My father had met Itthipol, a fellow electrical engineer, at GE training in upstate New York in 1997. They became friends during the six months they were there, and I had grown up hearing about him, as I was just an infant at the time. However, they had only reached out to each other once every few years since, and meeting him was very much a last-minute decision. However, getting to meet Itthipol (who is now in charge of GE’s renewable energy division in Thailand) and his family (including his daughter my same age) was one of the most rewarding experiences of my life. I could get an understanding into Thai culture over the best meal I had in the country, by talking to a family friend.

We discussed how Thailand grew immensely during the late 80’s and early 90’s and how after the Asian financial crisis in 1997, is looking for very sustainable growth. Itthipol stressed the investment in infrastructure that the country is pursuing, particularly projects outside of Bangkok to spur the development of other parts of the country. We also discussed what the transition from the Thai working environment to the American environment was like for him. He mentioned that the STEM programs at Thai universities left much to be desired, a point expressed by our speakers as well, and the difficulty adjusting to the American style of management. He stressed the importance of understanding the local culture in leading an
effective team and asserted that it will always play a role in a Thai worker. However, he said that it’s a two-way street, and that Thais are willing to work to meet somewhere in the middle. For instance, his office is full of people from around the world, they speak English exclusively, and they follow GE’s western management style. Beyond that we talked about family, my studies in university, and ambitions we had for the future. We ended out night with promises to visit and the mutual exchange of thanks.

However, my night did not end there. Since arriving at the hotel, I had heard that we were close to Soi Cowboy, Bangkok’s red-light district, and despite my wholesome night I was curious to see “that” side of Bangkok. It was truly a carnival of lights and sin fueled by a seemingly incessant flow of alcohol. It was shocking to see a city filled with so many smiles and politeness during the day have a much more mischievous side, with visitors from all over the world. However, it was a joy to bond with my fellow students over a few beers and to plan our adventures over the next few days.
After another full day of travelling and listening to some incredible speakers, I was tired but committed to seeing more of Bangkok. As someone who is fascinated with architecture and skyscrapers I thought it would be fitting to go with some friends to a rooftop bar. Going off the word of someone who used to live in Bangkok, a group of us students went to The Octave Bar, an amazing lounge with a view of the city. It was only then, 49 stories up with a 360-degree view did I truly begin to comprehend the sprawl and sheer size of the city. A modern metropolis, Bangkok becomes the entirety of your world, and begs to be explored.

The next day was the group’s day tour of the Maeklong Railway Market and the Damnoen Floating Market. The Railway Market was certainly a unique experience, a local gem that has in recent years has turned into a bit of a tourist destination. Vendors will sell their goods on an active railway, only to snatch their wares away at the last second to avoid the oncoming locomotive. I tried coconut for the first time, and ate a whole one to myself! We then took a boat ride to the floating market through the khlongs (canals) in the countryside. A thrilling experience shown in one of my favorite James Bond movies, it was certainly a memorable ride.

Upon our return, I was again thoroughly tired but knew there was more to see. So, I drank an unseemly amount of coffee, and set out with some of my fellow students to explore Khao San Road, the so called “center of the backpacking universe.” We spent the night dancing in Thai clubs and meeting travelers from all over the world. We celebrated the night with some delicious street food, including some incredibly spicy Pad Thai.
Finally, with our free day in Thailand, a group of us decided to charter a van to go outside of Bangkok and to go near the Myanmar boarder to ride elephants and go to Erawan National Park. Though I initially only went to see the park, the whole day took my breath way. We trekked across the jungle, and saw beautiful fauna and serene rivers filled with carp. The water was so clean that we could swim in it, and had the fish eat the dead skin off our feet, a service offered at luxury spas around the world. After the park, we went to the elephant reserve where I was stunned. Never had I seen such a regal and majestic creature. Its strength and size amazed me, but its intelligence made me question the ethics of my ride. On our return trip, we made a surprise stop at the Bridge on the River Kwai the titular location of the famous film and novel. A remnant of the Burma Railway built by forced labor in World War Two, such a solemn artifact in such a beautiful location was certainly eerie.

In all, my experiences in Thailand showed me a brief glimpse at a rich and complex culture. Alongside the market knowledge I gained, my dinner with Itthipol and my travels outside the city helped me to get a more complete understanding of the culture. As the nation develops further it well only become a stronger presence in the global economy, and I view it as an excellent place for foreign companies to invest, but not for Thai companies to become internationally competitive yet. This is due to the realities of STEM education is not being fully present, and the multinationals having a monopoly on Thai talent.
Vietnam

In hindsight, Vietnam is treated as a four-letter word all too often. We think of it as a regrettable part of our country’s history for a variety of reasons and seek to forget it. But as Joshua Leibowitz pointed out “Vietnam. It’s a country, not a War.” My cultural experiences in Vietnam made that statement personal for me as I feel my world view has entirely changed because of my visit.

Upon landing in Vietnam, the group soon embarked on a walking street food tour. A longtime lover of bahn mi, I ate my fill and then some. Full, tired from the plane ride, and lulled by the sound of hundreds of motorbikes streaming along the busy street I was ready for bed that night, but drank some Vietnamese style coffee and went our exploring with friends. We were close to the backpackers’ district and found a night club frequented by my locals.

The next day, after our day of lectures we ended up in the American quarter of the city full of historical sites. I spent the afternoon looking around the area and trying to hunt down some more bahn mi to no avail. However, upon returning to the hotel, Nylinne a student and friend on the trip who spoke Vietnamese spoke with the some of the bellhops to find their favorite sandwich shop. We sought out the (literal) hole in the wall establishment, and were blown away by the flavor. It was the perfect blend of French and Vietnamese cuisines.
The next day, after day of travel we sought out a local restaurant. It featured a variety of different Asian cuisines but I stuck with Vietnamese. I found that I had a particular taste for squid and for prawn. That night we sought out another high-rise bar, and took in the Ho Chi Minh City skyline. Particularly beautiful was seeing the river wind its way through the city.

The next day, the group went to visit the Cu Chi tunnels, a major underground tunnel operation that served as a base of operations for the Viet Cong to attack Saigon during the war. My great uncle had served in the military near this area and I grew up hearing stories of the extensive tunnel networks. Seeing it as a tourist destination years later is certainly thought-provoking, and it was ominous to think of all the bloodshed that came out of the base’s existence. While we were watching a propaganda film after the war, some students got up and left the viewing area, saying that it was too disturbing. On our way back, we stopped for a traditional Vietnamese lunch at restaurant on the banks of a stream, a perfect place to ponder what I had just experienced.

When we returned to Ho Chi Minh, I arranged to be dropped off at the War Remnants Museum, an institution dedicated to showing the atrocities of French and American influences. As an avid reader of history, I naively thought I had a fairly decent understanding of America’s role in the war, but I was mistaken. I saw graphic photographs of antiwar protests around the world, read about horrific massacres committed by US troops, and saw preserved still born fetuses caused by the spraying of Agent Orange. While communist propaganda nature of the
museum certainly played a role in the depictions of the war, the discrepancy between the narrative the museum is telling and that which American museums are telling shocked me.

On our free day in Vietnam, our last on the trip, we had an exceptional opportunity. Nylinne, the fellow student I mentioned earlier had family outside of Ho Chi Minh City, and graciously offered to let those who wanted visit. So, the majority of the group chartered a bus and went to visit her family. Upon arriving to her family’s home, we introduced ourselves to the Nylinnes’s aunts, uncles, and grandmother then left for a local orphanage. There we spent the next couple hours playing sports with the children and each left a donation. When returned we saw that Nylinne’s family had prepared a feast for us. Caterers by trade, they brought out a seemingly endless stream of chicken, squid, prawn, and rice.

As we attended our farewell dinner I began to think more about all I had experienced on my visit to Vietnam. While I feel that my time in Thailand was more fun, I feel that my time in Vietnam left a greater impact. It made me question a great deal, including the validity of the history I have been taught and the impact of the United States on the world. Most beneficially, the trip revealed some of the factors that play into the Vietnamese market. There are many
logistical issues to be dealt with in Vietnam and significant investments must be made. However, due to their long history of resiliency, the liberalization of their government, and the booming population I believe that Vietnam will become a regional economic power within the next half century.
Analysis of Intel

Historical Summary of the Company

Intel was founded in 1968 by Robert Noyce and Gordon Moore who were pioneers in the semiconductor field, who are pictured to the left (Deffree, 2017). They name is a combination of the words integrated electronics, which is what the microprocessor industry was referred to at the time. Moore is the namesake of Moore’s law famous in computer science. His theory states that the number of transistors in integrated circuits will double every two years, exponentially increasing processing power. This has held true until very recently, but the growth in processing speed is coming from other areas.

After initial angel investments from Arthur Rock (the company’s first chairman), Intel had its initial public offering in 1971, and raised $6.8 million USD (Intel, 2013).

The company began by creating semiconductors as their primary business, and making computer chips on the side. As the popularity of personal computer grew, the company entered a period of explosive growth. After the success of the IBM PC, which utilized Intel chips, the business pivoted towards creating microprocessors (Intel, 2013). By the nineties and the dot com boom, Intel was a globally recognized brand. Efforts in marketing like the dropped e in the logo
and the Intel inside marketing campaign as well as the birth of the Internet caused Intel to become the largest semiconductor manufacturer in the world by 1992 (Intel, 2013).

Intel’s plans to build a test and assembly plant in Vietnam was publicly announced in 2006. Intel breaks its manufacturing operations into silicon wafer fabrication (typically in more developed countries) and assembly and test (typically in emerging markets). After years of talks with prospective countries, Intel’s leadership decided on Vietnam. Many analysts believe this was due to the low labor costs. Intel cited the people of Vietnam as their reason for choosing the site, referencing the young work force and Confucian tradition in education, however also received four years of tax free status and nine years of half rate taxes (Mason, 2006). After four years of construction the 500,000-square foot plant was ready, with enough land on the site to build a second plant of the same size. During the construction, Intel had also spent millions on developing educational partnerships with local universities and other training initiatives to have a prepared workforce for the demands of semiskilled labor. Intel’s investment was the largest single foreign investment at the time. To this day the plant is extremely valued and security is a high priority. Pictures were strictly forbidden and the accompanying image of the plant comes from the Vietnam Economic Times (Ho, 2014).
Product and Geographic Diversity

Today, Intel is much more than a microprocessor company, though their microprocessors form the core of the corporation. Their dominance in the x86 microprocessor market is one of the company’s greatest market strengths. The below graphics and information detail the different business segments and are taken from the company’s 2016 10-K SEC filing (Intel Corporation, 2016).

- Client Computing Group (CCG)
  - Processors for many areas including PC, Voice, and Mobile.

- Data Center Group (DCG)
  - Solutions for networking, enterprise, and cloud computing.

- Internet of Things Group (IOTG)
  - Solutions for IoT technology in areas including smart cities, consumer, and manufacturing.

- Non-Volatile Memory Solutions Group (NSG)
  - Mainly solid-state drives.

- Intel Security Group (ISecG)
  - Security software, formerly primarily from McAfee acquisition.

- Programmable Solutions Group (PSG)
  - Features programmable semiconductors for use in a broad range of industries.

Revenue by Major Operating Segment

Net revenue for each of our reported operating segments is presented below.
In terms of geographic diversity, Intel is truly a global company with offices and facilities all over the world. The below image comes again from the annual report and shows the major manufacturing facilities and shows countries with over 50 Intel employees (Intel Corporation, 2016). Countries without manufacturing have offices have other purposes including design, research, and sales and marketing. In total the company has about half of its 106,000 employees in the US (Intel Corporation, 2016).

Industry Position

Much of the below details and industry position come from the company’s most recent annual report (Intel Corporation, 2016). Currently, the company’s financial metrics are relatively stable, trending upwards if anything due to high levels of growth in the electronics industry. Intel has an array of competitors as their product line is quite wide, and the different areas of business are in a variety of positions. The annual report details that company leads in the PC microprocessor market, an area where the transition to mobile devices is causing concern. However, Intel is in the market of making microprocessors for mobile devices, though they are
not nearly as well established in that arena. Currently the company has a strong position in the data platforms market, an area that will become increasingly critical as the trend of moving to cloud computing continues. In the IoT arena the company is a leading producer of current technology though the company is facing the threats of new entrants.

In summary, the overall status of Intel is an industry leader facing the increasing threat of new entrants across a variety of sectors. This is a common phenomenon among the established technology giants and is summarized using Porter’s Five Forces:

- **Supplier Power** – Mentioned specifically by Ms. Proctor in her presentation, this area becoming an increasing concern as the demand for precious metals (primarily Silicon) increases and the supply remains finite.

- **Buyer Power** – Is currently relatively low as few major competitors (namely AMD in PC market) exist for Intel. Additionally, due to successful marketing, the Intel name bears a premium that takes away from the power of the buyer.

- **Threat of New Entry** – While it is a relatively low threat to have an international manufacturer suddenly spring up to challenge Intel’s core manufacturing, it is a concern to have existing companies expand operations into technology the technology realm. A prime example of this is Ford’s partnership with Lyft to enter the self-driving car market.

- **Threat of Substitution** – As with many of the forces, this is less of a threat in Intel’s core manufacturing than it is in some of its recent acquisitions. Microprocessors and semiconductors have long been the fundamental building blocks of technology and that is unlike to change any time soon. However, other emerging markets can quickly disrupt some of Intel’s other operating groups. An example of this is the increasing use of WiFi.
and Bluetooth connectivity in IoT technologies, something Intel’s IoT products are not well known for.

- **Competitive Rivalry** – Intel is currently competitive in most markets but must continually innovate in order to remain so. It cannot rest on its laurels as established technology companies (Motorola, IBM, etc.) have in the past.

**SWOT – Strengths, Weaknesses, Opportunities, and Threats**

This analysis deals with Intel as a whole as identified in their annual report (Intel, 2013). For a SWOT analysis if intel Vietnam specifically please see the section titled, **Intel Vietnam – Gina Proctor**.

**Strengths**

- Strong integration between design and manufacturing leads to efficient production.
- The capital availability and scale of an established company can (if efficiently levered) be used to outpace emerging competitors.
- Well established R&D staff.

**Weaknesses**

- Recently the company faced criticism for security concerns from the Meltdown and Spectre liabilities in their chips.
- The company has a historical precedent of facing anti-trust lawsuits, this is likely to continue and worsen as the company continues expand horizontally as it moves to acquire competitors across industries.

**Opportunities**
Recent acquisitions in emerging markets puts Intel in a position cohesive to growth in these emerging industries.

Intel’s established R&D department has access to an array of technologies, allowing for an accelerated pace of discovery.

**Threats**

- Competitive environment to attract top tier IT leadership.
- Growing scarcity of silicon and other precious metals.

**Current and Future Strategies**

Ms. Proctor began her presentation by saying, “Intel is no longer a computer company, it’s a data company.” The current management strategy includes the company’s adherence to ethics as detailed in the company summary, and will continue into the future. Additionally, the company is currently not looking to create any major manufacturing facilities and instead will focus on optimizing existing facilities. This is evidenced by the plant improvements we saw in construction whilst on our site visit to the Vietnam plant. The electronics industry has been transitioning from an emphasis on client device computing power to the power of data platforms and servers as evidenced, and Intel is no exception. Though microprocessors will play a role in these devices as well Intel is beginning to pivot its current focus on client devices (especially mobile), and instead is investing in its data platforms group as well as in emerging technologies. A problem currently facing Intel and the technology industry is coming up with concrete use cases for the exponentially increasing amount of data that is generated.

In the company’s annual statement, management states that much of the company’s growth is coming from acquisitions in other technology areas, and the company invested an
incredible amount in 2016 alone (Intel Corporation, 2016). This proposed shift in strategy is evidenced by Intel’s acquisition as compiled by Crunchbase and Fortune, listed and detailed below (Crunchbase Inc., 2018) (Korosec, 2017). In the near future, Intel will likely shy away from such massive acquisitions and instead focus on integrated its acquisitions into the corporation and to developing the technologies that they provide.

- On September 6, 2016 Intel acquired Movidius, an Irish company specializing in Computer Vision for an undisclosed amount. Computer Vision involves teaching computers to recognize data (files, pictures, etc.) in a more human way, and is an emerging field in the technology sector.

- On August 9, 2016 Intel acquired Nervana Systems, a US company for $350 million USD for its machine learning technologies. Machine learning supports a variety of technology use cases and has strong synergy with many other acquisitions.

- On April 5, 2016 Intel moved to support its Internet of Things (IoT) capabilities as well as its self-driving technologies by purchasing Yogitech, an Italian software company for an undisclosed amount. IoT companies involve data-generating connected devices including manufacturing equipment, consumer appliances, smart cities, and wearable technology.

- On March 9, 2016 Intel acquired Mobileye an Israeli self-driving technology company for $15.3 Billion USD. This was a much-publicized acquisition and supports a history of purchases made by intel to position itself into the self-driving car market. Also notable, is the partnership between Intel and BMW to support this endeavor.
On March 9, 2016 Intel acquired Replay Technologies an Israeli 3D video company for an undisclosed amount. This company was most likely acquired to support Virtual Reality technologies, and give Intel an initial foothold in this market.

On January 4, 2016 Intel acquired Ascending Technologies a German UAV (i.e. drone) company for an undisclosed amount. Like the other purchases on 2016, UAV technology is an oft talked about area of innovation and holds a variety of applications including for construction, real estate, military, surveillance, data collection, and precision agriculture.
Analysis of Book

Introduction

I was enchanted by my time in Southeast Asia, and upon returning found that I wanted to do more than what was academically required to fully analyze the experience and to assure that my lessons learned abroad truly remained with me. Consequently, I decided to write an In-Course Contract with the Honors College, to receive honors credit for the paper. To fulfill these requirements, Dr. Lee and I agreed that I would complete the paper required of the graduate students at NIU, which includes an additional book report.

From a list of books that would lend me a more complete understanding of the market cultures we visited provided to me by Dr. Lee, one book immediately intrigued me: *The Intimate Economies of Bangkok: Tomboys, Tycoons, and Avon Ladies in the Global City*, by Dr. Ara Wilson, who currently serves as a professor Sexuality & Feminist Studies at Duke University (Wilson, 2004). As she states, her area of expertise is on the Queer Political Economy and more specifically how markets dictate cultural norms for both straight and queer women. I chose this book as it provided an in depth look at five uniquely Thai markets as well as the gender implications they hold for the Thai people, and summarize and analyze her points. As a straight white male who identifies as an ally for
LGBTQ+ community and women, I thought it necessary to challenge the viewpoints I may have held during the trip and to dive into some of the cultural implications of the intermingling of the Thai culture and the growing presence of capitalism.

Dr. Wilson looks at the economic influences on gender identities through five Thai businesses: The Central Company, the Go-Go Bars of Soi Cowboy, MBK mall, IBC Cable, and direct sales marketing companies like Avon and Amway. Each of these exemplify a facet of gender constructs in Thailand, and have all influenced Thai culture. After two years of living in Bangkok and many visits afterwards, Dr. Wilson has compiled research not available to most Westerners and certainly not looked at by most companies. However, personnel and culture is always the most essential component of business, and is a key piece to operating successfully in any market.

Main Section

The book begins with a review of some of the overall influences that Thai culture brings to the five markets. The strongest of these are Theravada Buddhism, the role of vendor, and the social debt women are born into. In a bizarre duality, Thai culture provide the foundations of Thai capitalism and Thai capitalism influences culture.

The Thai people’s adherence to Theravada Buddhism influences the modern markets in many ways, including by the social fallout of a caste system in place until the 1850’s. This is seen today in Thai markets, as certain fields are viewed as more prestigious (civil service and media in particular) and designated for certain social classes, even despite being low paying. Additionally, these fields are often unofficially closed off to certain demographics or are difficult to obtain leadership roles in. The role of the vendor stems from this system, as vendors were
historically of Chinese origin, and until the emergence of the knowledge economy most of the business positions in Thailand were from the Chinese ethnic minority. To this day, tapping into the Sino-Thai business community is a key to successfully doing business in Thailand. Also, from Buddhism is the concept that children are born into debt to their parents and those who raise them. However, male debt is considered much more conceptual and can be paid by making parents proud or by serving as a monk. Women in Thailand have a much more tangible financial obligation to repay. This is often quantified and holds many more real-world burdens and implications, and is shown by the tradition that has the youngest daughter caring for the parents as they age.

With these influences in mind, Dr. Wilson goes on to her first example of a Thai market: the Central Company. One of the most well-known Thai companies, the Central Company held a variety of commercial interests and became a mainstay of Thai culture, akin to a Macy’s in the US. Most notably was the Central Department store, an establishment that defined Thai retailing until the 1980’s mall revolution. The development of the department store represented the transition from the centuries old concept of “shop houses” which were owned by male Sino-Thai shop bosses and ran by their families. In fact, that is how the Central Company began when Tiang Jeng (later Chirathivat) immigrated to Bangkok from Hainan province China in 1927. Upon immigrating, Tiang changed the family name to the more Thai sounding Chirathivat to integrate into the community more effectively. He founded the Three Corners store, a traditional shophouse that specialized in bulked products and fabrics. To this day, areas of Bangkok feature similar stores including Sampeng lane in China Town, a location we visited on the trip.

Gender roles came in to play at the Central Company due to the traditional role of the family in the Thai marketplace. When the company first began, Tiang served as the all-powerful
boss taking several wives and fathering 26 children. His first two wives, Waan and Bunsri produced luxury fabric wares and managed the work force respectively. Women were expected to provide much of the labor in these subservient roles and tap into the well-established Sino-Thai business community, while men bore the symbolic responsibility of proving for the family.

These origins of the Central Company are contrasted with the modern company which came during the leadership of Waan’s eldest son Sanrit. Sanrit modernized the company, shifting the company to a department store model and moving from bargaining to fixed prices. Dr. Wilson asserts that the move to fixed prices took away the power of the shop boss and gave it to literate shop workers, raising the status of women in the company. I agree with this assertion, and with the success of the measure as the company grew from the singular Central Department Store, to the largest chain in Southeast Asia. Sanrit recognized that times were changing and modernized his stores, adding in innovative features from Japanese department stores including air conditioning. In addition, he took a much more decentralized leadership role, representing the transition of shop boss to tycoon. However, even at the company’s height, the Sino-Thai business community remained essential. Wilson points out that when the Thai economy crashed in 1997, the media in the West deemed this “Crony Capitalism” and companies began to make leadership more transparent.
The second market example is an establishment we saw on the trip, the Go-Go Bar of Soi Cowboy as shown in the picture I took on the left. Though a bit risqué, I feel that a visual representation is necessary to convey the surreal sense of the district. Developed during the Vietnam war, Soi Cowboy served as a red-light district for American troops and it remains a hotspot for farangs, or foreigners. Though prostitution is illegal, the bars are often owned by former police officers and provide tribute to the police to not be prosecuted. Women are put in a difficult position, as the illicit nature of their trade makes it impossible to complain to authorities about any mistreatment. These bars provide provocative dancing and the ability to “pay off” a woman’s shift to take her elsewhere for sexual acts, as these do not occur in the bars. Though sex tourism is an oft publicized Thai market, the domestic sex trade represents the larger market. Women earn their wages by dancing on the featured poles in the club, then by accompanying patrons and suggesting they buy drinks both for themselves and for their female companions. It should be of note that the women only receive commission of the “lady’s drinks,” usually orange soda.
Wilson theorizes that the role of Go-Go bars like those in Soi Cowboy and the sex tourism industry both informs and takes influence from Thai gender roles. For instance, many of the sex workers come from familial networks that trace all the way back to individual villages. Though not mentioned explicitly at home, the sex trade is viewed as a viable way for Thai women to pay off their familial debt. Additionally, the power of the male in Thai society makes the trade less stigmatized. However, sex tourism also informs the sexuality of the Thai people. For instance, these Go-Go bars are set up in Western style and women often speak to their clients in English. This comes from the economic power of Westerners, as less than $15 USD is enough to purchase a woman’s services for the night. I personally experienced this point, as despite entering with a group of female students and sitting away from the dancers I was often offered services once I began speaking English.

The next example of capitalism’s influence on Thai culture is shown through the Mahboonkrong mall (MBK), and the social role it plays in Thai society. It was quite the establishment and I had the pleasure of visiting the mall on the trip. Founded by husband and wife duo Mah Bulakul and Boonkrong Bulakul with extensive government partnerships, the 8-story mall helped usher in the retail boom in the 1980’s and cemented the importance of retail and particularly Western retail. As a testament to this, in all the 2,000 stores in the mall, no t-shirts featured Thai writing but American brands like Polo, Supreme, and Harley Davidson abounded. The mall appeals to the entirety of Thai society from the urban poor to the ultra-rich.
Dr. Wilson also speaks to an aspect associated with Western retail, which I had never even considered: its role in dating. From dates at restaurants to going to a movie, much of romantic interaction in the West are at a place of business. That was not the same in Thailand, where public display of affection was, and to a certain extent still is looked down upon. That change came from the Western style malls and retailers and is reinforced by Thai advertising. Dr. Wilson uses the examples of the masculine women called *toms* (as in the English word tomboy) and their feminine female partners *dees* (form the English word lady) to show the social role that malls play in Thai culture. As lesbians, these duos (shown on the left from a Marie Claire Article (Marie Claire, 2015)) do not have a designated space as contrasted with the gay and kathoey (lady boy transgender) bars and clubs found in social districts. Instead it is the mall, a Western form of retail that influences their sexuality, by providing public space for couples. Both Dr. Wilson and I noticed a plethora of tom-dee couples in the mall, so I again concur with the presence of capitalist influences associated with their community.

The fourth market used by Dr. Wilson to show western capitalism’s influence on Thai culture is the Thailand’s first cable company, IBC television founded by Thaksin Shinawatra in
1989. Thaksin came from the Chang Mai area and began his career by serving as a police Lieutenant. His role was to service the computer mainframes used by the police force, and began to develop an expertise in electronics. After making a series of successful investments in electronics firms, he used his connections made in the civil service to receive an array of government monopoly contracts. Eventually taking over control of Thailand’s satellite, he created a cable package out of Western networks including BBC, CNN, and HBO. This greatly accelerated the West’s cultural influence and began the era of technology workers. Because of the need for technology workers, the demand shifted away from the Sino-Thai minority and began to bring in ethnic Thais into the world of business.

Dr. Wilson worked at IBC Thailand during her stay there, and saw many of her theories embodied first hand. For instance, she had a variety for coworkers obsessed with English and American cultures and much of the company’s marketing highlighted its Western themes and content. One day she even heard a Thai coworker sing along to a Barry Manilow song. Additionally, despite not paying well, the role of media had very high social status and she worked with minor royalty. And as in many Thai businesses there was a disproportionate number of men in leadership roles, despite the vast number of competent female employees. I saw this influence personally at PwC, where the majority of the workers and managers were women but the directors were men.

Finally, the role of direct sellers (namely Avon and Amway) showcase Dr. Wilson’s theory on the influence of Western capitalism on Thai culture and gender roles. Often American companies, direct sellers use local individuals as agents to sell their product and make their revenue from wholesaling to them. With the promises of prosperity and incremental income, these companies were quickly integrated into Thai culture and particularly among women. Both
wealthy and poor women alike have societal implications of debt, and often use the revenue generated by their sales efforts to send back to parents. Avon, which sells beauty products adheres well to Thailand’s image obsessed culture, and their best-selling product is white face powder, an attempt to make skin look lighter. Amway, sells a massive catalogue of products including an array of trinkets perfect for Thailand’s gift giving culture. By having these companies in place, Thai culture is given an entrepreneurial influence as well as furthering the status of Western culture. As someone who has been targeted for these companies on several occasions, I can see how appealing their business model would be to ambitious individuals in developing economies

Overall, I found the book incredibly enlightening. Dr. Wilson sets aside her bias as a Westerner very effectively and spends several pages in the book introducing her research methods. Additionally, her ability to speak Thai and her work in sex worker advocacy groups added a great deal of insight and context to her findings. My most significant take away, was the powerful influence of the conceptual social debt that is assigned to Thai women at birth. This obligation played a role in all the businesses Dr. Wilson listed, and in hindsight in all the firms we visited. My one complaint about Dr. Wilson’s research is the lack of suggestions to remedy some of the disparities capitalist markets have caused. However, as this paper arose from the social sciences (Dr. Wilson identifies herself as an ethnographer) and not from business academia, that is certainly understandable. I found the paper very relevant, as I had been able to see some of the symptoms of the troubles of capitalism on the trip, but was clueless to their underlying causes. As an aspiring businessman in an international context, I hope to incorporate the findings of this book to not only manage more effectively, but to understand the implications of my work and influence abroad.
Evaluations

Thailand

Country

I wholly enjoyed Thailand as a destination country. It offered allure, adventure, and insight into a richly unique culture. It was also thrilling to be able to see a developing nation from a business aspect, and to see what role multinational companies play in the country’s economy. Thai people were notably welcoming and smiling, and the friendly bustle of the markets and streets is something I will miss dearly. Overall, I would recommend returning to Thailand.

City

Bangkok in my mind was an ideal choice of city for an educational excursion. Considering Bangkok’s importance to Thailand both economically and culturally I thought it wise to choose it as a destination in a trip so time constrained. It offered an array of stunning temples, a corporate sprawling presence, and raucous bars and nightclubs. Bangkok is certainly a city that I would recommend returning to.

Companies

I enjoyed all the companies we visited in Thailand, and there was certainly a variety in the firms. Beginning with the country overview by the US commercial service was a great asset, as the lessons covered by Dr. Anderson would provide a framework by which to view all the subsequent companies with. In hindsight the Rembrandt was probably my least favorite of the presentations, though it still offered great insights into the hospitality industry. DKSH was a unique service company that offered insight into the difference in the ASEAN markets and about
the role of third parties in retailing. Finally, Jelly Belly offered the greatest insight into cultural differences in the workplace, and was a rewarding presentation, though I do wish we could have seen the manufacturing process in action. Overall, I would strongly advocate for retuning to US Commercial Service and DKSH, and to a lesser extent agree with hearing from Jelly Belly and the Rembrandt.

Hotels

The Rembrandt was a very pleasant establishment that I would suggest retuning to. Its breakfast buffet was delicious, featuring an array of alternating foods including several Thai dishes. I was very pleased to see that it was not simply a western breakfast, and loved starting my days with a bowl of pho and some chili sauce. The rooftop pool overlooked the skyline and was an excellent spot to relax after a long day of touring and learning. The rooftop bar was scenic, near the very top floor, and as someone who loves tall buildings it was greatly appreciated. The hotel’s location was convenient for shopping, massages, and its proximity to Soi Cowboy. However, its relative distance from the Khao San Road district was a downside. However, the surrounding area where the Rembrandt was in and the experience I had there leads me to suggest that IBS return there.

Vietnam

Country

Initially, Vietnam was not the destination that convinced me into going on the trip, however it was the more rewarding of the two countries. By that, I mean that its complicated past with the US and its status as a liberalizing communist nation left more of an impact than did my experiences in Thailand. I also feel that it contrasts Thai culture sufficiently to warrant a trip to
Vietnam in lieu of another ASEAN nation. Overall, despite my initial thoughts on the country as a destination I strongly suggest a return to Vietnam.

City

I believe that Ho Chi Minh City was the ideal location for a business seminar. A city awash in French, Communist, and American influence Ho Chi Minh City is certainly unique. It was a pleasure to be able to speak to the multinationals there and especially to learn about the regional differences. As the South is more business focused, as opposed to the governmental focus of the North, I suggest retuning to Ho Chi Minh City as opposed to Hanoi.

Companies

I found all the companies we visited in Vietnam to be very informative. As in Thailand I was thankful for the chance to start the educational portion with an overview from the US commercial service. Additionally, as many of the members in our group were working in auditing and consulting it was beneficial to see PricewaterhouseCoopers in a foreign context. Additionally, the Ho Chi Minh Stock Exchange was perhaps my favorite company as the whole trip, as it gave deep insight to the decentralization of state owned enterprises. Finally, Intel Vietnam was certainly the most interesting tour as it was a powerful experience to see the manufacturing floor, and because I work in the technology industry. Overall, I would support a return to all of the companies visited in Vietnam.

Hotels

Liberty Central Saigon City Point was my favorite of the two hotels on the trip. Located within walking distance of both the nightclub and business districts, I could not have asked for more from a hotel. Additionally, the daily breakfast was delicious, and room keeping was extremely hospitable. The rooms were pleasant, but the rooftop pool and bar were so appealing.
that I hardly spent any time in there. I would strongly recommend returning to Liberty Central Saigon City Point.
References


