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Singapore Management University

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The past couple of years have been nothing short of phenomenal for Korean electronics giant, Samsung. The company has seen success with a number of their products, particularly in the television business. "For TV, we've been number one in the world since 2005," exclaimed Gregory Lee, President and CEO of Samsung Asia.

Speaking at a Singapore Management University (SMU) Executive MBA seminar, Lee unveiled impressive sales figures that would be the envy of not just the television manufacturers, but also, the makers of smart phones, liquid crystal display monitors, colour laser printers – to name a few of the conglomerate's other "number one" markets.

Lee joined Samsung in 2005 as Global Chief of Marketing and Senior Vice President. Prior to that, he was "a sales and marketing guy" at P&G and Johnson & Johnson. He told the audience that the decision to join Samsung had been an easy one as he had been excited at the prospect of working for one of the world's fastest growing and most profitable technology businesses.

Lee's introduction to the organisation was, however, with a poorer performing business: Television. TV was losing money back in 2005, Lee recalled. "I remember our CEO saying we're just going to fire everyone in that business; restructure and reorganise. So people thought we were going to get out, and they were shocked because TV is the face of the company; it's in everybody's living room; it stares at you as you come in."

Samsung's CEO was adamant that Samsung had to be number one or get out. He gave the TV team two years to turn things around. Lee, then still relatively new to the company, had to coordinate a global strategy that would address the multitudes of challenges in the different markets.

"In the US, we had trouble retaining the top salespeople. They were leaving every two to three years. China was a tough market, and in the UK, people thought we were a company that made airport carts," Lee quipped.

Lee worked with his team to put together a list of critical factors that had to be addressed in order to save the television business. They acknowledged that they were often not quick enough to reap first-mover advantages, such as the ability to set the price. They agreed too, that the Samsung brand – less well known at the time – inhibited the business' ability to command a price premium over competitors.

Beyond these external challenges, the team also acknowledged that the company had to address internal challenges, such as the ability to attract and retain good workers. "It used to be such a terrible business. So many people had been let go, including vice presidents, executive vice presidents… and we always lost money. The US, at the time, was what we called a 'cemetery market'. None of the executives that we sent from Korea to the US ever came back!" he joked.

The nature of the television industry is that it is also "a very mature and well-defined market". Because the competition is constantly tailgating, speed and efficiency are of paramount importance, and a lot of attention had to go into fine-tuning the "incredibly complex" television supply chain, said Lee.

"Products will be late to market if one or more of your suppliers can't deliver – and this often happens," he added. One's ability to forecast and update consumption demand will also impact the entire chain. "If you miss, you're going to have inventory, and then you're going to have to discount the product. It's that simple."

These efforts to address supply chain issues, branding and talent retention have since paid off. In the US, for example, market share went from 30 per cent in 2005 to 45 per cent this year. And then there are broader accolades such as 'Fortune's 50 Most Admired Companies', and 'BusinessWeek/Interbrand's 100 Best Global Brands', Lee reported proudly.

Lee is aware, however, that things cannot remain constant. Any business operating within such highly competitive and fast-paced sectors will need to keep innovating, he advised."If you don't innovate, you die."

"I've seen big companies that don't innovate and don't make money. I've also seen companies that innovate and don't make money. The difference is that even if they don't make money, they survive… Think about companies like Facebook. If they stopped innovation, what would happen?" he asked.

At the end of the day, the mountain is high but one has to keep on racing because the rest are following. "If you come to the end and you stop there, others will catch you," he said. Echoing the parable of the turtle and the hare, he added: "Even if you're already ahead and want to take a little rest, you know what will happen."

So the way to stay ahead is to keep on climbing, and to keep creating new summits along the way. "It's an exciting game, but it's not for the light-hearted," he warned.