

HKSGV 2017 Case Competition – Case Question

New World Development Company Limited: Green Atrium

New World Development Company Limited (NWD) is a business that focuses on property development, infrastructure and services, retail, hotels and serviced apartments. It held 21 property development projects and 24 property investment projects in Hong Kong as of June 2015. Moreover, its corporate investment has spread across four municipalities and over 20 provinces. Its network has also spread to places outside of Mainland China. NWD aspires to educate our younger generation to respect our environment in order to achieve a sustainable society through property development and investment. As part of this sustainability effort, it erected Green Atrium, a sustainable green building in Yuen Long that promotes low carbon and green lifestyle through play, cultivation and education. Green Atrium has programmes specifically targeting children.

1 Case Question

Imagine yourself as the management leader of Green Atrium. With the concept of CSV at the back of your mind, you have to draft a plan to develop and improve Green Atrium's current business model. Explore the reasons behind existing challenges in low visitors flow rate and the unbalanced financial records based on the target audience, facilities, services and challenges stated. Adjust the existing services and products in alignment with the needs of local community or other potential customers to address the problems.

2 The Role of Green Atrium: Raising Awareness of Sustainability

Facilities including organic workshops, interactive learning centres and restaurants provide innovative learning opportunities to children, enhancing their concept and knowledge on environmental protection, sustainability and green living. For example, the Organic Farm provides around 370 farming lots for rental urban farming, aiming to offer firsthand farming experience for urban families and to educate children about sustainable food production. The O2 Café, meanwhile, is an eco-restaurant providing fresh, healthy and sustainable food to customers, demonstrating the concept of "farm to table": food is freshly cultivated inside the green building. Food waste there is also converted and used as fertilisers and fish feed to achieve a self-sustaining ecosystem within Green Atrium.

3 Source of Revenue and Operating Costs

With a focus on young children, invitations are sent out regularly to kindergartens in order to boost visitor numbers. As of October 1, 2016, each person was charged HK\$5 for entrance fee. Tailor-made tour packages for organisations are meanwhile charged at HK\$350 per person. Workshops organised by tenants offers opportunities for residents and general public to acquire extensive knowledge on organic farming. For the Grow Your Own Food programme, a 1.5-square-metres big farm plot is assigned to each family that applies. The occupancy rate of farm plots is currently 10% only. Operation expenses for the different programmes at the Green Atrium are around HK\$500,000 per month, which includes labour cost (local farmers, cleaners, and management team) and maintenance expenses.

4 Challenges

4.1 Keen Competition

Facing strong competitions from organisations that offer similar educational programmes such as Ocean Park's conservation program and Wetland Park's nature guiding tour, Green Atrium is relatively weak in competitiveness. Green Atrium tried to distribute promotional materials and coupons to nearby residential estates to encourage residents to pursue a greener lifestyle. However, many residents would prefer inexpensive conventional products to organic products.

4.2 Venue Constraints for Larger Groups

Tours for kindergartens and primary schools usually consist of around 40 students in a group. However, Green Atrium has limited capability in receiving large tours, making it more difficult to cater the influx of this visitor type. For instance, the visual audio gallery only has 24 seats and the interactive learning platform is not spacious enough. This makes it less attractive for teachers to organise school tours to the Green Atrium.

4.3 Remote and Isolated Location

Green Atrium is remotely situated in Yuen Long and is 30 minutes away from Long Ping West Rail station. As it is located inside Park Signature, it is less visible and accessible for visitors. People usually neither notice Green Atrium from the outside nor know it is accessible to the public.