

HKSGV 2019 Case Competition: Case Question

Lee Kee Group

Lee Kee Group's (LKG) core business is producing and distributing metals with a focus on quality and consistency. It provides a wide range of services along the metal value chain, including testing and certification, technical consultancy and risk management services. Apart from fulfilling ISO14001 requirements, the Group participates in a number of carbon reduction campaigns to improve sustainability and efficiency of their products. LKG has a cross-disciplinary technical team and focuses on advanced materials development. Over the years, LKG is driven by an increasing awareness on quality, waste reduction, and energy saving in its work.

1 Case Question

Metal industry is often perceived as an industry with low possibility to practice sustainability, but there is an increasing awareness of sustainability within this industry. You are expected to demonstrate your creativity in the **marketing strategies** to help with the growth and outreach of the company in terms of branding, product and services marketing. As sustainability is vital in the company's message, specific B2B campaign to raise the awareness to target audience would be helpful to accentuate the company's unique positioning in the industry. Be imaginative, as accountability might not matter that much than ingenuity.

2 Sustainability Awards

LKG has garnered awards from several reputable organisations. For instance, LKG has been assessed and certified under the ISO14001 Environmental Management System. At the same time, LKG won "BOCHK Corporate Environmental Leadership Awards 2017 – EcoChallenger & 3 Years + Eco Pioneer", issued by Federation of Hong Kong Industries 2018 and others in 2018.

3 Research and Development Efforts in Sustainable Production

LKG business includes research and development (R&D) of alloys. Instead of producing the standard types, its technical team engages customers in developing different alloy characteristics in strength, durability, malleability, conductivity that cater to their particular product features. Product designers and engineers appreciate the uniqueness and benefits offered by these customised alloys which the entire production process is environmentally friendly. They aim to enhance the sustainability of the die casting process by helping the metals manufacturers reduce material usage, dross rate, energy consumption and defects. Both sectors of business grant LKG with a significant competitive advantage.

4 Challenges

4.1 Low Awareness of Sustainability Concepts for Metals Industries

The practice of sustainable production is particularly weak in the metals industry. Despite invested efforts in R&D, the Group finds the conversion rate from such efforts to revenue not significant. One of the reasons is brand owners often have not recognised the value of having their metal products or parts from a sustainable source. For example, clients in the fashion industry may think that metal zippers are only a small part of clothing. For other industries

like bathroom hardware, toys, metal is a significant material but the general public often does not consume these products with a consideration of sustainability. As result, relevant brands have little incentive in specifying the use of sustainable metals. More effective marketing campaign to boost the understanding, awareness and subsequent need of sustainable production seems crucial for both brand owners and general public.

4.2 Lack of Incentives in Bringing Innovation in Metal Production

Die casting is a mature manufacturing technique and many die casters have their long-established ways to operate. In addition, most of them are original equipment manufacturers (OEMs). Trying out new alloy materials with potentially better features may not be their highest priority. Similarly, technical consultancy services that promote continuous improvement of their productivity and pursuit of sustainability are likely to go under the radar when die casters are busy expanding their customer reach and streamlining their costs. Thus, more creative communication and incentives are needed to help convey the message of sustainable production to the factory owners and their technical team.