
Analysis of Hitachi Overseas

Analysed by

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Penny wise pound foolish is what best describes the mind set of M/s Hitachi Overseas Ltd.

1. When the supply is combined with installation of the same meters the company should not have ignored the importance of the latter. Because no matter how so ever good your product quality may be but if it is not installed properly it will fail to devlier thus earning a bad name for the Co.
2. M/s Hitachi should have realised the importance of the high stake invovled in installation of meters.
3. Profit or margin should not be the motive simply because.
 - a) This is the first time it is doing such job in Delhi, which means image & reputation is higher than margin.
 - b) Once it does a good job it will get repeat order on the basis of past performance & can make good all the marginal losses made in the first instance.

Based on the above premises M/s Hitachi should not have subletted the task to another contractor, in the first place that too without analysing their past experience in Delhi.

Just because they have installed meters in Punjab does not guarantee that they will do a good job in Delhi because Delhi has private companies in power distribution which have different work culture as compared to Govt. electricity boards.

Instead of subcontracting the job M/s Hitachi should have prepared its own qualified & trained team, at least for this job which was its first chance in Delhi & highers stakes are involed.

Even if subletting becomes inevitable at least care should have been taken to post its own qualified supervisors to oversee the work at differnt locations. This way at least some resemblance of control could have been there.

Lastly, even if subletting was the only option available with the co., it should have passed on maximum benefit (a good price per meter) to the contractor so that the workers in the field get suitably paid & are motivated to do a good job. On top of it these should have been an overall incharge from the Co. to take the responsibility & accountability and owernship of this project.

These are the basic tenets of management whose absence in this case is costing the company dear. It should immediately realise the importance of the basics & take necessary steps it has not taken so far.