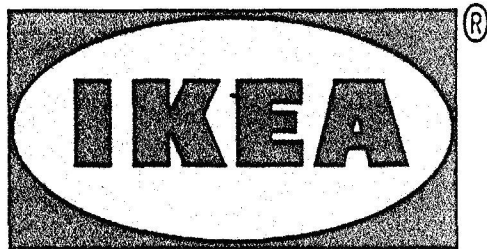


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## COMPANY ANALYSIS

### IKEA MALAYSIA SDN BHD

ENT 530- PRINCIPLE OF ENTREPRENEURSHIP (ENT530)

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## **2.0 EXECUTIVE SUMMARY**

In 1943, IKEA became founded through Ingvar Kamprad a 17 years old who determined to begin the enterprise with cash he obtained from his father. This paper will provide an evaluation of how the company used patron segmentation as an advertising tool to extend the boom of the business enterprise the world over. It will examine the traditional method utilized in Sweden versus the American marketplace and an outline of the strategic growth opportunity in the United State and the other countries more.

### **3.0 COMPANY INFORMATION**

#### **3.1 Background of Company**

IKEA Damansara was known as home products retailer. First IKEA stores opened in Denmark and Norway. IKEA has grown rapidly since 1943. With the innovative and creativity of Ingvar Kamprad today IKEA is a world's largest furniture retailer. IKEA damansara is located at No2, Jalan PJU 7/2, Mutiara Damansara, 47800 Petaling Jaya, Selangor. IKEA Damansara is the first showroom opens in Malaysia. Customers can see the quality of product before they ordered and bought it. The attraction of IKEA is the furniture sold at affordable price. The furniture inside the IKEA is inspired by Scandinavian style.

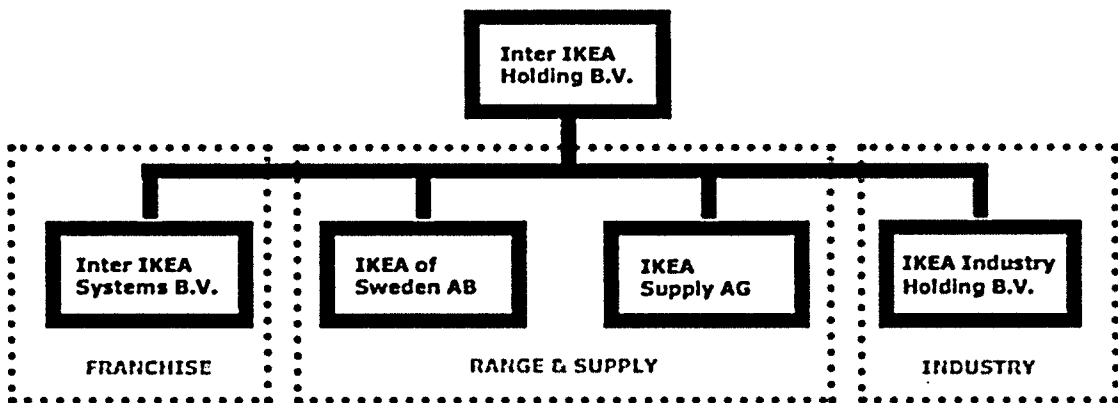
The IKEA's furniture is flat-pack, ready to assemble by the customer. Self-assembly become part of the business concept of IKEA. This allows a reduction in costs and packaging. IKEA carries a range of 9,500 products, including home furniture and accessories. This wide range is available in all IKEA stores and customers can order much of the range online through IKEA's website.

Others attraction is IKEA's stores include restaurant and cafes that serving traditional Swedish food. IKEA is known for its famous Swedish meatballs with strawberry sauce. IKEA also have shops selling Swedish groceries, everything from the famous meatballs, lingonberry jam and gravy and also the big curry puff.

### 3.2 Organizational Structure

IKEA organizational structure is unique. “Around the world, a large wide variety of agencies operate below the IKEA emblems. All IKEA franchisees are independent of Inter IKEA group. A big group of franchisees are owned and operated by way of INGKA group. Inter IKEA organization and INGKA institution have the identical founder, and a not unusual records and background, however have operated underneath different owners and control since the Eighties.

Figure below illustrates IKEA organizational structure:



The existing organizational structure of IKEA illustrated in figure 1 above is the outcome of a chief restructuring initiative that was added in 2016. To improve the franchise device and clarify roles, IKEA range, deliver and manufacturing sports were transferred to the new Inter IKEA institution headed by Inter IKEA conserving B.V. Especially, IKEA group offered key subsidiaries for EUR 5.2 billion to growth the power of the business on the way to adapt to modifications within the external worldwide marketplace. IKEA control considers this alteration to be great deal needed as “new low-margin marketplace entrants and online website like Amazon.com are making existence harder for absolutely everyone in retail”.

Generally, IKEA organizational shape may be classified as hierarchical, reflecting large size of the enterprise that integrates 340 stores in 28 markets worldwide, 22 choose-up and Order factors in eleven countries, forty one buying Centers in 15 nations and 38 distribution websites in 18 international locations. Hierarchical organizational structure may be related to more than a few critical shortcomings consisting of lack of flexibility of the enterprise, negative pleasant of conversation among the senior control and personnel and sluggish speed of decision making.