



**FACULTY OF APPLIED SCIENCE**

**DIPLOMA IN INDUSTRIAL CHEMISTRY**

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**FUNDAMENTAL OF ENTREPRENEURSHIP**

(ENT 300)

**BUSINESS MODEL CANVAS OF :**

Huawei Technologies Co., Ltd.

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## A) INTRODUCTION

Huawei is a Chinese multinational telecommunications equipment and services company headquartered in Guangdong, China. Founded by Ren Zhengfei in 1987, the company originally focused on manufacturing phone switches, but has expanded its operations to building telecommunications networks and manufacturing communications devices. Huawei works with some of the world's largest telecoms operators, counting British Telecom (BT), Vodafone, Orange, and T-Mobile among its notable partners. This continued success has made the company the most valuable telecom infrastructure brand worldwide with an estimated brand value of more than 62 billion U.S. dollars.

Huawei's revenue has consistently increased since 2007, and has been breaking its own revenue record every year. The company is split into three core business segments – carrier network business, enterprise business, and consumer business. Its carrier network business is the company's most lucrative segment, with the consumer business sector being the second most profitable one. Although Huawei has developed into a global company, a large proportion of its revenue is still generated from its domestic market. As of 2019, the Middle East and Africa are the second largest and most important markets for the company, generating revenue of over two million yuan for Huawei since 2018.

Huawei is the largest network service provider in the world, accounting for about 30 percent of the global market share, largely due to the dominant market position in the most populated country the world. Huawei is also the leading manufacturer of VoIP and IMS equipment with about 26 percent of the global market. Ericsson and Nokia are the company's closest competitor in both markets. The company is also one of the main players in the telecom equipment and ethernet switch market.

Although Huawei supplies many white-label products for other content-service providers, it also produces and sells a variety of devices under its own name. As of the last quarter of 2019,

vision in the Middle East area while Nextek is all around situated to contribute as a product supplier and integrator.

## ii) Solutions

Huawei's global technical experts and lab resource affectively support solution partners such as SAP in building innovative and valuable business solutions for customers in various industries. Huawei helps solutions partners to bring their valuable business solutions to market and achieved business success by creating greater value for customers. March 2014, Huawei and SAP announced extending the SAP & Huawei collaboration into a strategic alliance CeBIT 2014, and released the certified SAP HANA FusionCube solution.

## C) KEY ACTIVITIES

### i) Research and Development

Research and development is one of the key action for Huawei and one of the manners by which the firm can make an incentive for its clients through consistent advancement. They are focused on making an interpretation of driving advances into better and progressively serious items and arrangements that help their client succeed. At present 45% of Huawei's workforce, around 80,000 individuals are devoted to R&D. Huawei plans to contribute \$10-20 billion dollars every year on R&D, which represents roughly 15% of the organization's deal income. This puts Huawei as the third biggest high-roller on R&D inquire about, behind Google and Amazon

### ii) Creative Marketing

Marketing is a significant key action for Huawei, as this is the thing that makes their image and separates them from their rivals, giving them upper hand. The organization utilizes superstars to promote, and embrace its image, in the past working together with Scarlett Johansson and Henry Cavill. Huawei likewise supports big name entertainers, and artists to be brand ministers,

just as supporting football clubs, for example, Arsenal and Paris Saint-Germain. All these various strategies for showcasing have had the option to drive Huawei to the exceptional brand it is today.

## **D) VALUE PROPOSITIONS**

### **i) Manufacturing**

One of the manners by which Huawei makes an incentive to its clients is through its assembling. As recently referenced India is the quickest developing cell phone showcase, and a key market for the organizations future development. Huawei is setting themselves up for since a long time ago show accomplishment to concentrating on making neighborhood producing inside the nation. Later on 90% of Huawei cell phones in India will be produced locally. Huawei is centered around this nearby assembling as it will give them a key nearness on the Indian cell phone advertise, which as referenced is a quickly developing business sector with huge future potential.

### **ii) Agile Innovation**

The ICT industry is still developing rapidly. New trends such as mobility, cloud computing, Big Data, and social networking are driving the industry into new frontiers. Huawei provides data center infrastructure solutions based on cloud computing to help customers enhance utilization of storage and computing resources, and enable business systems to be quickly deployed, easily operated and maintained, and efficiently managed. Huawei also provides mobile office solutions that help customers improve work efficiency. Our intelligent data analysis system leverages Big Data technologies to help customers gain insights into business opportunities and make agile business innovations.