



Hong Kong Institute of  
**Accredited Accounting Technicians**  
香港財務會計協會

**The Accounting and  
Business Management  
Case Competition**

**2009-10**

**Tertiary Institute Group**

Sa Sa International Holdings Limited (Sa Sa) is a leading cosmetics retailing group operating in Asia. It was listed on the Stock Exchange of Hong Kong Limited in 1997. Sa Sa has grown from its original 40 sq. ft. retail business in 1978 to become a regional beauty enterprise. It is now the largest cosmetics retail chain in Asia and one of the top five retail groups in Hong Kong. Two distinct scope of business areas support the integrated “beauty” platform by which Sa Sa has differentiated itself:

1. Cosmetics retail – Sa Sa sells over 400 brands, covering 15,000 skin care, fragrance and make-up items including its own-brands and exclusive products. Over 13 million transactions are made in its stores annually. Its e-commerce platform, Sasa.com, also offers round-the-clock online shopping services to customers from over 80 countries.
2. Brand management – In addition to selling its own-brand products, Sa Sa also operates as the sole agent for many international cosmetic brands in Asia. This business accounts for over 38 percent of Sa Sa’s total retail turnover.

As the impact of the global financial market turmoil spread out across Asia from mid-September 2008 onwards, the adverse effect was seen across the board. Despite the fiscal year 2008/09 being exceptionally challenging, Sa Sa produced good results, with turnover from the continuing retail and wholesale business rising 12 percent to HK\$3,609 million while profit from the continuing operations increased by 14 percent to HK\$316 million.

The years ahead will continue to be very challenging for Sa Sa. To sustain its future growth and performance, the group’s management is evaluating its business strategy for the next three years.

Assuming that you are newly employed by Sa Sa as a business analyst. Your supervisor asks you to prepare a report to support this evaluation.

### **REQUIRED**

Submit a report to your supervisor commenting on the performance of the business using the balanced scorecard approach, and provide recommendations on strategies for the next three years. Your report should include an analysis with recommendations in the following **FOUR** areas:

- (a) Financial – evaluate the profitability of Sa Sa’s strategy;
- (b) Customer – identify targeted customer and market segments and measure Sa Sa’s success in these segments;
- (c) Internal business process – focus on the internal operations of Sa Sa that create value for customers; and
- (d) Learning and growth – identify the capabilities Sa Sa must excel at to achieve superior internal processes that create value for its customers and shareholders.

In your report, you should include initiatives on how to achieve your recommendations and give concluding comments on the current overall performance and strategy of the business. The report will eventually be presented to the Sa Sa management board to help it make decisions on future strategies and planning.

### **Remarks**

1. In preparing the report, refer to the 2008/09 annual report of Sa Sa International Holdings Limited and quote references from the annual report, with their page numbers, where necessary.
2. When proposing strategies, you may need to consider Sa Sa's overall business strategies and your recommendations should be in line with the group's corporate strategies, mission and goals. Recommendations should be prioritized, with justification, and their feasibility should also be considered.
3. State clearly any underlying assumptions you make to justify your analysis and recommendations; also support your calculations with justifications and explanations.

### **Guidelines for written report**

1. Each team should submit a written report in English of not more than 20 pages of A4 which includes the executive summary, index, appendix and graphs, but excludes the cover page.
2. Font type and size: Arial (12 points)
3. Double line spacing
4. Margin: 1 inch for each side
5. Each report should include a separate cover page with name of the Competition, names of team members, the institution at which they are studying, as well as the contact number, e-mail address and postal address of the team leader.
6. The content pages **SHOULD NOT** include the names of team members and the institution at which they are studying.
7. Submit TWO hardcopies together with a soft copy (in both MS word and pdf format) saved on a CD-Rom.
8. The written report **SHOULD NOT** be put in any folders/files nor be bound in a book.
9. The HKIAAT has the right to disqualify any participant who is found to have violated the rules of the qualification.

### **Method for submission of written report**

The written reports together with CD-Rom can be submitted to the Hong Kong Institute of Accredited Accounting Technicians Ltd. **by hand** to 27/F, Wu Chung House, 213 Queen's Road East, Wanchai, Hong Kong before **5:00pm, 26 February 2010.**