

Internship Evidence Portfolio

Katarzyna Koszel

LG Electronics, Gumi, South Korea

Internship period: June 1st-July 31, 2011

Daegu → Gumi



Due to my full-time internship at LG Electronics I had to move from Daegu to Gumi. The city is an industrial center of South Korea with numerous companies, including international giants: LG, Samsung and Philips.



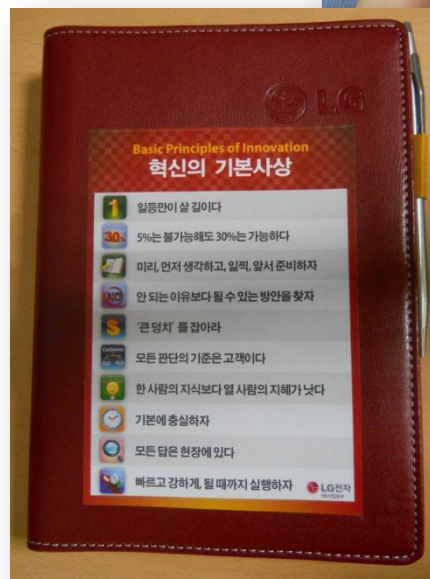
Gumi is the city of many remarkable facets. One of them is undoubtedly Geumo Mountain Provincial Park. The Doesan Cave, Daehye Waterfall and Haeun Buddhist Temple are definitely the must-sees of this popular hiking destination.

Welcome to LG!



Entering a new work environment turned out to be quite a challenge. Morning exercise routine, daily motivational speech and office etiquette were only a few things that I had to get familiar with. Thanks to my immensely supportive team members, the adjustment process instantly turned me into an effective 'gear wheel of LG perpetuum mobile'.

To a huge extent the process of building my organizational identity was facilitated by the omnipresent decalogue of Basic Principles of Innovation – one of the most crucial means of creating the unique LG organization culture.



One Team Spirit



I became a member of PDP Material Procurements Group. As an International Trade graduate who specializes in Asian markets I had the opportunity to make use of my skills and knowledge dealing with issues concerning Japanese suppliers.



The specific of Korean workplace emphasizes the importance of informal interactions. After-hours dinners let me transcend boundaries created by differences in position and age.



Professional Development



My individual project concerned international suppliers' risk and competitiveness.

I created a model which helps estimate both risk of international transaction and competitiveness of Japanese suppliers.

The core of my model was based on statistical discriminate analysis (Altman's Z-score formula) that I had to adjust to conditions of Asian enterprises. The phase of testing positively verified my preliminary assumptions thus the model could be successfully applied in the process of risk quantification.

Ube Industries, Ltd.
Report Based on the Consolidated Financial Report (April 1, 2010 - March 31, 2011)

I. Results of operations

	Fiscal year 2010	Fiscal year 2009	Fiscal year 2008	Change 2008-2010
Net sales	584.7	569.9	618.0	12%
Cost of sales	572.0	446.9	No data available	AD
Gross profit of sales	12.7	123.0	No data available	AD
Operating income	25.2	25.6	44.3	61%
Operating expenses	-12.6	-14.9	-12.7	-
Operating income (adjusted)	37.8	40.5	57.0	50%
Other income	0.1	0.1	0.0	100%
Income before taxes	37.9	40.6	57.0	50%
Income tax expense	-4.7	-5.4	-10.2	22%
Net income	33.2	35.2	46.8	39%

Altman's Z-score

Based on the Consolidated Financial Report for the Fiscal Year

Ratio	2010	2009	2008
$Z = \frac{191.3 + 2109.97}{1744.0} = 0.3307$	0.3307	1.70	0.4918
$Z = \frac{1744.0}{94.2} = 1.9294$	1.9294	0.05	0.1544
$Z = \frac{191.3}{1744.0} = 0.1098$	0.1098	1.0	1.0
$Z = \frac{191.3}{1358.9} = 0.1409$	0.1409	1.0	0.7455
$Z = \frac{174.4}{1358.9} = 0.1245$	0.1245	0.3	0.0410
$Z = \frac{1358.9}{1744.0} = 0.7807$	0.7807	0.1	0.751
TOTAL VALUE			

- In the fiscal year 2010 Asahi Glass Co., Ltd. scored 2.9908
- The fiscal result places the company in Category A
- The company is in very stable financial position with an excellent
- Contingency risk of top 30% level

Altman's Z-score

Based on the Consolidated Financial Report for the Fiscal Year

Ratio	2010	2009	2008
$Z = \frac{49.76 + 2134.17}{1761.84} = 0.1020$	0.1020	1.70	0.275
$Z = \frac{1761.84}{973.74} = 1.8093$	1.8093	0.05	0.1444
$Z = \frac{49.76}{1761.84} = 0.0277$	0.0277	1.0	0.227
$Z = \frac{49.76}{1145.30} = 0.0433$	0.0433	0.3	0.1747
$Z = \frac{174.4}{1145.30} = 0.1518$	0.1518	0.3	0.0441
$Z = \frac{1145.30}{1761.84} = 0.6494$	0.6494	0.1	0.4444
TOTAL VALUE			

Chart 1: NET SALES (Billions of yen)

Chart 2: OPERATING INCOME (Billions of yen)

Chart 3: NET INCOME (Billions of yen)

Chart 4: OPERATING INCOME (Billions of yen)

Chart 5: NET INCOME (Billions of yen)

Professional Development



The massive earthquake that hit Japan on March 11 led to an extremely high volatility of Japanese yen exchange rate. Since all transactions with Japanese suppliers are denominated in US dollars, currency risk management procedures had to be undertaken. FOREX technical analysis that I conducted in 'Meta Trader 4' trading platform let me prepare yen exchange rate forecasts.

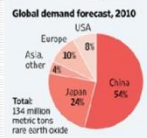
The crisis on the Rare Earth Metals market let me observe my team members coping with the challenging and to a huge extent stalemate situation. I was happy to have my share in the crisis management actions where drawing some forecasts for future I could use my knowledge on international trade law. The results of my research were portrayed in a comprehend presentation.

Rare Earth Market

- Price structure (taxes, EXP license fee)
- Price volatility
- Supply change
- Strategy of getting suppliers
- Forecasts for future

(10% of RE demand)

■ mines in Estonia and Greenland are under development.



The pie chart titled 'Global demand forecast, 2010' shows the distribution of rare earth oxide demand. The segments are: USA (8%), Europe (30%), Asia other (8%), Japan (24%), and China (30%). A note indicates a total of 134 million metric tons of rare earth oxide. A line graph above the chart shows 'Material used in hybrid-car motors and disk drives in PCs' from 2007 to 2010, showing a steady upward trend.

Professional Development



Another challenge for my Procurements Group was the price of silver that has skyrocketed on the international commodity market literally overnight. I investigated the irrational situation and tried to prepare a forecast for the distorted market.

The difficulties in the post-earthquake business environment made lots of Japanese suppliers renegotiate their contracts. I had the opportunity to take part in talks concerning valorization clause and get the hands-on experience observing the distinctive Japanese negotiation style. I also appreciated the fact that I was provided insight into confidential data while consulting our negotiation strategy.



Work & Life Balance



"Smartness that strikes balance between work and life"

Me and my intern fellow, Valentina, implemented the LG mantra during our amazing weekend on Jeju Island. Our understanding supervisors allowed us to skip few working hours but when we were back in the office our motivation to work was boosted to 126,374 %!

Cinnamon cappuccino from Café Nana was definitely a highlight of every single coffee break. Not to mention that the intoxicating scent of cinnamon made 'the-sentimental-me' feel like home.



Personal Development



Some friendships are definitely bound to last forever. Songyi, our dear co-worker who comes from Busan, showed us the best beaches and raw fish restaurants of this famous summer resort. Moreover, since Songyi used to work for a Western company, it was also very interesting to learn about her unique reflections on intercultural differences.



Jeongrye works for LG in Pyeongtaek but during her week long visit in Gumi she became our roommate. We had a great time together both at work and after-hours.



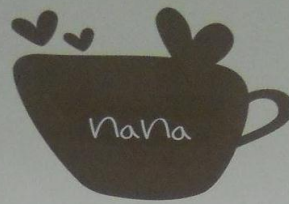
Personal Development



For the first few days at LG I used to have some power naps during my lunch break in a common space filled with couches. A week later they stuffed the space with books, board games and called it... 'Coma'. Hopefully I'm not the only one who had her contribution in coining this name... ;)

Baking is my biggest passion and the period when I was able to combine my internship at LG with my pastry chef job at Novotel in Daegu was undoubtedly a highlight of my stay in Korea. On weekends I used to spend 12 hours (!) a day preparing huge batches of desserts for our hotel guests, e.g. 60 portions of crème brûlée, 10 apple tarts. Dealing with professional chefs I learned that baking is not only about the expression of my food imagination but also about precision, standardization and time management.





I ♥
LG

more
than
ever

