



**THE STRATEGIC OF LONGDALI CO. LTD**

**LI DONGLIANG**

**5917195459**

**AN INDEPENDENT STUDY SUBMITTED IN PARTIAL FULFILLMENT**

**OF THE REQUIREMENTS FOR**

**THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION**

**GRADUATE SCHOOL OF BUSINESS**

**SIAM UNIVERSITY**

**2018**



## THE STRATEGIC OF LONGDALI CO. LTD

### Thematic Certificate

To

**LI DONGLIANG**

This Independent Study has been approved as a Partial Fulfillment of the Requirement of  
International Master of Business Administration in International Business Management

Advisor: Li, Chiao-Ming Date: 17 / 7 / 2018  
(Associate Professor Li Chiao-Ming)

Jomphong Mongkhonvanit  
(Associate Professor Dr. Jomphong Mongkhonvanit )

Acting Dean, Graduate School of Business Administration

Date: 20 / 7 / 2018

Siam University, Bangkok, Thailand

# THE STRATEGIC OF LONGDALI CO. LTD

## ABSTRACT

Title: The Strategic of LongDaLi Co. Ltd

By: Li Dongliang

Degree: Master of Business Administration

Major: Business Administration

Advisor: Li Chao-Ming  
(Associate Professor Li Chao-Ming)  
17 1 7 1 2018

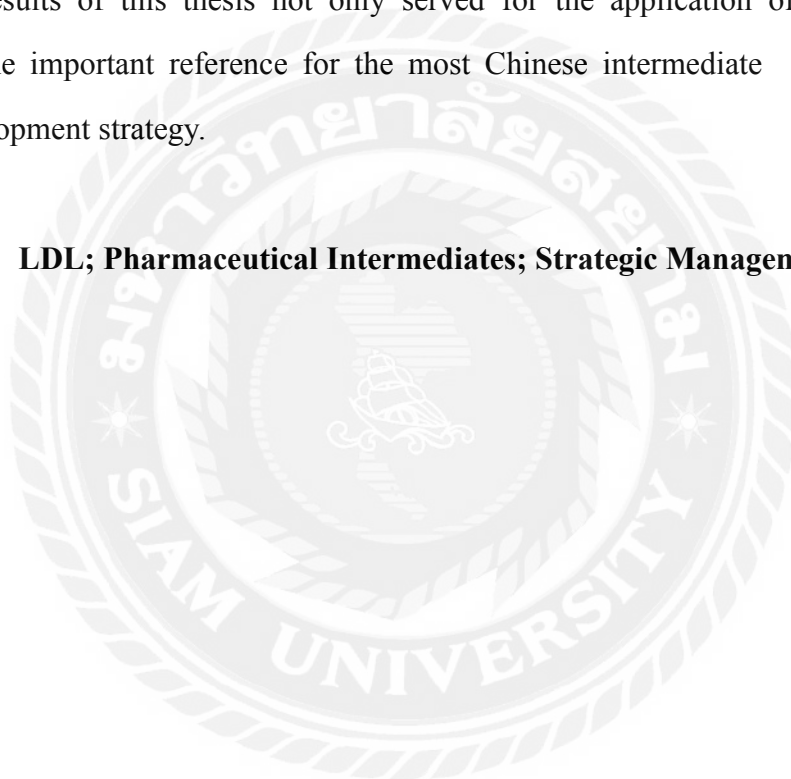
Since the accession to WTO and the opening of China's rapid growth of economy, the giant international corporations has been entering and seizing the Chinese market one after another in the form of sole investment and joint venture. The large domestic corporations of pharmaceutical intermediates also accelerated the integration of small and medium-sized enterprises, which directly resulted that the domestic market of pharmaceutical intermediates was becoming intenser and intenser. The biggest problem of intermediate corporations is how to meet challenges and how to make full use of their own advantages to expand the market. Therefore, formulating suitable strategy is the inevitable choice for the domestic corporations of pharmaceutical intermediates according to the development of internal and external environment and the capacity of resources.

This paper took the Shandong LongDaLi Co. Ltd (abbreviated as LDL) as the object and used the strategic management theory and tools to study the development strategy of LDL. Firstly, we used PEST Macro-environment and Baud's Five Solid Model Analysis approach to study LDL's external environment and to specify the opportunities and threats brought by its external environment. Secondly, we identified the advantages and

disadvantages of LDL's internal environment through analyzing its ability of production , research, market, manpower and finance. Thirdly, this paper established the SWOT Matrix of opportunities and threats from external environment, and advantages and disadvantages from internal environment with the theory of SWOT, and analyzed business with the Boston Matrix. Finally, we obtained the reasonable development strategy for LDL which was to use the differentiated competitive strategy and international competitive strategy on the basis of the total cost-preferment.

The results of this thesis not only served for the application of LDL, but also provided the important reference for the most Chinese intermediate corporations to make development strategy.

**Keywords: LDL; Pharmaceutical Intermediates; Strategic Management; SWOT**



## 摘 要

题目: 龙达利有限责任公司的战略

作者: 李栋良

学位: 工商管理硕士

专业: 工商管理

导师: Li. Chao-ming  
(副教授 李喬銘)

17 1 2 1 2018

自二十一世纪初加入 WTO 之后,我国拉开了经济快速增长的序幕,同时在医药中间体行业,国外医药中间体大型企业采取独资、合资等各种方式与国内企业展开了激烈的竞争,而国内许多比较大的医药中间体企业也加快了整合中小企业的步伐,这加剧了国内医药中间体市场的竞争,使得竞争日趋激烈.如何发挥优势迎接挑战、稳固并开拓市场是国内许多医药中间体企业所面临的棘手问题.所以,考虑企业的内外环境并结合企业发展的实际情况设计出科学合理的战略对国内医药中间体企业来说意义重大.

本文的研究对象是山东龙达利有限责任公司(文中简称 LDL 公司),运用战略管理中的最基本的理论和方法分析 LDL 公司的现行战略的实际情况和存在的问题并设计出了适合本企业的发展战略.采用 PEST 宏观环境分析对企业的外部环境进行分析,运用波特五力模型分析工具对企业的竞争力进行分析,通过分析企业的研发创新、科研优势、渠道客户、财务状况等资源,对企业外部环境中存在的机会和威胁、内部环境中存在的优势和劣势进行了详细的分析和总结;然后运用 SWOT 理论建立了体现出机会威胁和优势劣势的 SWOT 二维矩阵,并结合波士顿矩阵对公司的业务进行具体的分析,最终制定出了以总成本领先战略,结合实行差异化竞争的战略.

本论文研究成果既可用作为对于本文的研究对象山东 LDL 公司的应用,又可作为国内广大中小医药中间体企业制定发展战略的参考.

**关键词:** 龙达利; 医药行业; 战略管理; SWOT

## ACKNOWLEDGEMENT

In the days of Siam university in a hurry, learned in these two years is not only professional knowledge, more is the spirit of hard work and look at the attitude of life, in this thank you taught my teachers, to accompany me through two years of wind and rain of the classmates, is you let the abroad study life has become richer, more colorful, more meaningful.

First of all to thank the Siamese university Zhu Ying li teacher with us for two years, she is responsible earnestly, care for students, is the mentor in study and life, help us to solve difficulties in study and life. The teachers in the foreign country like relatives gave us the selfless care and warm, let's start at the beginning of fresh unfamiliar to the familiar and comfortable, and teach us the rigorous doing scholarly research spirit, a positive attitude towards life.

Thank in this paper, the guidance of the teacher Li Chiao-Ming teacher, thanks to Mr Li's help and patient guidance devotedly, knowledge breadth, teacher li of scholarship, teaching carefully, at the time of this writing teacher li for help, in this said thank you deeply.

Thanks to all the Siamese university had taught my teachers, you profound academic background, lively classroom teaching is I in Siam reap huge spiritual wealth, thank the teachers inculcate.

Finally, I would like to thank my classmates who have been with me for two years. I am very glad to know you in the best part of my life. Thank you for your support and encouragement. Thank you!

LI DONGLIANG

At Siam University on April 25, 2018

# CONTENT

ABSTRACT.....	i
ABSTRACT-CHINESE.....	iii
ACKNOWLEDGEMENT.....	iv
CHAPTER 1 INTRODUCTION.....	1
1.1 Background And Research Significance.....	1
1. 1. 1 Selection Background.....	1
1. 2 Research Significance.....	2
1.3 Research Ideas, Main Analysis Tools And Methods.....	3
1.4 Research Framework.....	4
CHAPTER 2 SUMMARY OF STRATEGIC MANAGEMENT THEORY.....	5
2.1 Definition Of Strategic Management.....	5
2.2 The Four Major Stages Of Foreign Strategic Management Development.....	6
2.3 Status Quo Of Development Of Domestic Strategic Management.....	8
CHAPTER 3 COMPANY BRIEF AND RESEARCH METHODS.....	9
3.1 Company Profile.....	9
3.2 Major Products, Markets And Performance.....	10
3.3 Problems Facing The Current Stage.....	11
3.4 Research Methods.....	12
CHAPTER 4 RESEARCH RESULT.....	13
4.1 Macro Environment Analysis (PEST Analysis).....	13
4.1.1 Analysis Of Policy And Legal Environment.....	13
4.1.3 Analysis Of Social And Cultural Environment.....	17
4.1.4 Analysis Of Technical Environment.....	18

4.1.5 PEST Summary Analysis.....	18
4.2 Competition Analysis Of The Industry.....	19
4.2.1 Competition Among Existing Competitors In The Industry.....	19
4.2.2 The Threat Of Alternatives.....	20
4.2.3 The Threat Of New Entrants.....	21
4.2.4 Supplier Bargaining Power.....	21
4.2.5 Bargaining Power Of Buyers.....	21
4.3SWOT Analysis.....	22
4.3.1 Advantages.....	22
4.3.2 Weaknesses.....	22
4.3.3 Opportunity.....	23
4.3.4 Threats.....	24
4.3.5 Current Corporate Strategy Analysis.....	26
CHAPTER 5 SUMMARIZES AND SUGGESTIONS.....	26
5.1 Clearly Recognize And Define The Mission Of The Firm.....	26
5.2 Establishing a Division Of Strategic Business Units.....	27
5.3 Product Market Segmentation.....	27
5.3.1 Sba In The Problem Area.....	27
5.4 Functional Strategy.....	27
5.4.1 Product Strategy.....	27
5.5.2 Market Strategy.....	28
5.5.3 Channel Strategy.....	28
5.6 Suggestions.....	29
5.6.1 Corporate Culture Construction.....	29
5.6.2 Human Resources Protection.....	29
5.6.3 Technological Innovation And Product Development Promotion.....	29



5.6.4 Pulling Marketing.....	30
5.6.5 Improvement Of Management Quality.....	30
5.6.6 Inadequate Papers.....	30
REFERENCES.....	32



# **THE STRATEGIC OF LONGDALI CO. LTD**

## **CHAPTER 1**

### **INTRODUCTION**

#### **1.1 Background And Research Significance**

##### **1. 1. 1 Selection Background**

With the rapid development of the pharmaceutical industry, the impact of economic globalization is far-reaching, and the division of labor in social specialization is also more detailed. There is no need for pharmaceutical manufacturing companies in the pharmaceutical industry chain to blindly engage in the industrial chain strategy, and to make the enterprise bigger and more comprehensive, and it should Concentrate effort and investment into the direction and field where they are good at, and other supporting products can be provided by suppliers' pharmaceutical intermediate companies, especially some primary products and products with certain pollution and danger, which are transferred to downstream pharmaceutical intermediates. Business production and delivery.

In the 1990s, the rapid development of the pharmaceutical industry led to the development of many hospital intermediate companies, and also created many outstanding companies, such as Shandong Ruiying Group, Shandong Jincheng Shares, Zhejiang Lianhua Science and Technology, Zhejiang Yongtai Technology, Zhejiang Sea Xiang Pharmaceutical, Zhejiang Yongning Pharmaceutical, Zhejiang Hengdian Group and many other outstanding pharmaceutical intermediate companies. After the rapid

development and brilliance of the pharmaceutical industry, these pharmaceutical intermediate companies have gradually entered a mature period. At the same time, the competition among these pharmaceutical intermediate companies is becoming increasingly fierce. New investors who are tempted by the profitability of the pharmaceutical-related industries are full of dreams of getting rich into the industry, and the strategic layout of the pharmaceutical industry's industrial chain to the upstream. These factors lead to pharmaceutical intermediates. Competition is also heating up.

At present, most domestic small and medium-sized pharmaceutical companies are not standardized in management, and many companies have not introduced strategic management.

Management, the understanding and application of strategic management is still in the initial stage, the lack of strategic direction and vision. These problems have made domestic pharmaceutical intermediate companies develop at random and disorderly, and they are often in a state of price war in the market competition. At present, China's pharmaceutical intermediate manufacturing companies must stand out in the fierce market competition and gain advantages. In order to achieve rapid development within the industry, it is necessary to define the company's strategic positioning and formulate and ensure the implementation of the company's development strategy. This is the middle of domestic medicine. The inevitable choice of corporate enterprises.

## **1. 2 Research Significance**

To clarify the thinking for the long-term development of the Shandong LongDaLi Co. Ltd (Abbreviation as LDL) companies and avoid bottlenecks in future development. LDL is faced with similar difficulties with other pharmaceutical intermediate companies. At the same time, in terms of development, the internal and external environment has undergone unprecedented changes. In the long run, companies have a sense of “crisis”. In the so-called “crisis”, risks and opportunities coexist. If the science understands the situation and clarifies its thinking, LDL will be able to better seize the opportunity, turn the corner, and achieve healthy and rapid development.

LDL's current development direction is mainly pharmaceutical intermediates, but it is relatively clear, but there is no specific detailed enterprise development strategy planning. The company's development strategy is still in a spontaneous stage of development. The current development direction is random and highly variable, and there is no perseverance. The protection is seriously affected by the external development environment such as national policies and economic situation, leading to uncertainty in the direction of future development. Therefore, according to internal environmental factors and external environmental factors, LDL Company combed out the company's strategic positioning and corporate strategic development goals, formulated a set of scientific development strategies suitable for the actual situation of LDL Company, and adopted effective safeguard measures to implement these strategies. Only in this way can a clear and long-term development idea be formed, which will allow the company to develop steadily and sustainably and avoid bottlenecks in its future development.

This article analyzes the research achievements of strategic management at home and abroad, takes LDL company in Shandong as the research object, and learns and uses strategic management theory and strategic management analysis methods, such as PEST theory analysis, SWOT theory analysis, and Michael Porter's five force model. To find out the current problems in the company's strategic management, and analyze and improve the existing strategic management. On the one hand, it can provide a theoretical basis for the development of strategic management for LDL Company, in order to achieve the goal of resolving the weak points of LDL's strategic management and improving the LDL's strategic system; on the other hand, it provides experience and lessons for the development of other pharmaceutical intermediate companies. Therefore, expanding and expanding China's pharmaceutical intermediate industry has not only played an important reference role for China's same type of enterprises to cope with the challenges of globalization, but also provided a strong backing for the reform and development of China's pharmaceutical industry.

### **1.3 Research Ideas, Main Analysis Tools And Methods**

Based on the principle of the company's development strategy at home and abroad,

this paper uses the SWOT analysis theory of strategic management and the five forces model of Michael Porter to formulate a development strategy suitable for the specific situation of LDL company, and through the Boston Matrix, combined with the strategic combination, combined with the company's business development of the company's development strategy to ensure the smooth implementation of corporate culture, personnel training, marketing, product production and other aspects.

#### **1.4 Research Framework**

Chapter 1 Introduction. It mainly describes the background and significance of the topics selected, the research ideas, and the main analysis tools and methods; Chapter 2 is a summary of strategic management theory. The basic theories of strategic management (including SWOT theory in strategic management theory, PEST theory, Porter's five force model theory, Boston matrix theory, etc.) and the development stage of strategic management theory are briefly introduced; Chapter 3 Research Methods. Research object introduction. It mainly includes the company profile and major products, markets and performance of LDL Company, as well as the problems faced. Environmental Analysis. Through the analysis of the external environment of the pharmaceutical intermediates industry, the company's current status, industry competition and trends, and medical reform policies, etc., understand and analyze the opportunities and threats that the company has in the external environment; through the analysis of internal resources and capabilities, The advantages and disadvantages that the company has in the internal environment are clarified; the SWOT matrix is established; Chapter 4 analysis. Through the analysis of the company's internal and external environment, combined with the current status of the company, using the Boston Matrix Analysis method to position the company's business and strategy, and to develop a strategy for the development of the LDL company; Chapter 5 Summarizes and Suggestions. According to the actual situation of LDL Co., Ltd., specific implementation measures and recommendations were put forward for the implementation of the strategy.

## **CHAPTER 2**

### **SUMMARY OF STRATEGIC MANAGEMENT THEORY**

#### **2.1 Definition Of Strategic Management**

Strategy is also called strategy. It was originally derived from warfare. It means the meaning of war strategy. Ye (2011). In ancient China, strategy was an art that was related to the command of the war. In the West, strategy means military generals. With the development of history, it was further extended to the strategy used in the command of the warfare. Later, it gradually evolved into a military term (Michael, 2002).

In the 1950s and 1960s, strategy was gradually applied to the economic and market areas. The developed countries such as the United States gradually formed a mature model and traditional strategic management theory in economic development and enterprise management (Tong, 2015).

Nie (2003) Strategic management refers to the organization's strategy for the long-term development direction and goals of the company within a certain period of time. A single company is the basic unit of strategic management. The core issue of corporate strategy is the company's development strategy and direction. Fundamentally speaking, corporate strategy is to achieve its own healthy growth. Modern management science defines strategic management as enterprise strategic management including the four elements of strategic analysis, selection, implementation, evaluation, and adjustment (Lith, 2002). At the same time, strategic management can be divided into three levels: company level, business level, and functional level. Professor Andrews from the Harvard Business School in the United States believes that there are four major components of the strategy, namely, the opportunities that exist in the market, the capabilities that the company possesses, the pursuit of individual values, and its responsibility to society (Li, 2009). Among them, the company's external environment includes the two elements of opportunity and social responsibility existing in the market. The internal environment

factor refers to the company's ability and personal value pursuit. The strategy is to organize the system's behaviors that fully exert their strengths, overcome their own shortcomings, and foster strengths and avoid weaknesses, and constantly grasp opportunities and respond to a series of threats (Gu, 2014).

## **2.2 The Four Major Stages Of Foreign Strategic Management Development**

The theory of enterprise strategic management originated in the West. The study of strategic management in the Western academic community is roughly divided into the following stages (Gary, 1999):

The first stage, from the 1960s to the early 1970s, was the stage of research and formulation of strategic theory, and it focused on the organization and stressed the strategic nature of strategic management. In the analysis process, attention is paid to strategic concepts, elements and basic issues such as resource allocation. The representative theory of strategic management during this period was: Ansoff's product-market theory, four strategic choices were formed: product development, market penetration, market development and diversification strategies; Boston founder B. Henderson was The company's first product portfolio evaluation method—the BCG model theory (Gerald, 2004). The company analyzes the market share growth and relative competitive position to find out the resources needed to develop the business; the McKinsey GE Matrix, which is based on the attractiveness and competitiveness of the industry as two variables The nine squares analysis screen: The Harvard Business School of Enmic Records, the four proposed in the book based on the advantages and disadvantages of the internal environment, through the SWOT analysis of external environmental opportunities and threats, Fred (2013) can understand the organization's internal and external environment in the shortest time Advantages and disadvantages are system tools for analysis that can objectively and fairly assess the overall situation of the organization.

The second stage was from the 1970s to the early 1980s. (Michael, 2015). This was the golden period for the development of strategic management of enterprises. The theory

of mature strategic theories continued to emerge. The core issue of theoretical research is the practical application of research, focusing on the outside of the enterprise, emphasizing the analysis of the industrial structure. The competitive strategy theory from Michael(2002)has become the main theory. (Craig, 1988).The core of the theory is the "five analysis models" put forward by him, that is, the foundation of competition, replacement, potential buyers, suppliers and competitors in the enterprise. On the determination of the five forces of analysis of the company's competitive strategy. In addition, he further proposed cost leadership, differentiation, and concentration strategies. These three business strategies complement each other in terms of competition.

The third stage was from the early 1980s to the middle of the 1990s. This period of time mainly focused on the internal resources theory, cultivated the company's core competitiveness, and analyzed the internal and external environment of the industry. (Paul, 2000). From the initial study of the economist Penrose Resources business to the concept of "core competence" of Hamel and Prahalad and the study of related theories about the capabilities of the company, they have all developed very well. And perfect. Pay attention to the production capacity and sales ability, emphasize the company's goals, social responsibility construction, brand image, which from another perspective enhances the company's competitive strength.

The fourth stage is from the mid-1990s to the present. Since companies recognize that competition in the new environment is conducive to their own survival and development, they must use strategic logic and their competitors as the center to promote cooperation between enterprises and enterprises and form a complementary basis. (George,1999) System organization. Against this backdrop, the focus of strategic management has shifted to innovation. Therefore, there are some new theories worth our attention: 1. Customer value theory. For example, Philip Kotler's customer value theory. Peter Drucker, 40 years ago, said that the current company's main job is to "create customers," and customer value has become a competition rule. 2. The strategic logical starting point. (Michael, 2006). American scholar Moore put forward the concept of commercial ecology theory in his 1996 book "The Decline of Competition", which means that the strategic theory has made new breakthroughs in thinking, and from the unique



perspective of the ecosystem, to business activities. Make a detailed description (Bai, 2008)

### **2.3 Status Quo Of Development Of Domestic Strategic Management**

In China, the introduction of the theory of strategic management is relatively late and the time for research is relatively short. Some companies introduced the concept of strategic management from the 1980s. However, with the development of our country's economy, the exploration and research of strategic management of enterprises has been deepened, and the strategic management theory has formed a huge system in the research of strategic management. At present, we have made considerable progress. (Carl, 1999) From the perspectives of theoretical and academic research, corporate diversification, resource-based theory, core competence theory, and knowledge theory, environmental factors and strategic flexibility are emphasized. Xu Erming, Licensing, Chen Jing, and others studied the basic theory of resources; Bian Yanjie and Qiu Haixiong studied the performance of enterprises from the perspective of social and developmental development; Xu Qingrui, Liu Yusheng, and others focused on the implementation strategy of corporate strategies in organizational capabilities. The corresponding systems and tactics were adopted, and a more standardized argumentation analysis was implemented; Zhu Jiang, Yin Yi, and others conducted detailed empirical research and discussion on the diversification of Chinese companies; Xi Fangmin proposed the concept of complex theory in 1989 after a long period of time. The combination of practice and theory, he has already clarified the basic ideas of the complex theory; Jane Khan right, Li Heng and other research based on the single source theory of strategic alliance; Zhao and Yu (2000) studied the humanistic positioning theory of development strategy.

On the whole, the theoretical study of domestic strategic management is the country's learning and learning from Western research trends and directions. Strategic management has begun to pay attention to certain normative methods and measures, from theoretical assumptions, determinations, to method exploration and analysis. , and then the test of results, all proved that the development of strategic management is full of application and leading. (Philip, 2002) The basic theory of strategic management originated from the West, such as the United States. Compared with China, there are

particularities in the industry's background and environmental resources, so the interpretation of the choice of the problem is not exactly analogous to the West.



## **CHAPTER 3**

### **LDL COMPANY BRIEF AND RESEARCH METHODS**

#### **3.1 Company Profile**

LDL Co., Ltd. is a subsidiary controlled by Shandong Research Institute of Chemical Industry. Its predecessor was the Institute's pilot plant. After the company was established in 1958, after years of brand development and the accumulation of credibility, it has now developed into a modern scientific and technological enterprise integrating the research and development, production and sales of chemical products. In 2001, LDL was established in Changqing District, Jinan City. The technology relies on the pilot plant of Shandong Research Institute of Chemical Industry. It mainly produces coating intermediates, and the products are mainly sold domestically. According to the market information and specific customers according to market information, it is point-to-point promotion of. In 2005, LDL Company added new pharmaceutical intermediate products on the basis of retaining the original coating intermediate products. The newly added pharmaceutical intermediates are mainly sold to the downstream pharmaceutical industry, which is the pharmaceutical factory we are familiar with. This phase is mainly For a specific customer, produce specific products for sale. After 2008, chemical companies entering the chemical industry park have increasingly become the requirements of the state for chemical companies. With the financial crisis, the international economic situation has continued to slump. LDL has moved from Changqing District, Jinan City, Shandong Province to Zoucheng, Shandong Province. Technology Industrial Park The Science and Technology Industrial Park of Shandong Chemical Industry Research Institute opens a standardized development road. The production base occupies an area of

400 mu. There are 32 production workshops, complete supporting facilities, advanced equipment, and a complete quality management system.

### **3.2 Major Products, Markets And Performance**

LDL Corporation is one of the high-tech enterprises in Shandong Province. LDL employs approximately 1,500 people. About 25% of its employees are engaged in management, R&D, quality inspection and sales work, and 75% of employees have academic qualifications. In the LDL company's talent structure, the number of highly educated people is very large. They have professional knowledge, great creativity and research and development, and have a great advantage for the company's human resources management. The reason why the company can achieve such great achievements is that it has a very good relationship with the company's professional and creative elite team. The company not only passed the ISO14001:2000 environmental management system certification, but also in the ISO 9001:2000 quality management system certification, which makes the company's various systems of construction, operation and improvement continue to standardize and scientific.

LDL's main products are pharmaceuticals and coating intermediates, rubber and plastics additives, oilfield chemicals and other products, especially in the field of insured pharmaceutical intermediates, leading product technology, the company's production capacity and sales scale leading domestic; Its sales channels and networks are all over the country; it has import and export rights and has established long-term strategic cooperation relationships with a number of well-known foreign companies from Europe, the Americas, and Asia.

The output value of LDL grows steadily every year. From 2008 to 2010, the prices of chemical raw materials experienced a period of downturn and recovery. As of the end of 2010, the sales income of the company's coating intermediates was 200 million yuan, and the net profit was 8 million yuan. After 2010, the company began to dig deeper into the pharmaceutical intermediates business. As pharmaceutical intermediate products are less affected by the financial crisis, this has reduced and avoided the impact of the financial crisis on the price fluctuations of chemical raw materials. From 2010 to 2015, the sales of pharmaceutical intermediates of the company rose steadily, sales revenue and profitability increased steadily year by year, sales revenue of pharmaceutical intermediates reached 205 million yuan, while coating intermediates grew steadily, sales

revenue reached 260 million yuan, plus auxiliary Other products and revenues, the company's total output value of about 500 million yuan, net profit of 30 million yuan.

### **3.3 Problems Facing The Current Stage**

At present, the biggest problem faced by LDL companies is that the company does not explicitly propose a strategy. Concepts and ideas that are close to the strategy are formed spontaneously, but they are not clear. It is difficult to adapt to the company's rapid development in the future.

From its inception to 2008, the company has been in a state of random development, constantly chasing and replacing products with high profit margins, and has no clear and mature strategic development ideas and directions. In particular, in 2008, the downstream coating intermediates industry was affected by the international financial crisis. The market was in a sluggish state. The development of intermediate businesses relying on hospitals as the terminal was hampered and the problems were highlighted. The company analyzed the internal and external environment and the actual conditions of the enterprises. After relocating to Shandong Science and Technology Industrial Park of Shandong Chemical Research Institute of Zoucheng Hi-tech Industrial Park in 2010, the company began product combing and business transformation. The company suspended the production of coating intermediates, retained the sales of coating intermediates, and transformed the manufacturer of coating intermediates into Coating intermediate traders and pharmaceutical intermediates have increased their investment in scientific research and production and gradually transformed into cephalosporin pharmaceutical intermediate manufacturers.

The company has achieved certain sustainable development advantages in the field of cephalosporin pharmaceutical intermediates through product combing and business transformation, but at the same time the company also encountered bottlenecks and difficulties. It mainly includes: First, what kind of strategic planning and development goals should the company make, what kind of development plans should the company have in the next five or ten years, and secondly, what kind of development strategy

should the company develop in light of its actual development? What are the challenges and opportunities for the future development of pharmaceutical intermediates? Third, what kind of measures should the company take to cope with the increasingly serious competition and overcapacity in the industry? Fourth, how does the company adopt a scientific strategy to deal with the impact of international competition in pharmaceutical intermediates and maintain its existing advantages in China; How should companies avoid weaknesses, better allocate existing resources, and better The future competition is invincible; solving these problems requires a good and feasible strategy. Therefore, LDL's strategic research has great practical significance for the future development of LDL.

### **3.4 Research Methods**

This article through consulting the literature, combing and sorting literature materials, and using induction and comparison methods, using qualitative analysis and quantitative research, combining strategic management theory with the LDL company's practice, and related research.

1. Through PEST analysis of LDL companies, general analysis of political and legal environment, economic environment, social and cultural environment, and technical environment will be provided to provide the basis for the analysis of strategic management of LDL in Shandong, and provide a basis for the formulation and improvement of strategic management of LDL companies. in accordance with.

2. Use SWOT analysis. SWOT is the abbreviation for Strength, Weakness, Opportunity and Threat. The SWOT analysis analyzes the advantages, disadvantages, opportunities and threats, and combines the internal conditions of the company with Various factors of the external environment are used for comprehensive system evaluation, so as to select a method suitable for LDL company's best business strategy. The guiding principle of SEOT analysis method is to comprehensively analyze the advantages and disadvantages of LDL's internal environment, analyze the opportunities and threats of the external environment of LDL Company, and formulate a business

strategy that is consistent with the future development of LDL Company.

3. Boston Matrix Analysis. Through the analysis of the status and interrelationships of LDL's various businesses, LDL's funds with high profitability and low development potential are transformed into businesses with development potential and space.



## **CHAPTER 4**

### **RESEARCH RESULT**

#### **4.1 Macro Environment Analysis (PEST Analysis)**

The macro-environment has various influences on the development of the company, including the impact on the industry in which the enterprise is located. It also includes the impact on specific companies, including both direct and indirect effects. For opportunities and threats in the external environment, enterprises can reasonably grasp opportunities based on the analysis of resources and competitiveness to ensure the smooth development of their normal operations.

Using the PEST analysis model, the political and legal environment, economic environment, social and cultural environment, and technological environment all fall within the scope of the macro-environment.

##### **4.1.1 Analysis Of Policy And Legal Environment**

The analysis of political and legal environment refers to the analysis of actual or potential political forces, including the influence of the political and legal environment on the business activities, and the analysis of the laws and policies that the political and legal environment constrains the business activities of the company. details as follows:

1. The government's guiding trend in the pharmaceutical intermediate industry is to divert existing pharmaceutical intermediate companies to specialized chemical parks in order to enhance the sharing of resources, reduce the dispersion of the production of pharmaceutical intermediates, and strengthen the supervision of their environmental pollution. Reduce scattered sources of pollution. This creates a good external environment for more standard pharmaceutical intermediate companies and provides more shared resources. At the same time, it also enables enterprises to increase production costs and management costs due to more standardized production



requirements.

2. The state has increasingly stringent requirements for the upstream pharmaceutical industry in the pharmaceutical intermediates industry, with higher and higher standards. Pharmaceutical intermediate companies must improve their own management standards and requirements by complying with the standards and standards of industrial policies, increase the level of product control in the pharmaceutical intermediates industry, and ensure the supply of raw materials for the pharmaceutical industry. The development of the pharmaceutical industry affects the pharmaceutical intermediates industry and affects pharmaceutical intermediate companies. The premise of healthy normal development of the pharmaceutical industry is the quality and safety of pharmaceutical intermediates and the environmental and ecological safety. This puts forward higher requirements for pharmaceutical intermediates and increases the production threshold for production costs of pharmaceutical intermediates, but because of the production threshold The increase will eliminate a group of high-competitive enterprises with small but small production capacity but low costs. This will provide opportunities for pharmaceutical intermediate companies to provide threats.

3. During the 12th and 5th Five-Year Plan period, the state's policy on pharmaceutical intermediates was to strengthen the strength of mergers and acquisitions among pharmaceutical intermediate companies. The state requires pharmaceutical intermediate enterprises to upgrade their technology, save energy, and reduce consumption. At the same time, they also require the transfer of environmental protection production and environmental protection. This will make the pharmaceutical industry and the pharmaceutical intermediate industry more closely. In this environment, many companies face both opportunities and competition pressures.

4. The state has increased the environmental protection and safety production of many industries to the strategic height, especially the chemical industry where the pharmaceutical intermediate industry is located. While competing in the existing market, pharmaceutical intermediate companies must develop more energy-saving and environment-friendly pharmaceutical intermediate products, improve their market

competitiveness in the pharmaceutical intermediate industry, and also achieve safe production. For pharmaceutical intermediate enterprises, in addition to strict environmental protection requirements, the country has higher safety requirements, such as advocating for enterprises to increase automation and reduce the risk reduction in production. The state attaches great importance to the safety of pharmaceutical intermediates and its impact on the environment, and strictly meets the requirements of pharmaceutical intermediates, raises awareness of corporate safety awareness and sustainable development, increases investment in safety production, and adopts mandatory methods to require pharmaceutical intermediates. The company implements safety production standard processes and formulates measures and systems for protecting the surrounding environment. At the same time, it strictly controls various pollutant discharge standards, increases the handling of waste products, and invests in environmental facilities and environmental supervision.

5. The domestic market for pharmaceutical intermediates is fiercely competitive, and there is a large difference in product quality stability. This has brought many risks and hidden dangers to the downstream pharmaceutical industry. In order to change the current situation and make the market's behavior more standardized, competition is getting more and more fair, the state has introduced a series of laws and regulations and related systems to be bound and controlled. For some small factories with irregular production, their self-discipline is strengthened through rules and regulations, allowing the market to grow healthily in fair competition.

Through the above analysis, we can draw the following information: First, the state has paid more and more attention to the development of the pharmaceutical intermediates industry, and the requirements for the pharmaceutical intermediates industry have become increasingly stringent. The prerequisite for the development of pharmaceutical intermediates is to ensure safe production and environmental protection. Second, the national level begins to promote the merger and reorganization of pharmaceutical intermediates. Large companies promote the development of small and medium-sized enterprises, but they also encourage strong alliances and improve domestic pharmaceutical intermediates. The competitiveness of enterprises; Third, the national

environmental protection will eliminate high-risk and highly polluting pharmaceutical intermediate products, gradually realize the environmental protection and low pollution of pharmaceutical intermediate products; finally, the country will adopt the intervention policy to make production more standardized and high-standard. It is required that the competitive environment of pharmaceutical intermediates be relatively fair.

The economic environment refers to the economic systems and strategies that affect the development of enterprises. Enterprises should combine the actual development of their own, through the correct judgment of the domestic and international economic development trends, sort out the development strategy for the company's strategic plan, maintain the stability of the enterprise, improve corporate performance, and guide the company to the healthy development.

At present, the changes faced by domestic and international economies have caused changes in demand. Here we briefly explain the industries and products in which LDL companies are located.

First, the pace of economic development at home and abroad has slowed down and the upward pressure has been enormous. Due to the financial turmoil of previous years, the subprime mortgage crisis of the US stock market in recent years, and the severe impact of the European debt crisis, the world economic growth has slowed down, which is more uncertain for the foreign trade business of the company. The sales of the foreign trade department of LDL Company are not optimistic. The scope of the customers has not expanded and the sales volume has shrunk. As a result, the foreign trade department has laid off the staff several times to streamline the positions.

#### **4.1.3 Analysis Of Social And Cultural Environment**

The so-called social and cultural environment refers to the environment of a tradition, culture, education, religion and social structure formed by an organization in a certain period of time. The social and cultural environment has potential influence and role on the company's strategy.

For pharmaceutical intermediate companies, the socio-cultural environment is not directly affected. Because there is a pharmaceutical industry downstream of the pharmaceutical intermediates, it is not directly related to the national economy and people's livelihood, but the environmental protection work related to the production of pharmaceutical intermediates directly affects the social residents. Physical and mental health, especially affecting the health and living environment of local residents. In the pharmaceutical intermediates industry, the problem of natural environmental protection is a difficult problem to be solved. The success or failure of natural environmental protection affects the balance between the social and cultural environment and the living conditions of local residents. Therefore, the company must harmonize with the local environment and be a medicine. Intermediate companies must pay attention to the issue. At the same time, drug safety has a direct impact on human life and is closely related to the development of pharmaceutical intermediates. It has increasingly become a social issue that people are concerned about. To better ensure the safety of drugs, pharmaceutical intermediate enterprises need to increase the research, development, and production of green pharmaceutical intermediates, and improve the essential safety of medicines from the source. Therefore, LDL Company attaches great importance to the social and cultural environment and strengthens environmental protection. Dealing with the relationship between local residents, a good social and cultural environment will increase the bargaining power for the company's future competition, but it also faces the threat of increasing production costs.

#### **4.1.4 Analysis Of Technical Environment**

Technical environment analysis refers to the analysis of various social phenomena, which are mainly related to technological elements. For enterprises, they are particularly concerned about the latest developments in the technology of the industry and it is a very important task to analyze the technical environment in which they are located.

When the pharmaceutical intermediate industry conducts technical environmental analysis, it not only analyzes the technical environment of the industry, but also pays

attention to the analysis of the downstream technical environment. Downstream of the pharmaceutical intermediates is the pharmaceutical industry. Technological changes in the pharmaceutical industry may bring about changes in raw materials and processes, which may affect the substitution of pharmaceutical intermediates. However, the development of new drugs in the pharmaceutical industry consumes a lot of money, which takes a lot of time for R&D and testing. With high investment and high risks, companies are increasingly unbearable. Under this background, the pharmaceutical industry gradually locks in strategic cooperation with upstream pharmaceutical intermediates. Ensure the supply of key materials and ensure the development of its core products.

#### **4.1.5 PEST Summary Analysis**

P The state attaches great importance to the pharmaceutical intermediates industry, but the industry's development premise is to provide guarantees for drug quality and ecological environment security; the national level began to promote the upgrading of pharmaceutical intermediates enterprises; high-energy, heavy pollution, backward pharmaceutical intermediate companies gradually withdraw. In the market, energy-saving and environmentally friendly pharmaceutical intermediate companies will gain more space; more stringent national policies and laws will more regulate the existing market for pharmaceutical intermediates, which is now a threat to pharmaceutical intermediates. In the long run, It is full of great opportunities.

E The economic environment is not very good. Finance and subprime mortgage crisis still have a great impact on the economy and society. The outbreak of the European debt crisis has caused economic development to be greatly resisted. This has made the development of pharmaceutical intermediate companies face challenges; however, The rapid growth of the world's pharmaceutical industry has also provided opportunities for the development of pharmaceutical intermediate companies.

S Environmental problems are also one of the social issues. Pharmaceutical intermediate companies must attach great importance to environmental issues; the safety

of pharmaceutical products is also an important aspect that pharmaceutical companies need to pay attention to. These problems will increase the production costs of enterprises, and the high threshold will also bring long-term opportunities for the regulatory pharmaceutical intermediate companies.

The technological development trend of pharmaceutical intermediates will become more and more green and environmentally friendly; the development and production of new pharmaceutical intermediate products will bring new opportunities to enterprises and will also be threatened by illegal reference.

## **4.2 Competition Analysis Of The Industry**

### **4.2.1 Competition Among Existing Competitors In The Industry**

1, the competition of international pharmaceutical intermediate giants.

The global pharmaceutical intermediate industry is uneven, and pharmaceutical intermediate enterprises in developed countries started earlier and have passed a period of rapid development. They have become increasingly mature and stable, regardless of technological advancement, product quality stability, and technological innovation. China's pharmaceutical intermediates are in a leading position.

2. Competition of major domestic pharmaceutical intermediates in China

The products of LDL Co., Ltd. are mainly cephalosporin pharmaceutical intermediates and santonin pharmaceutical intermediates. Due to the national medical reform and limited resistance policies, the overall demand for pharmaceutical intermediates has slowed down, the internal and external markets have been fluctuating, the production capacity has been excessively surplus, the low-price strategy, and blind and disorderly competition have resulted in very competitive incentives among the enterprises in the current pharmaceutical intermediate industry.

#### **4.2.2 The Threat Of Alternatives**

There is basically no problem of substitutes for this part of the pharmaceutical intermediates, but there is a substitute for the downstream products, namely medicines, which leads to the threat of indirect substitutes for pharmaceutical intermediates. The threat of alternatives to pharmaceutical intermediates has come mainly from changes in the formulation of raw materials brought about by the emergence of downstream pharmaceutical alternatives, such as the substitution of biopharmaceuticals for cephalosporins. Biopharmaceuticals have the advantages of environmental protection and low residual chemical components, and have broad development prospects. They are the key areas for the development of foreign companies. In recent years, there have been a number of biopharmaceutical brands in the Chinese market. Although the technology of biopharmaceuticals is immature, it is subject to temperature, Problems such as the microenvironment have a great influence on other issues, and the results are not obvious and ideal. The threat of biomedicine to chemical medicine is not significant at the moment but still exists. At the national level, biopharmaceuticals have begun to pay attention and support. In the future, biopharmaceuticals will bring more social benefits than economic benefits. With the breakthrough in R&D and product stability, the people will gradually recognize that the biopharmaceutical market will become more and more Mature, the market is also growing.

#### **4.2.3 The Threat Of New Entrants**

All along, the entry threshold for many types of products in the pharmaceutical intermediates industry is very low, especially for small breeds of raw materials, and new entrants are at great risk. While the large variety of pharmaceutical intermediates industry is a technology-intensive and capital-intensive industry, new entrants interested outside the industry will be subject to technical barriers and capital investment pressures. The large variety of pharmaceutical intermediates industry will in turn Strictly audited by downstream demanders. Under the current state's strict policy control, the technical thresholds and funding thresholds for newly-established pharmaceutical intermediates are higher than those of other industries. The initial investment will be at least tens of millions of yuan, and the supporting investment in environmental protection will increase by more than 15 percent. Such high financial barriers and original technical barriers have

heightened the difficulty and desire of new entrants.

#### **4.2.4 Supplier Bargaining Power**

Affected by the low price of crude oil, the prices of chemical raw materials were low, which led to the depressed prices of pharmaceutical intermediates. At the same time, the production of raw materials for pharmaceutical intermediates was underemployed. Some raw material manufacturers had lower profits, and the willingness to transfer costs to upstream pharmaceutical intermediates increased. With enhanced capabilities, most of them are sellers' markets except non-basic bulk chemicals. Most of the suppliers of LDL are listed companies, large state-owned enterprises, or large foreign multinational companies. The supplier's bargaining power is relatively strong.

#### **4.2.5 Bargaining Power Of Buyers**

The suppliers of LDL Company are part of SMEs, and some are listed companies and large pharmaceutical companies. The bargaining power of SMEs is relatively weak, but listed companies and large pharmaceutical companies have kept their prices low and their bargaining power is relatively strong. .

### **4.3SWOT Analysis**

The analysis of the internal and external environment of LDL Company summed up the opportunities (O) and threats (P) of LDL Company, and obtained the advantages (S) and disadvantages (W) of LDL Company through analysis of internal advantages and disadvantages of LDL Company.

#### **4.3.1 Advantages**

The benefits of large-scale production have begun to appear. With the increase of market share, the company's production has begun to take shape, and the cost of the company has been relatively low. Especially under the financial crisis and the national anti-reaction policy has helped the reshuffle, our company has fully brought the benefits



of large-scale production.

Through in-depth strategic cooperation to ensure the supply of raw materials, forming a strategic cooperative relationship with some downstream suppliers. Since the financial crisis, the upstream raw material market has also shuffled, and many companies have restricted production or stopped production. This led to tight supply of raw materials and rising prices. Our company has established a strategic cooperation relationship with upstream raw material suppliers that have potential for growth through intensive cultivation in difficult times, and has ensured the timely and cheap supply of raw materials.

Intellectual property advantages. LDL Company is a technology company with technological R&D and innovation as its advantages, supporting patent rights and commercial technology secrets. It has formed an all-round three-dimensional intellectual property protection system with brand and trademark rights as its periphery.

#### **4.3.2 Weaknesses**

Some employees, especially management, came to work in institutes with public institutions. Their age structure was old, they were in the status quo, and they lacked enthusiasm. LDL is a subsidiary company of a public institution. Therefore, the competition and pressure on the market will be smaller, and some preferential policies and social resources will be available. Therefore, it is easy for the company to be satisfied with the status quo.

Financial strength and production model constraints. The company started as a research and pilot plant, regardless of financial strength or business model is a relatively low starting point. Under the influence of the current institutional development and rapid development of the technological age, it is a long way to go to improve the core competitiveness of enterprises.

The lack of awareness, quality management certification and production

management concepts. The company is relatively late in quality and management certification, and there are many deficiencies in production management. Although the chemical company's production management and other aspects exceeded the chemical plant's standards, but compared with the downstream through the country's GMP certified pharmaceutical companies, the gap is still relatively large.

Although there is a research institute as a technical background, the long period and high cost of converting the results into productivity. At present, the status quo in China is whether it is a university or a research institute. Scientific research mainly applies for state funds, supplemented by industrialization. To achieve an effective combination of scientific research and industrialization requires a lot of effort. Among dozens of domestic chemical research institutes in our country, our institute is industrialized earlier, but it is also a long way to go.

#### **4.3.3 Opportunity**

1. Opportunities brought about by the rapid development of global pharmaceutical intermediates. With the rapid development of the global pharmaceutical industry, the related pharmaceutical intermediate industry will develop rapidly.

3. New opportunities are created in the upgrading of pharmaceutical intermediates, and pharmaceutical intermediates with high energy consumption and high pollution are gradually being phased out, and green environmental protection pharmaceutical intermediates usher in development opportunities.

4. The state has strengthened the supervision of environmental protection and strictly controlled and improved the access thresholds for pharmaceutical intermediate enterprises. This has brought certain development opportunities to enterprises that attach importance to environmental protection, environmental protection facilities, and environmental management standards.

4. The opportunities for technological development brought about by the increase in

cooperation with pharmaceutical companies, and the cooperation with pharmaceutical companies will help China's pharmaceutical intermediate companies to rapidly advance their technologies in intermediate fields with the technological innovation of pharmaceutical companies.

#### **4.3.4 Threats**

1. The threat of biopharmaceuticals, biopharmaceuticals has begun to threaten the status of chemical medicine, this threat will be transmitted to pharmaceutical intermediate companies, but it is still a potential threat.

2. The homogenization competition of domestic pharmaceutical intermediate companies is serious, excess production capacity of bulk pharmaceutical intermediates, price wars among enterprises, and malicious competition.

3. The threat of chemical raw materials in the seller's market. Because the chemical intermediates of pharmaceutical intermediates are from large listed companies or state-owned enterprises, they belong to the seller's market and the suppliers' bargaining power is strong.

4. The threat of pharmaceutical intermediate products in the buyer's market. Since most of the downstream pharmaceutical intermediates are listed drug companies or state-owned enterprises, they belong to the buyer's market, and buyers have strong bargaining power.

5. The threat of competition from giants of domestic and foreign pharmaceutical intermediates has caused foreign pharmaceutical intermediate giants to occupy an early market and have obvious advantages in technology, market, and capital, which threatens the prospects and development of domestic pharmaceutical intermediates.

6. The national policy, which is usually referred to as the "Limiting Resistance Policy," has led to a sharp drop in the demand for downstream antibiotic production

companies and has had a great impact on the company's pharmaceutical intermediates production. In 2012, the State promulgated and implemented the "Administrative Measures for the Clinical Application of Antibacterial Drugs," which pointed out that the clinical application of antibacterial drugs is subject to hierarchical management, which is usually referred to as the "Limiting Resistance Policy," and the state's restrictive resistance policy is conducive to the standardization of medical medicine. A more healthy development has also had a profound impact on pharmaceutical intermediates, especially pharmaceutical intermediates that produce antibiotics.

According to the SWOT analysis, we have come to the following strategic combination to deal with the current situation:

First, when facing external opportunities (O1, O2, O4, O5), LDL Company should adopt a growth strategy (SO strategy) in combination with its own advantages (S1, S2, S3, S4, S5, and S6).

Second, LDL Company has external opportunities (O5, O6) but faces its own disadvantages (W2, W3, W5, W6, W7). The company should adopt a torsional strategy (WO strategy).

Third, LDL has its own advantages (S6) but faces an external threat (T1). Companies should adopt a diversification/integration strategy (ST strategy).

Fourth, LDL Company has its own disadvantages (W1, W3) and external threats (T1, T3, T5). The company should adopt a defensive strategy (WT strategy).

#### **4.3.5 Current Corporate Strategy Analysis**

Current corporate strategy:

At present, the biggest problem faced by LDL companies is that the company does not explicitly propose a strategy. Concepts and ideas that are close to the strategy are formed spontaneously, but they are not clear. It is difficult to adapt to the company's rapid development in the future. From its inception to 2008, the company has been in a state of

random development, constantly chasing and replacing products with high profit margins, and has no clear and mature strategic development ideas and directions.



## **CHAPTER 5**

### **SUMMARIZES AND SUGGESTIONS**

The formulation of the enterprise development strategy proposes the following points:

#### **5.1 Clearly Recognize And Define The Mission Of The Firm**

LDL's corporate mission is "to be a green chemical company with energy conservation, innovation, and environmental protection." LDL's corporate vision is "to become a professional pharmaceutical intermediate manufacturer and coating intermediate service provider."

LDL focuses on pharmaceutical intermediates and coating intermediates, and is committed to continuously providing high-quality pharmaceutical intermediate products and services to the pharmaceutical market and coating market, and achieving its own value by reducing the purchase costs of the downstream pharmaceutical and coating industries.

#### **5.2 Establishing a Division Of Strategic Business Units**

In accordance with the overall thinking of LDL, Shandong, it adhered to a specialized market segment, and carried out corporate governance and operations with a high standard of strategy. With the development and improvement of the company, the company's market awareness gradually increased and its influence gradually increased.

#### **5.3 Product Market Segmentation**

##### **5.3.1 Sba In The Problem Area**

(1) For Taurus business and thin dog business, the company adopts a total cost-leading competitive strategy.

As mentioned earlier, LDL's cash cow business is mainly a cephalosporin pharmaceutical intermediate, and the thin dog business is mainly an alkyd resin business.

(2) For celebrity and problematic businesses, the company adopts a differentiated competitive strategy.

## **5.4 Functional Strategy**

### **5.4.1 Product Strategy**

LDL's current main products are numerous and the by-products are very complicated. However, we must not behave with beads in the selection of strategies. We must seize products with high technological content, high market competition threshold, high production capacity, and strong market demand for promotion and development. For example, after detailed analysis of LDL's products and business, we learned that the company's cephalosporin pharmaceutical intermediates are the main products, so we must seize this product and formulate a series of production, management, logistics, financial, performance, and other related The strategies and systems to further improve and maintain the competitiveness of cephalosporin pharmaceutical intermediates in the market. It is very important to open up a wider market, create brands and increase brand value. This is the company's core strategic resources and core competitiveness. In terms of building a brand and enhancing brand value, LDL Company needs to do the following:

- 1 emphasis on product quality stability, optimize product packaging
- 2 Pay attention to the participation and promotion of various exhibitions
- 3 Creative and targeted selling points
- 4 Strengthening after-sales service in marketing, combining brand building and sales.

### **5.5.2 Market Strategy**

In order to stabilize the market share, the company has increased its efforts in the

development of unfamiliar markets, improved sales channels, and selected more strategic partners. While stabilizing the domestic market, we will expand the international market, expand domestic sales channels into international sales channels, and implement internationalized competition strategies.

### **5.5.3 Channel Strategy**

If LDL wants to make breakthroughs in the channels, it must establish sales channels in accordance with the region, rationally optimize logistics distribution, and use modern technological means to implement effective supervision of regional sales, management, assessment, and feedback. It is flattened at the management level and converted from multi-level management to two-level management of the regional marketing. In terms of resource distribution, we choose distribution centers in accordance with regional flows and establish central regional distribution centers; in terms of marketing, we divide products into sub-responsibilities, specialize in specialized products, strengthen specialized marketing, and more professionally meet market needs.

## **5.6 Suggestions**

### **5.6.1 Corporate Culture Construction**

At present, the phenomenon of corporate culture of the company is hung on the wall and flows into slogans. Specific activities are also based on employee entertainment. How to make corporate culture form a true productivity, use company culture, company vision and mission to revitalize employee passion, stimulate employee morale, and put corporate culture on the ground of productivity, which is of great significance to LDL.

Starting from the actual situation of LDL Company, the construction of enterprise culture of LDL Company mainly focuses on the following aspects:

- 1 Corporate Spirit Construction;
- 2 Enterprise System Construction;
- 3 Corporate Behavior and Cultural Construction;
- 4 Building a Learning Organization.



### **5.6.2 Human Resources Protection**

At present, LDL's human resources management is in the ordinary stage of file management. It is difficult to fundamentally implement people-oriented and it is difficult to maximize the potential of talents. To improve the human resources management capabilities of LDL, we need to do the following:

- 1 Establish a human resources management strategy.
- 2 Focus on internal training.
- 3 External recruitment.
- 4 Establish and improve a systematic performance assessment system.
- 5 Focus on training international talents.

### **5.6.3 Technological Innovation And Product Development Promotion**

- 1 Adhere to follow strategy while cooperating in innovation.
- 2 Adhere to self-technical innovation and strengthen cooperation with key universities and national research institutes.
- 3 Implement differentiated strategy and focus on the development of environmentally friendly products.

### **5.6.4 Pulling Marketing**

First of all, in terms of the domestic market, we must improve the existing market layout, strengthen the stability of the existing supply and demand relationship, establish close ties with customers from the top to the bottom, and realize the strategic cooperation between the supply and demand sides. Secondly, in terms of foreign markets, on the basis of the development of the existing international market, the company needs to increase marketing investment, participate in the international API and CPHI industry conference, seek foreign partners, and arrange the international distribution of pharmaceutical

intermediates in key countries and regions to set up their own Branch offices continue to expand their international influence.

#### **5.6.5 Improvement Of Management Quality**

1 Learn from GMP standards of domestic pharmaceutical companies.

2 Strengthening the application of new technologies and upgrading of production equipment.

3 Improve staff's business ability and increase staff development

#### **5.6.6 Inadequate Papers**

With the continuous changes in the domestic and international environment and the increasingly fierce competition in the market, it is critical for LDL companies to choose the strategic solution that suits their needs through a complex environment and a changing market. However, precisely because the analysis and formulation process of strategic decision-making is a very large and complex job, coupled with the author's own actual level, there is a lack of professionalism in the collection of data and the analysis of data actually provided by the company. And systematically, therefore, in this article, we still have some shortcomings and we are sorry to have failed to thoroughly analyze them. Some issues still need to continue research and demonstration in future theoretical and practical research.

## REFERENCES

- Bai, Y. (2008) Market and Research and Development of the World's Leading Pharmaceutical Companies. *Modern Medicine*. 7(1). 32-39.
- Carl, W.S. (1999) Corporate Strategic Perspective, *Shanghai Far East Press*. 34-38.
- Craig, F., & Babeg, L.S. (1998) strategy and competition-a method of commercial competition analysis and skills. *Tsinghua University Press*.98-101.
- Fred, D. (2013) Strategic Management. *Economic Science Press*. 123-126.
- Gary, D. (1999) Human Resources Management Sixth Edition. *Beijing: Renmin University of China Press*. 21-24.
- George, S. (1999) Corporate Growth Strategy. *Harvard Business School Press*. 178-189.
- Gerald, Sa. (2004) How Customers Think. *Mechanical Industry Press*. 67-69.
- Gu, T.H. (2014) Corporate Strategic Management. *Technology Industry Press*.28-30.
- Li, J. (2009) Corporate Development Strategy *Tsinghua University Press*. 9-11.
- Lith, T.(2002) Positioning China Financial and Economic. *Publishing House*. 60-63.
- Michael A. (2006) Strategic Management. *Machinery Industry Press*. 67-70.
- Michael, P. (2002) Competitive Advantage.*Huaxia Press*.5-9.
- Michael, P. (2015) Competitive Strategy. *Huaxia Press*. 21-26.
- Mintzberg, S. (2002) Strategic History: Overview of the Strategic Management School. *Mechanical Industry Press*. 56-66.
- Nie, Z. (2003) Management Central. *South University Press*. 133-136.
- Paul, W. (2009) International Management: Text and Cases. *Mechanical Industry Press*. 97-99.
- Philip, K. (2002) Marketing Management. *Renmin University of China Press*. 56-59.
- Tong, L.j. (2015) Yunnan Baiyao Management Case Study. *Economic Management Press*. 9-12.
- Ye, Y. (2011) The Art of War Application in Modern Economic Management. *Tsinghua University Press*. 6-8.
- Zhao, G.J., & Yu, H.Y. (2000) The choice of enterprise development strategy. *Tianjin University Press*. 187-198.