



**BUSINESS ADMINISTRATION'S ROLE IN CORPORATE  
STRATEGY DEVELOPMENT OF LOGISTICS: A CASE STUDY  
OF SF EXPRESS CO.LTD**

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**AN INDEPENDENT STUDY SUBMITTED IN PARTIAL FULFILLMENT  
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STRATEGY DEVELOPMENT OF LOGISTICS: A CASE STUDY**

**Thematic Certificat**

**To**

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This Independent Study has been Approved as a Partial Fulfillment of the  
Requirement of International Master of Business Administration in International  
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**ABSTRACT**

This paper explored the role of business administration in corporate strategy development of logistics, a case study of SF Express Co. Ltd. SF Express's corporate strategy brought into play the competitive advantages of private enterprises, improved service quality, accelerated the formation and growth of the national express brand, and gradually entered the international market. Based on the enterprise strategy theory, this study used Michael Porter's Five Forces Model to analyze SF Express. This paper is a case study, and used the literature research method. The objective of this study was to explain how the logistics strategy has succeeded in the logistics enterprises, and summarized the advantages of SF Express, so that China's private enterprises can develop to a higher level. The Porter's Five Forces Model was used to conduct an in-depth study on the competitive environment of SF Express to find the corporate strategy. The following conclusions were drawn: the overall situation of the development of SF Express Logistics was good and has broad development space; With the rapid growth of the national economy, the trend of industrial collaboration has been further strengthened. As an intermediate link in the supply chain, the logistics industry has gained unprecedented development opportunities.

**Keywords:** corporate strategy, SF Express Logistics Company, competitive advantages



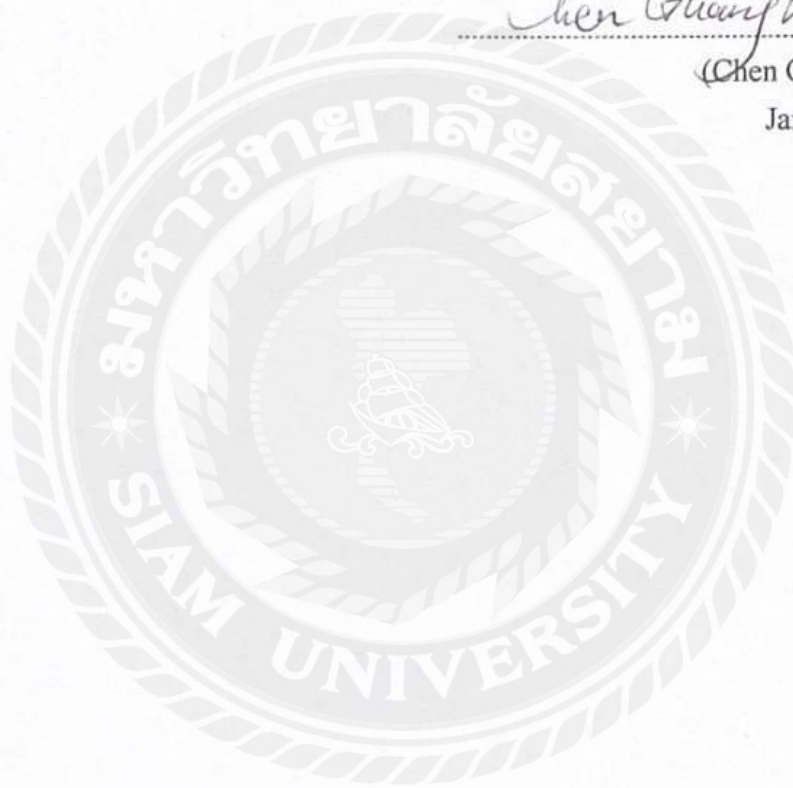
## Declaration

*I, Chen Guangxuan, hereby certify that the work embodied in this independent study entitled "BUSINESS ADMINISTRATION'S ROLE IN CORPORATE STRATEGY DEVELOPMENT OF LOGISTICS: A CASE STUDY" is result of original research and has not been submitted for a higher degree to any other university or institution.*

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# Chapter 1 Introduction

## 1.1 Background of the Study

The research paper focuses on the role of business administration in corporate strategy development of logistics: SF Express Co. Ltd. The SF Express logistics service was established by Wang Wei in 1993. It was found with 6 men provided sample and document delivery service between Guangdong Province. This logistics service in the Shenzhen district of Guangdong, China. In July 2017, SF Express used backdoor listing to begin trading on the Shenzhen Stock exchange, involving an asset swap with listed company Maanshan Dintai Rare Earth & New Materials Co. Moreover, In February 2019, SF Express acquired the supply chain operations in China, Hong Kong, and Macau from Deutsche Post DHL. Its revenue was RMB112.2 billion in 2019. In 2019, SF Express had 114,813 employees. Around 16,458 employees worked in management positions. The company mainly provides logistics, order tracking, supply chain management, warehousing, and other services (Simon, 2019).

Business administration deals with the short- and long-term upkeep tasks and goals of organizations. it helps ensure that goals and met and that things run smoothly and efficiently. Moreover, Business administration is a broad field that includes many different roles, professional settings, and opportunities for growth and work to ensure that businesses and organizations effectively, efficiently, and profitably. To achieve in business administration, it is based on administrators significantly. As a business administrator, plan, support, and analyze internal processes such as product procurement, logistics, marketing, and controlling (Orbinati, 2019).

SF Express's corporate strategy is to give full play to the competitive advantages of private enterprises, improve service quality, accelerate the formation and growth of National Express brands, and gradually enter the international market. In recent years, with the rise of e-commerce, China's private express industry has developed rapidly. Facing the strong development of China Post and the four major foreign express companies, all private express companies in China are facing significant challenges. As a leading private express company in China, SF undertakes the mission of developing the national express industry. To study its competitive strategy and how to give full play to its advantages in international competition is a problem worthy of study. This paper makes an in-depth study on the development status and competitive environment of SF express, hoping to find the enterprise strategy of SF express through the study, so that China's private express enterprises can develop to a higher level and have a place in the international competition (Hayaloğlu, 2015).

## 1.2 Research Question

Understanding the importance of corporate strategy is not difficult. Getting it right is a daunting task. Every company needs a strategic plan; the essence of design is a new vision. This is an opportunity to create a development route and narrow the company's business focus. Understanding the most significant challenges of strategy implementation will help avoid the most common pitfalls, and better lay the foundation for the company's success. Four areas are addressed when implementing corporate strategy (Feldberg, 2014).

**Lack of follow-through:** There should be regularly scheduled formal reviews of the new strategy to review processes, ensure the plan is performing as designed, and make any necessary tweaks.

**Ineffective training:** Managers and employees, especially millennials, expect clear direction regarding what is essential. Learning new skills, having more responsibility, working with different people and teams, and working outside their department on what we refer to as “strategy teams.”

**Weak Strategy:** Strategic goals are often large and complex objectives that almost always require many resources scattered across many departments.

## 1.3 Research Objectives

This study explore the role of business administration in Corporate Strategy development of logistics: SF Express. The purpose of this study is:

1. To analyze what kinds of logistics strategy used to improve logistic service.
2. To study how to be successful in logistic service by applying logistics strategy.
3. To express how effective a logistics strategy is to succeed in a logistics company.

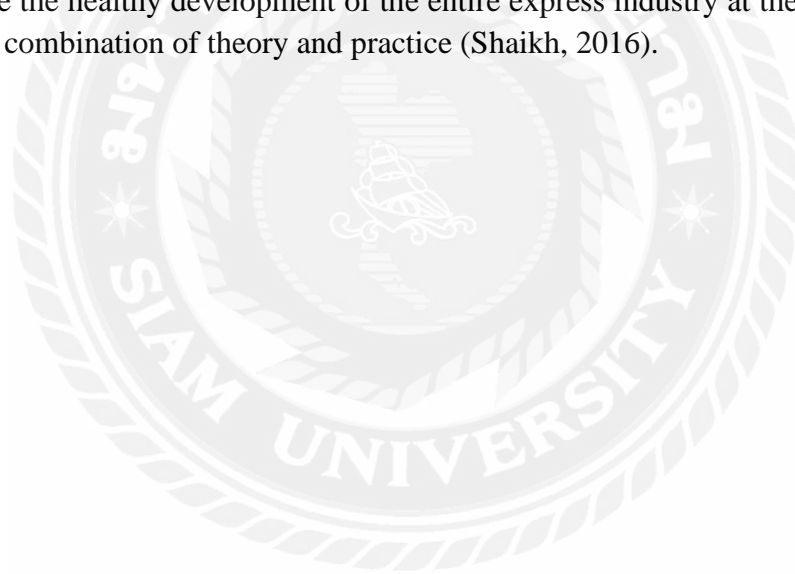
## 1.4 Scope of the Study

The study objectives of this study is SF Express. This study is based on the theory of corporate business strategy. It is based on the research results of many foreign academics on the express shipping industry, and discusses the situation and characteristics of the national express delivery industry. On this base, the corporate development strategy of SF Express The status quo, including comparing the competitiveness of national express courier companies. Furthermore, discuss the competitive environment for SF Express, including analysis of the current SF company environment, and then research SF's internal environment: existing resources and capabilities. Finally, analyze opportunities and challenges facing SF Express, and make the most of its advantages and defects. Based on the development of SF Express, presents the shortcomings of SF Express's existing corporate strategy,

and re-selects the corporate strategy based on its competitive advantages, and recommendations (Mohan, 2011).

### **1.5 Significance of the Study**

According to the analysis of relevant research in China, many scholars focus on the whole express industry, and often put forward countermeasures and suggestions from the national macro level. There are few studies involving a specific express enterprise. Therefore, the research object of this paper is SF Express Company. In this way, the research scope is narrowed down. Based on the actual situation of the company, a scientific analysis of its existing resources and shortcomings is carried out, aiming at the role played by the enterprise management when implementing the enterprise strategy of SF Express Company. Through the research on the competitive strategy of SF Express Company, this paper can help it determine the appropriate competitive strategy and provide some thinking for long-term development. For the entire express industry, this paper can expand the application scope of strategic management theory in practice, improve the practical application effect of this theory, and promote the healthy development of the entire express industry at the macro level through the combination of theory and practice (Shaikh, 2016).



## Chapter 2 Literature Review

### 2.1 Concept of Corporate Strategy

The main idea of the enterprise management system is to provide managers with tools to monitor, plan, and control their activities and measure the performance of a business. Moreover, business management is the discipline of coordinating all phases of farm operation through planning and is concerned with income and profitability. Goel (2020) also indicated that business management is an ideal choice for anyone wanting to fast-track their career or learn more about the realities of starting or managing a business (Goel 2020).

Corporate strategy refers to the sum of the highest goals, value standards, fundamental beliefs, and codes of conduct that, in the long-term survival and development of an enterprise, are owned by the enterprise, and shared by most members. The corporate strategy includes guidance, restraint, cohesion, incentive, coordination, and image building. Establishing a corporate culture that matches the process is crucial to achieving the strategic objectives (Menz, Kunisch, Birkinshaw, Collis, Foss, Hoskisson, & Prescott, 2021).

It is not surprising that the role of companies as the basic unit of the organization of economic activities is evolving as the global economy changes from its electro-mechanical and analog origins to electronic and digital forms. The emergence of the 'digital age' fundamentally challenges our understanding of the essence and function of multi-business companies - whether from the perspective of enterprise strategy or the theory of revealing their existence, behavior, and performance (Menz, 2021). Furthermore, effective business management is a deliberately integrated set of management processes and tools that help align the company strategy and annual objectives with daily actions, monitor performance, and trigger corrective actions (Hatto, 2017).

Likewise, management flaws can have a significant impact on the development of logistics. This has a substantial effect on a company if a management team ignores substantial issues presented by investors and continues to underperform. When employees ideas and suggestions, it could lead to stagnation in growth potential (O'Connell, 2020).

The third strategy, 'theoretical development,' attempts to explain the existing phenomenon by developing and testing new theories in the field of enterprise strategy. In many areas, the idea can not fully explain the current enterprise's strategic practice. Sometimes, in this case, the best way is to question whether the concept is suitable for training.

However, it is pretty challenging to develop new theories in the field of enterprise strategy. Because there are many theories in use, from transaction cost to resource-based and sociological, political, and behavioral perspectives, each has its strengths and weaknesses. This helps to explain why only two articles in the special issue adopt this research strategy. Kelvin states that a cautious scale development process is to clarify the 'frames' for personal use to understand new technologies. Even here, the author introduces the theoretical perspective of social psychology to shape their survey. Still, unlike other articles, this study represents an attempt to create a theory for the field of corporate strategy in a bottom-up way (Kelvin, 2019).

Deeb (2019) contended that lousy management can impact employees and the development of logistics overall operations and would cause organizations to permanently close their doors as well (Deeb 2019). Besides, bad management can lead to a decrease in profits. When employees with bad management. They may spend their time looking for other employment and not focusing on reaching the organization's goals. It affects the company to pay wages for low output. To a large extent, due to the "economic principle of information," the emergence of the business landscape in the digital era is very different from the industrial age it replaces (Deeb, 2019).

## **2.2 Traits of Corporate Strategy**

### **2.2.1 Difficult point**

Due to the inexhaustibility and measurability of internal and external environmental factors and data inaccessibility, the evaluation of the above documents failed to eliminate the impact of non-management factors on the evaluation results. Still, it only reflected the strength of the evaluation object. The evaluation results of the evaluation units with good objective primary conditions generally show that the management is effective. In contrast, the evaluation results of the evaluation units with poor objective primary conditions show that the administration is invalid (Yu, J. C, 2019).

Therefore, the evaluation results obtained by these methods fail to fully reveal the contribution of people's subjective efforts to the growth of management performance; and cannot play the role of incentives and constraints that performance evaluation should play; because the output of the same input under different objective primary conditions and subjective practical efforts is inconsistent. The immediate needs mainly include capital, workforce, technology, investment environment, economic and trade development, financial crisis, and other internal and external operating environment differences (Cui, R., Li, M., & Li, Q, 2020).

A highly efficient evaluation unit does not necessarily represent a high degree of personal and practical effort, nor does it necessarily indicate that the management

philosophy and methods of such enterprises are advanced and scientific; The evaluation unit with low efficiency does not necessarily mean that it has not actively tried management innovation to change the status quo. Therefore, if the quality of management cannot be pretty and reasonably described, it will discourage the enthusiasm of enterprises with low efficiency from carrying out management innovation practices, and it will also make enterprises with high efficiency proud of the status quo; or even be deceived by false appearances, thus affecting the healthy development of enterprises (TÄHTINEN, 2016).

### **2.2.2 Pain points**

SF Express is already a large enterprise with a particular scale and is at a significant turning point in economic development. For the future development of the company, we should guide the company's growth by building a scientific enterprise development strategy. Enterprise decision-makers should attach great importance to the dynamic changes of the external environment, timely assess the internal situation of the enterprise, and take advantage of the industry development opportunities in the new era to further expand the enterprise. Establish a scientific development strategy; define the company's development ideas, products, and market scope; Avoid significant mistakes on the development path, reduce losses and increase enterprise profits; Use strategic management research to analyze the company's deficiencies (Lili Z, 2022).

The scientific development of enterprise strategy on the strategic management theory, through the analysis of the external environment of the enterprise, especially the grasp of the industry development trend; Systematically analyze of the internal resources and capabilities of the enterprise; Then through the tools and methods of strategic management, through comparison and analysis, choose the enterprise strategy suitable for enterprise development (Liu J, 2022).

## **2.3 Theoretical underpinnings**

### **2.3.1 Basic competitive strategy**

The cost-leading strategy is also known as the low-cost strategy. The enterprise adopts the strategy of simplifying packaging, reducing product functions, and reducing manual costs to reduce costs. So that the enterprise can enter the market at a low price, increase its share, and thus obtain a competitive advantage. The main approaches are: simplifying products, improving the design, saving materials, reducing labor costs, and automation (Michael, 2005).

Differentiation strategy refers to the products or services provided by enterprises that can meet the specific needs of consumers. In contrast, no other enterprises can provide such products or services in the market. There are four basic ways for enterprises to highlight their differences: providing more humanized products or

services, exceeding consumer expectations, and being different from other enterprises and employees. A customized differentiation strategy should analyze many customers, clarify their needs, and create differences that should be recognized by customers (Birru, A. C., Sudarmiati, S., & Hermawan, A, 2022).

Centralization strategy, also known as focus strategy, refers to the process that an enterprise's business activities focus on a specific customer group, regional market, or a particular product line. If an enterprise wants to choose the centralization strategy, it may adopt the means of reducing costs or providing customized services. Such a centralization strategy is challenging to obtain scale benefits and cannot achieve the expected results (Tang, R., Wang, S., & Yan, C, 2018).

### 2.3.2 Porter's Five Forces Model

The five forces analysis model was proposed by Michael Porter in the early 1980s, also known as Porter's competitiveness model. Porter believes every enterprise faces pressure from five directions, inside and outside the industry. It may be competitors, upstream and downstream enterprises, or suitable substitutes. This model is mainly used to analyze the competitive environment of customers, which has a profound impact on global enterprise formulation (Michael, 2005).

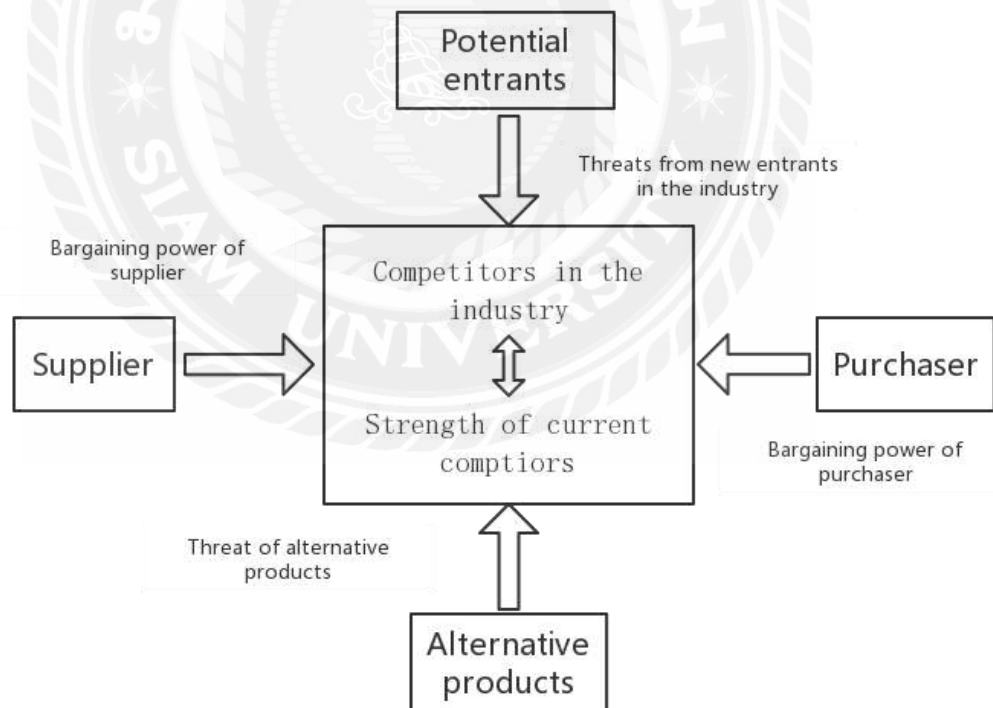


Figure 2. 1 Porter's Five Forces Model

**Supplier:** Suppliers provide products or services for enterprises, and their bargaining power is reflected in two aspects: on the one hand, by increasing the price of the products or services they provide, and on the other hand, by changing the

quality of the products or services. The bargaining power between enterprises and suppliers mainly depends on the extent to which enterprises need products or services provided by suppliers for their production, that is, whether the products and services required by enterprises are in the buyer's market or the seller's market. If it is in the buyer's market, the supplier's bargaining power is weak; otherwise, the supplier's bargaining power is strong (Tam, 2018).

**Purchaser:** Buyers want to use less price to promote higher quality products or services. Buyers choose enterprises according to their actual needs and product preferences, which can be achieved by asking enterprises to reduce prices or improve the quality of products or services. The bargaining power of buyers is mainly affected by the implementation of products or services provided by enterprises to buyers, the dependence of buyers on products, and the price of products or services (Grundy, 2006).

**Potential entrants:** The threat of potential entrants is that they will seize limited market resources after entering the market. Whether it is supplier or demander resources, it will eventually lead to a decline in the profitability of existing enterprises in the market. It may even crush existing enterprises in the market. The threat degree of potential entrants to existing enterprises in the market is closely related to the current scale economy, capital level and popularity of existing enterprises in the industry. The more significant the scale economy, the more capital, and the higher the popularity of existing enterprises, the stronger their ability to deal with the threat of potential entrants will be (Dobbs, 2014).

**Competitors in the same industry:** Competitiveness of competitors in the same sector refers to that existing enterprise using various strategies or means to compete for market share. The stronger their competitiveness, the more conducive to expanding market share. On the one hand, the competitiveness of competitors can come from the business growth rate of enterprises. The business growth rate reflects the future development trend of enterprises. Enterprises with high business growth rates are more likely to have more excellent decision-making and control power in production and operation in the future (Siaw & Yu, 2004).

**Alternative products:** The threat of substitutes by the fact that the products produced by industry have similar functions to those produced by the industry. Because the market demand for similar products has a specific stability, when the sales volume of substitutes increases, the sales volume of products in the industry will inevitably decrease, resulting in mutual competition. The competition caused by substitutes affects the existing enterprises in the industry in various situations (Andriotis, 2004).

Michael Porter's Five Forces Model integrates most of the factors that affect the competitiveness of enterprises into this simple model, and applies it to analyze the competition of an industry. It makes the source of the factors that affect the industry



competition clear. As an industrial analysis tool, Michael Porter's Five Forces Model can to empirical research, and it has universal adaptability. Therefore, this study uses Porter's Five Forces Model to analyze the competitive environment of SF Express, and puts forward constructive suggestions for competitive strategy for SF Express (Limiadi & Kodrat, 2020).



## Chapter 3 Research Methodology

### 3.1 Research Design

**Documentary research method:** the literature research method is a method to form a scientific and systematic understanding of the research purpose and target subject through induction and summary based on collecting literature and sorting out the data. By collecting the relevant literature of SF Express Co. Ltd, this paper summarizes the valuable information. It analyzes whether enterprise management plays a role in the strategic development of SF Express Co. Ltd (Tight, 2019).

The documentary research method has inheritance and creativity. The purpose of using the documentary method is to compare and draw lessons from it. Through retrieval, collection, identification, research, and application, we can finally realize the understanding of the competitive strategy of SF Express and analyze the objective reasons for its formation. Then the original literature is recombined and sublimated, to find out the new links, new laws, and new views of the competition strategy of SF Express (Kong, 2014).

### 3.2 Case Description

Since its establishment in 1993, SF has been positioned as a medium and high-end business and e-commerce product. Over the past 30 years since its establishment, SF has been committed to building a logistics ecosystem. Based on the positioning of market segments, it has achieved a diversified industrial group, covering the logistics supply chain, and created a fast, fast, and convenient logistics brand to provide customers with a comfortable logistics experience. In the past, we defined SF as an "express company." However, since 2015, enterprises have actively expanded heavy cargo, cold transport, and express delivery services in the same city. They have gradually transformed SF from a traditional express company to a comprehensive logistics provider. According to the financial report of SF Company in 2021, the operating income of SF Company is 207.18 billion yuan, an increase of 34.5% compared with the same period last year. Whether it is the total business volume, operating income, or net profit, it is a well-deserved leading enterprise in the field of domestic private express (Wei W, 2021).

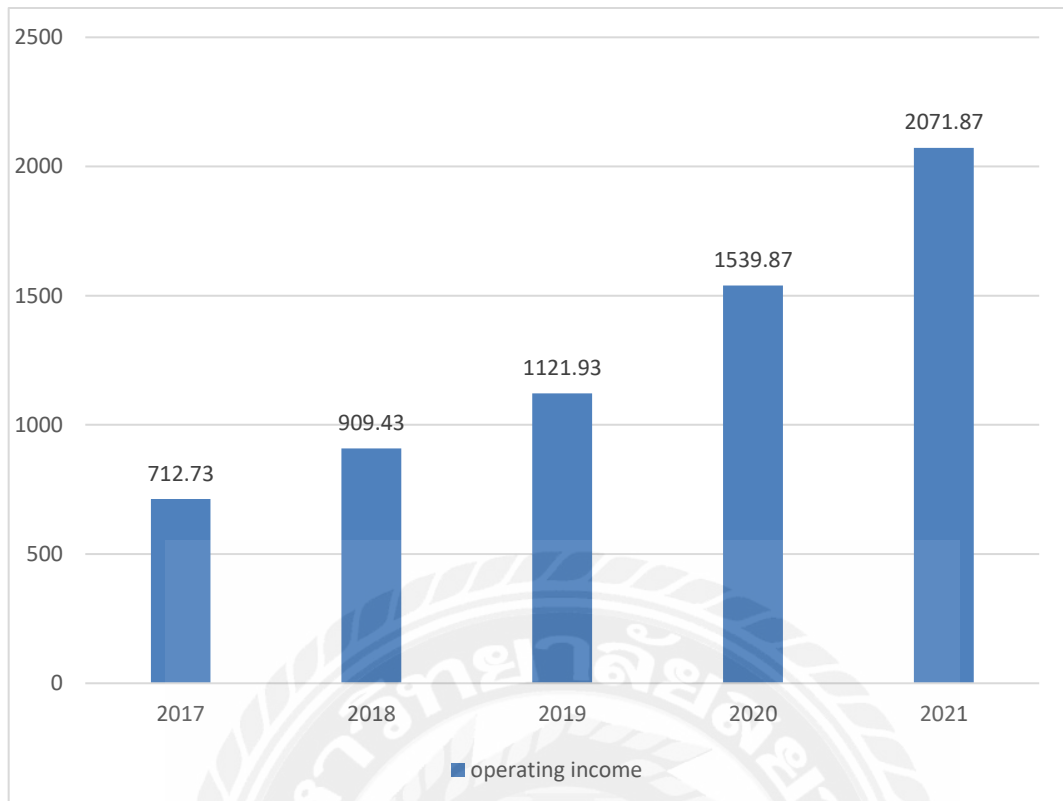


Figure 3. 3 SF Express operating income from 2019 to 2021

Source: SF Express 2021 Annual Report

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The business income of SF Express will increase significantly in 2021, of which the timeliness express will account for a relatively high proportion, and other businesses will also grow in varying degrees. In 2021, the time-sensitive express business of SF Express Company will achieve an operating income, excluding tax, of 96.16 billion yuan. Although the base will increase due to the epidemic's impact, the year-on-year growth of time-sensitive express will be slower than that of other express services, only 7.3%. However, on the whole, SF still has a leading market position in the field of traditional time-sensitive express delivery. Its brand image is deeply rooted in the hearts of the people. It has a good product coverage depth, breadth, and operation capability, and its market share in their respective segments is at the forefront of the industry. At the same time, in 2021, SF Express Company will be the first in the less-than-truckload industry, become the first enterprise in the less-than-truckload industry with an annual income of more than 20 billion yuan, and also rank first in cold chain logistics. SF Company has advantages in product layout (Shi J, 2021).

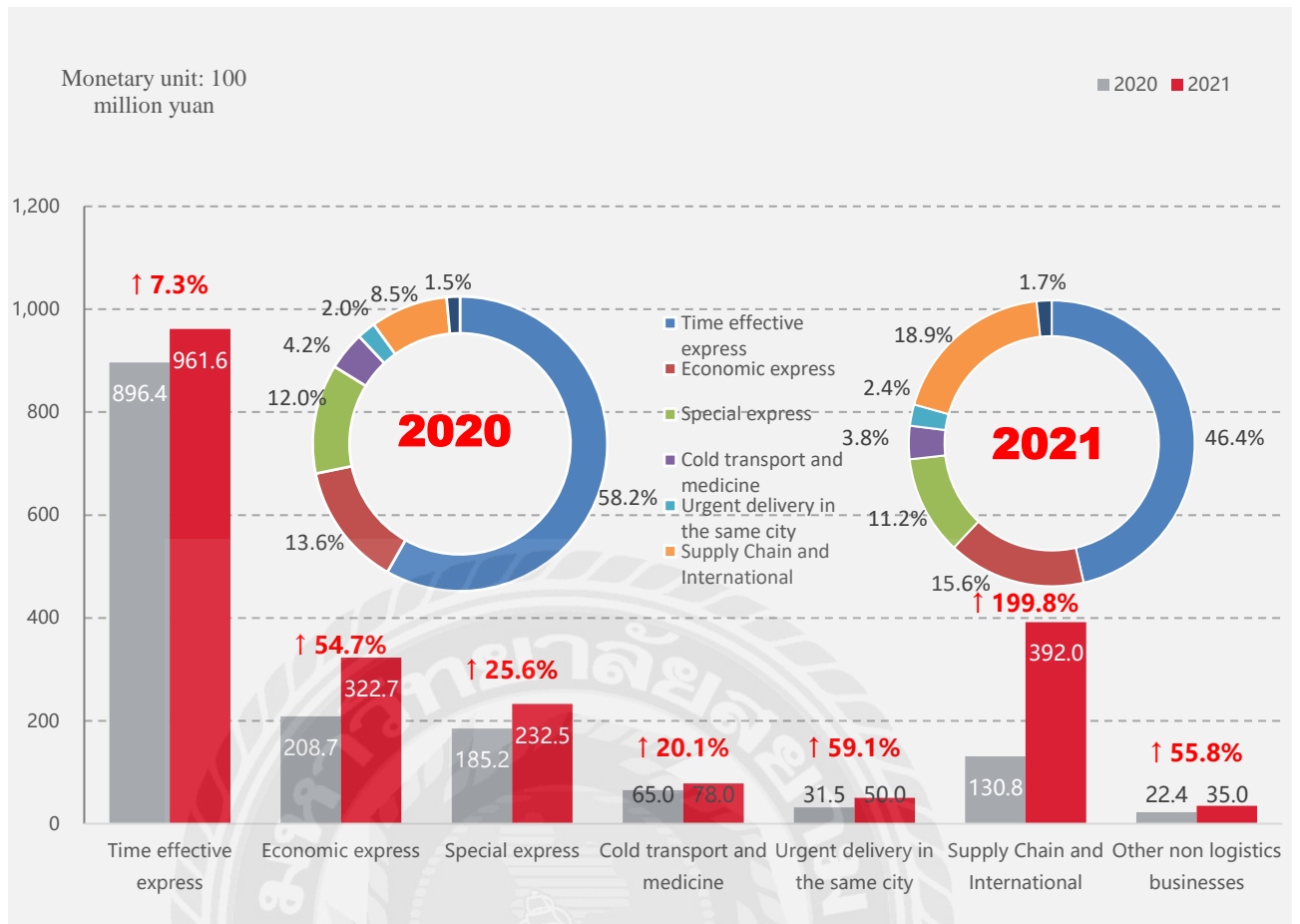


Figure 3. 4 GROWTH rate and proportion of SF Express

Source: SF Express 2021 Annual Report

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## **Chapter 4 Data Findings and Discussion**

### **4.1 Porter's Five Forces Analysis of SF Express**

#### **4.1.1 Buyer bargaining power**

The buyers of express enterprises include two groups, one of which is the individual user group. This group has a large number of users and a significant demand. However, because the bargaining power of individuals will not affect other individuals, the bargaining power of individual users is relatively weak. Another is the enterprise user group. The logistics demand of the enterprise user group is high, and the total number of orders is large. In particular, some e-commerce suppliers can often negotiate prices through many orders. A relatively stable order with a specific size is beautiful to express enterprises. When the buyer's bargaining power is relatively high, it will threaten logistics development (Huang Y, 2019).

Individual buyers have weak bargaining power, while enterprise buyers have large orders and strong bargaining power with commercial negotiation ability. To sum up, SF Express has strong bargaining power with buyers. Therefore, SF Express should strengthen cooperation with existing enterprise customers and actively develop more enterprise customer resources.

#### **4.1.2 Bargaining power of suppliers**

One of the logistics suppliers is the primary transportation system and material service suppliers, including highways, railways, packaging, software facilities, transportation tools, and material supply enterprises. Currently, most express companies in China have not formed an utterly independent transportation network, so generally speaking, they can only passively accept the transportation prices set by the transportation industry. That is, suppliers in this field have strong bargaining power. Among them, the number of software technology companies, raw material supply companies, and equipment supply companies is relatively large, and the bargaining power of these suppliers is rather poor (Cheng L & Cao G 2016).

Another vital logistics supplier is outsourcing service providers, which mainly provide labor and vehicle services. According to the cost structure data in the figure below, the outsourcing cost of SF Express will reach 53% in 2021. The total number of outsourced vehicles is close to the proportion of self-operated cars, and the number of personnel is higher than that of self-owned cars. With the disappearance of the demographic dividend, the bargaining power of outsourcing service institutions has also continued to rise (Yin Y,2018).

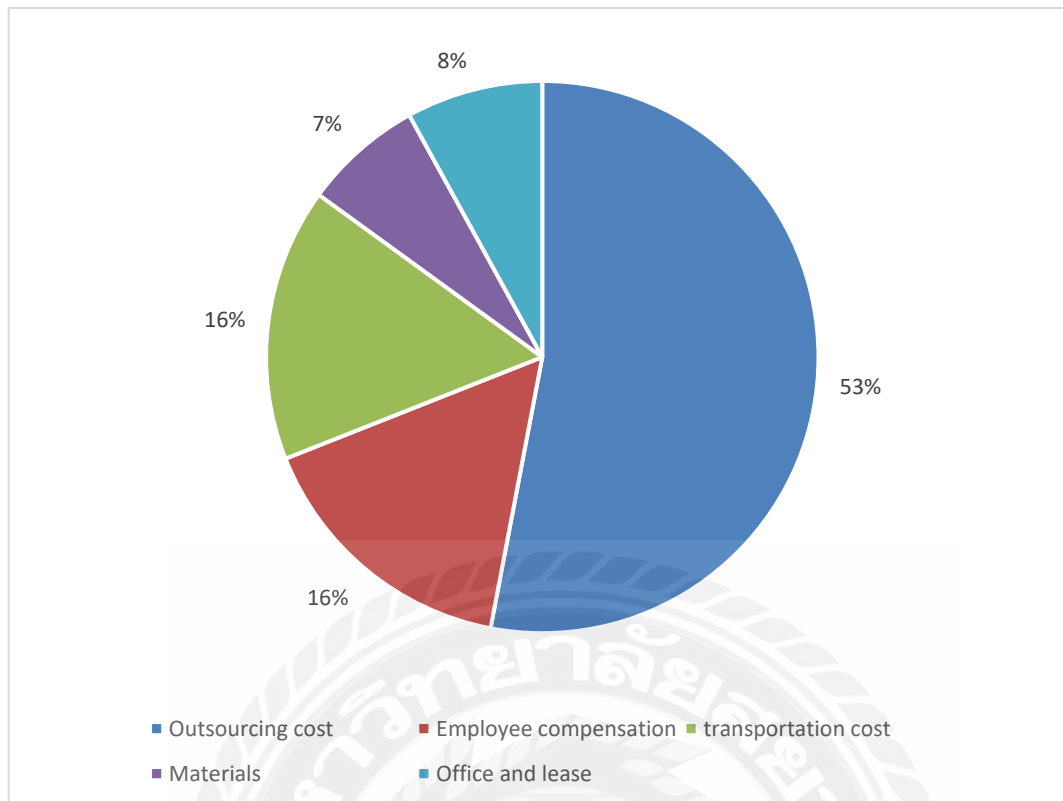


Figure 4. 2 Cost structure of SF Express

Source: SF Express 2021 Annual Report

[https://www.sf-express.com/uploads/2021\\_daf694c306.PDF](https://www.sf-express.com/uploads/2021_daf694c306.PDF)

The number of conventional materials, software integration, and labor dispatch agencies is large, and the bargaining power is weak. However, transportation system suppliers are monopolistic industries with strong bargaining power. Therefore, SF Express has strong bargaining power with suppliers. SF Express should appropriately reduce outsourcing labor and vehicle services.

#### 4.1.3 Analysis of existing competitors

SF Express has certain development advantages in China's logistics industry, but it also faces challenges from various competitors. Part of them are challenges from foreign-funded enterprises, which have abundant capital, rich experience in logistics development, and a strong ability to develop logistics in the domestic market; The other part is the domestic private express companies. Although these companies are relatively small, they have many years of development experience in the domestic market. In addition, the base is huge, which will also have a significant impact on the logistics market share of SF Express. Among them, local express and off-site express are most vulnerable to the effects of domestic express companies. According to the analysis in the table below, the main competitors of SF Express, ZT, YT, ST, and YD are all inferior to SF Express in terms of the total business scale. SF Express still has absolute advantages in real business income, and its net profit level also ranks first (Orbinati, 2019).

project	SF	ST	YT	ZT	YD
Business volume (100 million pieces)	105.5	110.76	165.43	223	184.02
Operating revenue (100 million yuan)	2072	252.54	451.55	304	417.29
Net profit (100 million yuan)	42.69	-9.09	21.03	49.50	18.65

Table 4. 2Performance comparison of SF Express and its major competitors in 2021  
Source: QH Zon Tan Strategy Consultants  
<http://www.qhztzx.com/>

In addition, EMS company's express business is also developing rapidly, and some small and medium-sized express enterprises are eyeing the rest of the market share. According to the operation of the express industry in 2021, the epidemic situation has a particular impact on the logistics industry. Despite this, the total number of orders in the sector still reached 108.296 billion, achieving a counter-trend growth of 23.03%. At the same time, the cost control of express business has to a shallow level. In 2021, the ticket price will drop from 10.55 yuan to 9.54 yuan, a decrease of 9.57%. That the competitive environment of the industry is still changing. Although SF Express has the advantages of profit, capital, and brand in the industry, it still needs to be alert to the pressure and risks of competition in the same sector (Ekman, 2020).

The existing competitors of SF Express pose little threat. SF Express has the obvious advantages of a good reputation, high profits, and ample funds in the domestic industry. Compared with other competitors, SF Express is more suitable for the environmental needs of cutting-edge logistics development.

#### 4.1.4 Analysis of potential competitors

The express industry belongs to an industry with dense personnel and vehicles. It requires not only a specific network layout, but also the corresponding technical network information service capabilities to adapt to the constantly developing external needs. At this stage, customers put forward higher requirements for express service. In the past, some individual express companies engaged in separate operations were gradually absorbed and integrated by industry giants. Among them, several giants in the domestic express industry have established their warehousing and operation companies in various places, which not only consolidated the brand value, but also further improved the threshold for potential entrants. On the whole, potential entrants pose little threat to the logistics industry (Aliekperov, 2021).

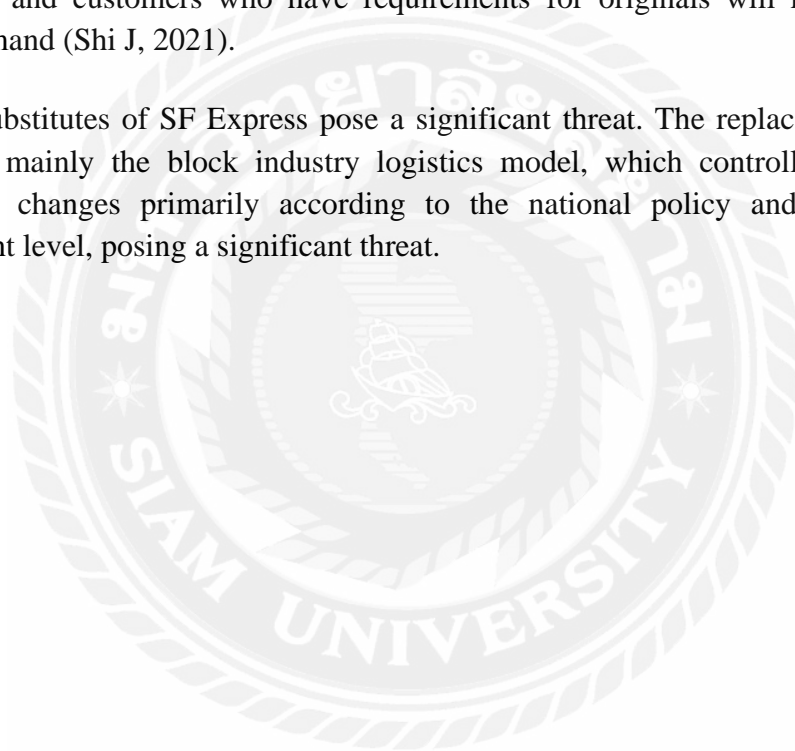
The potential competition threat of SF Express is minor. Currently, the traditional logistics industry continues to tighten, the industry integration is steadily advancing, and the number of potential competitors for the development of SF Express is small, and the pressure is slight.

#### **4.1.5 Threat analysis of alternatives**

Under the threat of e-commerce self-built logistics, Taobao and JD started to launch supply chain services, gradually extending the platform downward. Although Alibaba does not do express business when it sets up Cainiao Network, it integrates the logistics market through the platform, which affects the trend of the express industry. JD Logistics aims to achieve the timely delivery of self-operated goods by building warehouses across the country. When shopping through JD Supermarket, the goods can be delivered on the same day or the next day. This speed dramatically increases the dependence on customers (Khoo, 2018).

As a threat to scientific and technological progress, a considerable part of express delivery documents such as certificates and contracts. With the advancement of science and technology, mobile phones can complete the scanning and uploading of documents, and customers who have requirements for originals will reduce some express demand (Shi J, 2021).

The substitutes of SF Express pose a significant threat. The replacement of SF Express is mainly the block industry logistics model, which is controllable for SF Express. It changes primarily according to the national policy and technology development level, posing a significant threat.





## **CHAPTER 5 Conclusion and Recommendation**

### **5.1 Conclusion**

Based on the basic theory of strategic management, this paper collates the relevant literature on the development strategy of SF Express Logistics. It analyzes the business management and competitive strategy of SF Express. In the analysis process, Porter's Five Forces Model and the core competitiveness analysis of the value chain were selected to determine the internal and external environment for the development of SF Express Logistics. The planning ideas for the development strategy of SF Express were interpreted from a multi-dimensional perspective, and the following research conclusions were obtained:

The overall external situation of the development of SF Express Logistics is good, with broad development space. With the rapid growth of the national economy, industrial collaboration has been further strengthened. As an intermediate link in the supply chain, the logistics industry has gained unprecedented development opportunities. The internal advantages of SF Express are very prominent, which can help enterprises ensure their competitive position in the logistics industry. After years of operation and development, SF Express is currently in the leading role in the industry regarding total business volume, profit level, and custom pieces. According to the internal resource analysis results, the advantages of high brand acceptance, perfect transportation network layout, and muscular financial strength can well guarantee the leading position of SF Express in the logistics industry. However, there are many internal problems in the express delivery industry of SF, including high energy consumption in transportation and a lack of core talents (Kirk, 2018).

According to the analysis results, SF Express should actively play its advantages, adapt to the opportunities of the external environment, give full play to the dominant position of SF Express as the industry leader, build a strategic alliance system, strengthen the connection between upstream and downstream, and achieve cross-industry development. Further, exert technical advantages, promote the standardization of logistics services, strengthen government enterprise cooperation, optimize capital allocation, and better realize the development vision and goals of enterprises (Essex, 2017).

### **5.2 Recommendations**

#### **5.2.1 Strengthen the construction of human resources**

Build the talent files of the county, focus on training the corresponding objects, and realize the deepening, normalization, and standardization of training; To improve the marketing planning level and operation management ability of the county, we need to take the "door-to-door" approach, to lay a good foundation for the development of county express logistics. To provide relevant training for employees,

enterprises need to actively cooperate with professional colleges, training institutions, and government departments to achieve a "life-long learning" environment so that the majority of employees can make continuous progress and finally realize the transformation of SF Express learning and growth-oriented enterprises (Kashyap, 2018).

The specific benign assessment mechanism should be "linked assessment+simultaneous promotion"; that is, the promotion of management personnel should be closely related to the scale of operating benefits and management performance. Specifically, the sound assessment mechanism covers a four-level assessment system, including the head office, branches, functional departments, and individual employees, for which the Human Resources Department is mainly responsible. Thus, the company's general objectives can be broken down into all branches and relevant departments, and individual performance objectives and personnel responsibilities can finally be determined. At the same time, the completion of department and company goals will be linked with the salary increase and promotion decisions of employees at all levels to achieve the refinement and quantification of assessment and evaluation indicators (Rasmussen, 2020).

### **5.2.2 Strengthen business process management**

According to the analysis of the overall strategy of the enterprise, it includes explicitly functional design, business division strategy, and company-level strategy. According to the strategic objectives, each applicable department implements a specific implementation plan. Thus, the importance of internal business process management is self-evident during the implementation of the strategy. In the early stage of enterprise development, the primary way for SF Express to expand its scale and seize market share is through direct marketing and joining. With the continuous development of enterprises, there are more and more disadvantages in franchise management. Therefore, strengthening internal business process management can improve the standardization and refinement of outlet services, improve work efficiency and reduce operating costs. Specifically, SF Express needs to learn some valuable practices from foreign express enterprises. For example, UPS has set up a management team to provide detailed operation manuals for specific business processes. The team needs to assess employees' performance and implement a particular reward and punishment mechanism, which can improve the consistency and standardization of various business process operations. In addition, refined management is also critical. That is to say, SF Express needs to decompose further and refine various process links, and improve work efficiency based on multiple details to avoid mistakes, reduce waste and improve service quality (Jenkins, 2020).

### **5.2.3 Strengthen customer relationship management**

To improve customer satisfaction, customer relationship management needs to be strengthened, which can also ensure the realization of enterprise strategy to a certain extent. First, the initiative of business personnel in customer relationship management needs to be strengthened, which requires the formulation and effective implementation of interconnected systems, as well as active communication between business personnel and customers. In addition, the assessment of system implementation needs to be strengthened. According to the clear assessment criteria, the specific work standards for express delivery operators are strict and precise, and can also ensure the management of customer relations. The second is to improve the

customer service awareness of the salesperson; that is, customer relationship management needs to be critical work. In the past, the company paid more attention to revenue and profits than customer relationship management. At present, one of the essential tasks is to increase the proportion of customer relationship management. In this way, customer relationship management can be fully recognized by the company's employees, and actively carry out customer relationship management and improve customer satisfaction in actual work (Grey, 2020).

### **5.3 Research Limitations**

According to the analysis of China's private express enterprises, they started late, and provided a single service product with a low starting point. A price war is the top competitive way for enterprises to seize the express market share. Due to the theoretical level and research time, the previous research on this topic is relatively shallow, and there is no in-depth analysis of the impact of the external environment of SF Express on corporate strategy. Business administration is only to analyze the effects of the internal environment on corporate strategy, while the external environment is equally important to the formulation and implementation of corporate strategy. Once the external environment changes, the enterprise must react quickly and adjust its corporate strategy in combination with the influencing factors of the internal and external environment (Ekman, 2020).

### **5.4 Future Research**

With the promulgation of the first express industry regulation, the Interim Regulations on Express, the country attaches great importance to developing the express industry. It promotes the release of three national and five industrial standards. Guided by the thought of socialism with Chinese characteristics for a new era, China's express industry has made innovations and highlights in six aspects: deepening reform, highlighting management innovation, resolving outstanding contradictions, strengthening the construction of short boards, focusing on forward-looking policy design, and clarifying the direction of green development. I hope to constantly improve my knowledge structure in the future, pay attention to the development trends of the industry and enterprises, deepen the research on the external environment of express enterprises, and lay a solid foundation for further research on the enterprise strategy of express enterprises in the later period.

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