

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.