

Research on the Development Strategy of Zhengzhou Yutong Bus Co., Ltd. in China

Gaohan Zhang^{1,*}

¹ University of Chinese Academy of Social Sciences, Beijing, China

*793560804@qq.com

Abstract

The bus industry in China has achieved unprecedented development with the continuous development of social economy in China. The bus industry in China started in 1970s. Now it has a certain technical foundation. After more than 30 years of development and integration. Zhengzhou yutong Bus Co., Ltd. is developing well in the bus industry in China. By analyzing the internal and external environment of Yutong bus, this paper puts forward some reasonable suggestions for the development of Yutong bus. So that the company can actively adapt to environmental changes and consolidate its leading position in the industry. This paper mainly adopts SWOT analysis method to analyze the advantages and disadvantages of Yutong bus, as well as the opportunities and challenges it faces in its development.

Keywords

Development strategy; Zhengzhou yutong; SWTO analysis method.

1. Introduction

Present situation and existing problems of zhengzhou yutong. As a leading enterprise in large and medium-sized bus industry, zhengzhou yutong Company has performed well in both domestic development and foreign cooperation. Zhengzhou yutong Company is a large and medium-sized bus production base with the largest production scale and the most advanced technological conditions in China and Asia. The technical advantages are obvious, and the main products are large and medium-sized buses, of which large buses account for more than half of the sales. In 2022, it occupied 21% of the domestic market share.[1]

Analysis on the external environment of zhengzhou yutong's development. The pressure and resistance faced in international competition have increased. First of all, it is the dual competitive pressure from developed and developing economies. Developed countries have stepped up the implementation of re-industrialization, while developing countries have accelerated the process of industrialization. The development of zhengzhou yutong is facing the double squeeze of advanced technology in developed countries and low-cost competition in developing countries. Secondly, the formulation of new economic and trade rules is in the midst of fierce interests, and the conditions for attracting investment and promoting development of the original rules have undergone profound changes. Finally, the rising labor cost and the increasing pressure of talent competition in China have led to the rising production cost of enterprises. [2]

2. Analysis and formulation of zhengzhou yutong's development strategy

2.1. SWOT analysis

2.1.1

Advantages: Yutong Company is a leader in the same industry in China. Its advantages mainly come from brands that are deeply rooted in people's hearts. Because the company started early, the company has a long history of development and is an old brand worthy of trust for the public. In sharp contrast, the development of many enterprises is increasingly disregarding product quality. The potential entrants faced by enterprises in the bus industry mainly come from newly established domestic bus enterprises and newly entered foreign bus enterprises. However, after more than ten years of leap-forward development, the domestic bus industry has formed a stable group and the competition tends to be stable. The flow of all kinds of talents in the domestic bus industry tends to be stable, and it is difficult for newly established bus companies to get enough talents. The newly established bus enterprises relying on the domestic private economy will not pose a great threat to the enterprises in the current bus industry. Therefore, the analysis of potential competitors mainly focuses on foreign bus companies.

2.1.2

Disadvantages: Yutong company has a long history of development, but with the continuous development of economy, the upgrading of enterprises has also become a major problem affecting the company's development. In the current development of Yutong Company, due to the aging of equipment and the lack of talents, the company is threatened by many emerging companies in its development, and the development of the company should prevent the talent gap. The tariff rate is lowered. After China's entry into WTO, the reduction of tariff rate of main buses and parts, the abolition of non-tariff barriers, the advantages of imported buses in technology and quality, and the opening of service trade have brought severe challenges to China bus industry. Competition from aviation and railways threatens passenger transport, including the floating discount of plane fares and the three times of railway speed increase, which also affects the benefits of bus companies. The threat brought by the era of meager profit. The entry threshold of bus manufacturing industry is not high. With the continuous investment and expansion of existing competitors and the increasing number of new entrants, the profit level of the industry will gradually decline, and the era of low profit will soon appear. How to deal with the era of low profit poses a challenge to enterprise management. In the first half of 2008, the average manufacturing cost of pig iron for steelmaking in large and medium-sized steel production enterprises in China increased by 57.57%. The rising cost of steelmaking directly led to the continuous rise in steel prices, which led to the increase in bus production costs. In addition, the continuous appreciation of RMB also caused the decline in the price competitiveness of Yutong Company in overseas markets.

2.1.3

Opportunities and challenges: No matter the development of enterprises or countries, opportunities and challenges are always interdependent. The same is true for the development of Yutong Company. Facing the globalization of economy, Yutong Company has

brought more opportunities for cooperation and development with foreign investors, but at the same time, it has also brought more competitors to the development of Yutong Company. Economic cooperation and economic development in the new era have higher requirements for enterprises, which has also become an important factor affecting Yutong's development. [3] The support of national policy has played a great role in promoting the development of bus industry. Since the "Automobile Industry Development Policy", it has given important support to the bus industry policy in terms of bus standardization, standardization, product upgrading and export. The favorable economic environment, the sustained and stable development of China's economy, the acceleration of urban construction and traffic road construction, and the tourism Olympics have all provided a good opportunity for the development of the bus industry and become a powerful booster for the rapid development of the bus industry.

The vast international market development space, the world bus consumption market, the huge market scale and diversified demand are rare opportunities for the growth of China bus enterprises. China's bus industry has the opportunity of being late and coming first. China's bus industry started late, and learning plays an extremely important role in enterprise capacity building. We can cooperate with multinational companies in the world, learn from their advanced management experience, learn production, introduce technology and improve existing technology, and introduce organizational change and innovation. This will make China's automobile industry take fewer detours and save a lot of capital investment. At the same time, for some automobile products, low cost can expand the export of automobile products in China. The lifting of restrictions on foreign investment will lead to new growth in investment cooperation and technology introduction.

2.1.4

With the change of economic environment, the development strategy of Yutong Company has also undergone earth-shaking changes. Generally speaking, Yutong's development strategy has undergone three major changes. The first step is the shareholding system reform. Before the shareholding system reform, Zhengzhou Bus Factory, the predecessor of Yutong Company, was seriously short of funds, and was on the verge of paralysis and bankruptcy. The second step, under the impetus of market economy, after the successful shareholding system reform, zhengzhou yutong Company embarked on the road of listing. After listing, remarkable results have been achieved in both domestic exchanges and cooperation with other enterprises and international trade. The listing has also greatly changed zhengzhou yutong's market position and market influence. The third step is privatization. After the successful listing, zhengzhou yutong Company realized that under the influence of market economy, only through privatization reform and concentration of more strength can the development of enterprises be full of vitality.

3. Safeguard measures for zhengzhou yutong's development

3.1. Organizational security

Yutong Company has formulated a series of organizational systems suitable for the long-term development of the company in combination with its own company reality and social development needs. The main content is to take talents as the foundation, adhere to the

company's organizational system of people-oriented and strict rules, and provide institutional guarantee and solid rear wing for the company's long-term development. So if you don't follow the rules, you can't be Fiona Fang. The formulation of rules and regulations is the top priority of the company's development. Only by maintaining a good atmosphere of organization and management can a company always be full of vigor and flourish. No matter how large the company is, only under the guidance of a set of strict rules and regulations can it get long-term development. [4]

Organize and coordinate all kinds of resources of Yutong company, focus on technology research and development, and cultivate a strong technical reserve team. Focus on bus quality construction, product research and development, independent innovation ability promotion, brand promotion and marketing service network construction, and closely follow the R&D ability and quality of buses in Europe, America and Japan. Position the market in domestic high-grade large and medium-sized buses, and realize enterprise system management upgrade and chassis technology upgrade in this process.

3.2. System guarantee

The company's strict system has become an important reason for the company's development over the years, but it still maintains a high and upward vitality. For the development of an enterprise, a reasonable and effective system is the necessary guarantee for an enterprise to develop and grow, and the foundation and lifeline for an enterprise to develop and grow. Yutong company still stands up for many years, which is inseparable from its strict system requirements, and it is enough to prove this truth in the development process of enterprise models in other industries in China. Enterprise organization and management is the guarantee of operation, and strict system is the guarantee of development.

At present, domestic bus sales are mainly completed through 4s stores. By signing a contract with the 4s store, the bus manufacturer grants the 4s store the right to sell the regional buses of this brand, taking into account information feedback and after-sales service of the products. This practice can enable automobile manufacturers to devote more energy to the main business of bus manufacturing and improve the competitiveness of products in this field. However, with the development of market economy, the requirements of bus customers are becoming more and more diversified, and it is difficult to meet the more personalized requirements of some customers only through 4s stores. Because buying a car from a 4s shop has one more link than buying a car directly from a bus company, some customers, especially those with scattered small orders, will worry that the transportation of buses will cause hidden damage to buses in this link.

3.3. Talent guarantee

In 2022, Yutong Company has 4 national registered quality engineers and registered auditors. Its inspectors are composed of professional backbones and technical backbones, and have undergone strict on-the-job training to ensure that the product quality is consistent with the standards. The company always puts talents in a vital position. In terms of enterprise development, talent is the first driving force. Since 2015, Yutong has spent a lot of manpower and material resources on the selection of talents, which can be said to provide sufficient talent protection for the development of enterprises. Judging from the education level, the overall quality of Yutong employees is high. Especially after 2000, most of the new forces who

joined Yutong Company are compound talents with high knowledge level and technical skills. This is directly related to Yutong's annual campus special job fair for colleges and universities. At present, among the employees in the company, there are 1957 people with college education or above (accounting for 56% of the total number of employees). Judging from this ratio, Yutong's proportion of high-quality talents in the same industry is among the best. However, Yutong company has not done enough in the talent incentive policy. Yutong company's incentive measures are basically material incentives such as allowances and bonuses. Emotional incentives for high intellectuals are still lacking.

3.4. Cultural guarantee

Corporate culture includes cultural concepts, values, entrepreneurial spirit, moral norms, codes of conduct, historical traditions, corporate system, cultural environment, corporate products, etc. Among them, values are the core of corporate culture. Corporate culture is the soul of an enterprise and an inexhaustible motive force to promote its development. It contains very rich contents, the core of which is the spirit and values of enterprises. For enterprises, corporate culture is the best combustion improver for enterprise development. In the process of development, Yutong vigorously builds corporate culture, which provides unremitting power for the long-term development of enterprises. Brand building plays a significant role in highlighting differentiation, gaining premium, bidding for finalists and enhancing the market value of listed companies. The investment in brand building of Yutong Bus accounts for 20% to 40% of the annual budget, and it has been at the forefront of the industry, and there is a foundation for further brand building.

4. Enlightenment of zhengzhou yutong's Development Strategy to Medium and Large Bus Manufacturing Industry

4.1. Reform is the propeller of enterprise development

Yutong company can be regarded as a successful model in the industry, and its success has important strategic significance for the development of other medium and large bus manufacturing industries in China. "Development is the last word", while reform is the last word. To test whether a reform measure is correct, we should mainly look at whether it liberates and develops the productive forces. Yutong Company has always insisted that reform is the primary productive force since its establishment several years ago. At different stages of the company's development, a series of reform strategies were implemented in a timely manner, and correct reform measures were made through the correct judgment of business leaders, which promoted the enterprise to develop into a leader in the same industry today. Through the results of SWOT analysis, we can also see that one of the important reasons why Yutong Company can become a leader in the same industry in China is that Yutong keeps on reforming and actively conforms to the trend of the times on the premise of adhering to the fine tradition of old brands. Therefore, it can be seen that the importance of reform to an enterprise is self-evident, which is also a problem that many companies can easily ignore in the development process, but in theory, it can not be ignored. [5]

4.2. Seize the opportunity to achieve rapid development

In the key points of Yutong Company's development, we can say that we have seized the opportunity of reform in a timely manner. For example, in 2008, the Olympic year, Yutong

Company seized the opportunity of the Olympic year in time and launched a series of special Olympic products. Driven by the Olympic Games, the products of the Olympic series have been widely recognized by the public. As the saying goes, there is Bole first, and then there is Maxima. A good Maxima must have a good Bole to guide it, and Maxima can truly become a good pony in a BMW. This principle also applies to the development of the company. Every company has endless development prospects in its early stage of development. At this time, seizing the opportunity at the right time is equivalent to finding a Bole who can guide the development future. Therefore, seizing the opportunity, reforming in time and updating the development model and system of the enterprise in time is the king of enterprise development.

"Based on the large and medium-sized bus industry": Yutong Company has developed from Zhengzhou Bus Factory at that time to the dominant bus industry leader today after 15 years of hard work. Yutong Company has made a lot of technical progress and accumulated a lot of management experience. But now and in the future, large and medium-sized buses are the development focus and main business of the company. What Yutong Company should do is to continuously consolidate its advantages, improve its shortcomings, and develop in the direction of high-end products and large-scale industries.

4.3. Institutional innovation and technological innovation promote each other

System innovation and technological innovation are the "two driving forces" to promote the development of enterprises. The two driving forces not only influence each other, but also promote each other. Institutional innovation provides the driving force for technological innovation, while technological innovation puts forward requirements and provides material guarantee for institutional innovation. Only when they can develop synergistically can they provide continuous power support for the reform and innovation of an enterprise. In the development of enterprises, only by fully realizing the importance of their common development can we really promote the development of enterprises. [6]

5. Conclusion

The reform of state-owned enterprises in China is a great, complicated and profound change that has never been seen before. We should not only boldly explore and practice, but also grasp the direction, standardize the operation, seize the opportunity to promote the reform and development of state-owned enterprises in accordance with the principles and policies determined by the central authorities, and ensure that the reform of state-owned enterprises continues to advance in the right direction. Through the study of zhengzhou yutong's development strategy, privatization reform is regarded as a form of restructuring state-owned small and medium-sized enterprises and an incentive way to mobilize the enthusiasm of enterprise managers. At present, the socialist market economic system in China needs to be improved, and the price of state-owned assets lacks a reasonable and effective discovery and formation mechanism; The relevant laws and regulations system is still not perfect, and the transformation lacks the necessary legal basis and policy norms; Reasonable financing channels are still lacking, and the acquisition risks undertaken by management are asymmetric with the benefits they enjoy; The internal and external monitoring mechanism of enterprises is not perfect, and the implementation of MBO may aggravate the phenomenon of

insider control and so on.

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