

NEW HOPE DAIRY COMPANY

Zheng Wang¹, Chairit Thongrawd²

^{1,2} Graduate School, Southeast Asia University, Bangkok, Thailand

E-mail: ChairitT@sau.ac.th

ABSTRACT

This business plan is to view the development situation of Chinese dairy enterprises from a new point of view, and make a judgment on the current situation and future trend of this special industry. This paper introduces the located in the southwestern province of sichuan new hope dairy company mileage, the spread of the value of the brand shaping,, products and services, product design and development, marketing pattern has made the analysis and evaluation of each outline system of the business plan, with investment in food and dairy industry enterprises has given a certain business advwords: business plan, dairy enterprise, New Hope Dairy, marketing model,

1. COMPANY INTRODUCTION

New hope dairy company is a subsidiary of new hope group,one of the largest private enterprises located in chengdu,a key city in southwest China. It from belong to new hope group and create a China's economic reform and opening period, new hope group is made up of local private entrepreneurs, Mr Liu was founded in 1982, was a smaller, rooted in the rural land, with farmers partnership started cultivating agricultural products, raw materials, feed, breeding meat and poultry, cattle and sheep, and the market dumping of agriculture and animal husbandry enterprises, After decades of long development, feed production capacity, poultry meat processing capacity in the first domestic, the world's second level. It is one of China's largest comprehensive suppliers of meat, eggs and milk.

Later, in the reform and development of the market economy, the company gradually derived a series of business segments including agriculture and animal husbandry, food, dairy, fast selling, chemical industry, finance, infrastructure, real estate and so on, and integrated them into urban and rural areas, other provinces, the whole country and even most parts of the world. The industry is huge and it has become one of the world's top 500 enterprises. New Hope Dairy is an important part of the industrial layout that gradually starts, develops, expands and pulls out from it.

2. INDUSTRY ANALYSIS

In the long term, with the development of economy, Chinese people pay more and more attention to the health needs and the improvement of lifestyle nutrition, and the increase of consumption power is more and more obvious, which drives the popularity of holiday gift market. The dairy industry has a long-term development potential and good prospect.

In addition, the Chinese people on the consumption consciousness and consumption behavior change, tend to be convenient, save time and effort way of shopping online, online purchasing is a long-term investment and choice, is to promote the dairy of online marketing, live with cargo order, community marketing colliding model development, sales of dairy products will be gradually increased, with increasing milk companies of dairy production scale will continue to grow.

Secondly, Chinese people have different demands for dairy products. This will promote dairy enterprises to continuously improve product functions, and increase investment in R&D and production of diversified, pattern,

property characteristics, usage specifications and other characteristics of dairy products, which will promote the better development of the industry.

In addition, Chinese people have a great demand for infant milk powder, dairy products, nutritional products for adults, and rehabilitation products for special groups such as elderly patients. The quality of products is increasingly high, and the variety renewal and iteration of dairy products of dairy enterprises will be increased. The long-term prospects of the dairy industry will be better and more opportunities will be generated.

3. MAREKT ANALYSIS AND MARKETING PLAN

Market segmentation and target market selection and positioning

Since 2001, started with new hope to agriculture enterprises began to layout the dairy market, could be divided into north and south, east and middle market fine for brand penetration, target market positioning in the high-end consumer market, including the consumer's economic strength, the pursuit of high quality life inherent brand appeal, and slightly higher than the north the existence of a single value, Mengniu appeared in the "melamine" scandal, can wake up and learn lessons, accumulate steadily. Will be a local dairy signs into the bag, all mergers, standing in the southwest, South and South, south, East and other places, and northern dairy products into a full force, separated by half of the Chinese dairy industry. To become one of the largest dairy production enterprises in China. It has chosen Kunming, Hunan, Hebei, Hangzhou, Ningxia, Shandong and Qingdao as the breakthrough point for the brand, launched a new hope of fame, positioned in the northern milk system has not entered and popular area, homeostatically occupied most of the land area.

Not only from the territory on the division, New Hope dairy also with "fresh strategy" came out of the sky, fight consumer eyeballs. Soon positioned the brand characteristics, with high quality, high quality, zero addition, original taste, overseas ranch gimmicks, foreign high-tech name to lead the attention of Chinese people. We choose people in provincial capitals, large and medium-sized cities and other places as the leading direction, because such people have moved from meeting their needs for food and clothing to demand more high-end taste bud experience and desire for nutrition, and more pure and original consumption concept.

Buyer Behavior

Dairy products are a kind of fast moving consumer goods with special time limit, high requirements on manufacturing equipment and high nutritional value, which are different from other foods. First of all, the purchaser's consumer behavior, is the quality of dairy products quality and drinking value have expectations, is fundamentally for fresh, nutrition, health, improve immunity, increase demands such as protein and calcium in the growth development period, the other is for home nutrition support source of child and adolescent, also put forward higher requirements. In addition, buyers generally look at the production shelf life, is it sold out on the same day, storage period and so on will pay attention to, which is the worry of disease if the expiration of milk products deteriorate. There is the difference between the characteristics of dairy products and other competing products, which is the need for the dairy star effect set in the mind. The more excellent production conditions, outstanding technology, high retention of original ecological ingredients, do not destroy the essence, so that the brand containing more probiotics, etc., will be more attention and welcome. And new hope dairy is to do the above points, become the star of the consumer market.

Competitor Analysis

Hopes milk is different from the other domestic dairy companies, such as mengniu, yili and other large dairy companies are in advertising circles, seasonal cycle will be main varieties of its signature, with high quality dairy products gift box, such as (Sue and 19 are they grab the high-end consumer market gift, also in the AD campaigns, please star endorsement, Foil quality high-end, from high quality pasture, but all have no hopes for the strategy of "fresh" connection out of the industrial chain as pure and fresh, because new hope dairy hoanya comes from

sichuan, and foreign farm in New Zealand, Australia, the gold cow raw material advantages of raw materials, and broke out in a large of melamine milk companies happen after national concern and care, The quality and freshness of NEW HOPE HAS BUILT a well-DESERVED reputation, popularity, innovation and assurance in the hearts of domestic citizens.

4. MANAGEMENT TEAM AND COMPANY STRUCTURE

Technical Department: responsible for the management, implementation and maintenance of technical links of the company.

Marketing Department: the management department responsible for the company's marketing and after-sales services.

Human Resources Department: THE human resources management department responsible for the recruitment and employment of the company's employees as well as the resignation procedures.

Financial Department: responsible for the execution, preparation, accounting, review and other financial management departments of the company's financial links.

Board Members

Chairman
Directors
General Manager
Deputy General Manager
Employee supervisor
Independent director
Chairman of the Board of Supervisors
Financial Officer

5. OPERATING PLAN, PRODUCTION DESIGN AND DEVELOPMENT PLAN

(1) Early (2006-2008)

Belong to milk companies located in demand after the preparatory period, studying the monopoly of national mengniu, yili, bright and other old milk companies of industry experience, to develop local milk brand enterprises, relying on sichuan rich products, the characteristics of the natural resources of high quality, make local dairy farms, with the help of dairy products imported from abroad advanced production equipment, management industry standard, the meteoric rise of the After the products entered the market, summarize the market feedback, sales comparison and differences of competing products, constantly develop new brand milk products to meet the good market response, and occupy the leading position in the market.

(2) Mid-term (2009-2018)

Belongs to the dairy companies in the basic hold local dairy marketing pattern, permeate other local small local brand, spread to other areas, not only has the production potential of the breasts of mergers and acquisitions local level, to build a nationwide dairy products marketing network, and the north east milk enterprise boss namely mengniu, yili, bright form the flank of the situation, such as three pillar, divide the world, Complete the national production and marketing, pasture, resource competitive scale layout. And relying on the developed e-commerce platform of Internet technology, with the support of powerful data technology industry, expand the channel sales of products, manufacture more refining and upgrading of product quality selling points, and strengthen the strength of the enterprise by using advanced production equipment and technology, industrial chain, and cold chain property transportation standards. We will cooperate with distributors in local and national channels, online and offline, communities and supermarkets, constantly tap the potential of market consumption, give full play to

the crowd effect of marketing services, and take the lead in developing the pace of entering the foreign dairy market.

(3) Late Period (2019-2025)

Continuously consolidate the stable pattern of domestic market scale, sets up the strategy of "fresh cubic" as the main marketing mode of the sign, create a market vitality, influence, the long-term value of the dairy brand, promotion into overseas markets, to join with other countries in the world especially in developed countries such as Europe and Australia to dairy products production enterprise competition in the market, Participate in the brand competition of global dairy level standards, strive to enter the ranks of the world's leading dairy enterprises, so as to strengthen the upgrading, transformation and integration of enterprises into globalization Development mileage.

Challenges and Risks

Foreign trade risks

Tax risks

Legal risks

Market risks

Cost

Under the condition of ensuring the security of capital reserves, the company takes strict financial management measures, restricts unreasonable expenditure and investment, and mainly uses the funds from market profits for infrastructure construction, equipment renewal, supporting transformation, improving staff earnings, and obtaining a wider range of capital earnings recovery. And to implement the national tax policy, abide by discipline and law, part of the capital expenses for long-term public welfare, to maximize the financial stability, capacity, and create new achievements.

Intellectual Property Rights

With 24 hours of fresh milk, live embellish crystal ball yogurt, yogurt, fresh milk brands such as Australia, his mind kinds products, its unique, gold district dairy milk, with unique manufacturing technology, and the milk and the latest achievements in application of supply chain and the listed electronic intelligent management system products such as product advantages, namely the company exclusive products of intellectual property rights, It has the legal effect of anti-counterfeiting trademark.

6. FINANCIAL ANALYSIS

Sources of Funds and instructions for use

Source of funds (100 million)	2022	2023	2024	2025	2026
Self-raised funds	102.58	120.79	130.39	141.28	162.73
Bank credit funds	203.31	221.24	228.97	298.28	299.16
Funds of non-bank financial institutions	109.24	120.29	129.71	130.28	135.47
Internal funds of the enterprise	1203.12	1391.29	1429.52	1502.17	1602.67

Pro forma financial statements

Estimated financial items	2022	2023	2024	2025	2026
Current assets	88.12	98.12	100.23	120.32	132.87
Accounts receivable	68.21	70.95	72.36	80.92	85.28
prepayments	0.28	0.39	0.25	0.34	0.26
Other Accounts Receivable	0.92	0.94	0.95	0.96	0.98
inventory	23.21	24.58	27.64	29.91	30.28
Current liabilities	52.34	56.27	57.81	58.92	59.12

Predictive income statement

Forecast Revenue (100 million)	2022	2023	2024	2025	2026
Operating income	184.23	191.25	192.87	201.95	210.87
Interest income	52.13	53.14	55.67	57.62	58.91
Fee and commission income	12.87	13.95	14.28	15.63	16.12
profits	78.94	89.12	93.58	98.69	101.87

Projected balance sheet

Expected property liabilities	2022	2023	2024	2025	2026
Asset liability ratio	13.65%	14.57%	15.52%	16.18%	17.92%
Equity ratio	14.32%	14.57%	15.13%	16.71%	17.96%
Debt to equity ratio	18.91%	16.47%	15.88%	14.21%	13.71%
Interest protection multiple	6.01	12	15.1	17.1	22.8
Non-current liabilities to funds ratio	2.2%	1.5%	1.2%	0.9%	0.7%

Feasibility Analysis

- Capital budgeting (Net present value, NPV)

Capital (100 million)	2022	2023	2024	2025	2026
Incoming capital budget	42.11	45.28	50.19	52.23	56.19
Budget of outflow funds	52.78	56.79	61.21	62.12	63.15

Analysis: From the perspective of the capital budget, the difference between the inflow and outflow funds is within the scope of controllable funds, basically balanced, no abnormal, small risk.

- Internal rate of return

The internal revenue	2022	2023	2024	2025	2026
Operating income ratio	10.92%	12.27%	14.58%	16.71%	18.13%
Profit ratio	9.52%	10.23%	11.21%	12.34%	13.35%
Revenue conversion rate	0.9%	0.12%	0.34%	0.42%	0.51%

Analysis: From the perspective of internal rate of return, the operating revenue and profit ratio are of the same origin, interrelated and restricted, balanced and coordinated, the revenue conversion rate is reasonable, the proportion is appropriate, no risk hidden trouble.

- Capital budgeting (Net present value, NPV)

Capital (100 million)	2022	2023	2024	2025	2026
Incoming capital budget	42.11	45.28	50.19	52.23	56.19
Budget of outflow funds	52.78	56.79	61.21	62.12	63.15

Analysis: From the perspective of the capital budget, the difference between the inflow and outflow funds is within the scope of controllable funds, basically balanced, no abnormal, small risk.

- Internal rate of return

The internal revenue	2022	2023	2024	2025	2026
Operating income ratio	10.92%	12.27%	14.58%	16.71%	18.13%
Profit ratio	9.52%	10.23%	11.21%	12.34%	13.35%
Revenue conversion rate	0.9%	0.12%	0.34%	0.42%	0.51%

Analysis: From the perspective of internal rate of return, the operating revenue and profit ratio are of the same origin, interrelated and restricted, balanced and coordinated, the revenue conversion rate is reasonable, the proportion is appropriate, no risk hidden trouble.

IRR. As well as

- return period

- break-even point

	2022	2023	2024	2025	2026
Return horizon forecast	0.9years	1.1years	2.1years	3.1years	4.1years
Profit and loss ratio	2.14%	3.19%	3.17%	2.98%	2.61%

Analysis: From the point of view of the return period and the break-even status, the return period is divided by a certain ratio, and the interval between the ratios is equal. No abnormal situation occurs, and the break-even is balanced. The points flow in a reasonable data value range, and no abnormal situation is found.

References

- Li Guirong. (2012). Analysis of New Hope Financial Statements (2nd Edition). Tsinghua University Press.
- Song Juan. (2013). Detailed Explanation of the Development Trend of New Hope Dairy Industry. China Machine Press.
- Yuan Chun et al. (2012, Ed). Development Situation and Bottleneck of Dairy Enterprises in China. Northeast University of Finance and Economics.
- He Ze. (2016). The Road to the development of food Enterprises in private enterprises in China. Sichuan Finance Journal Magazine.
- Fan Xingjian. (2012). Analysis of Financial Statements of Bright Dairy. Popular Science and Technology.
- Zhang Xianguang. (2015). Problems to be paid attention to in Financial Statement Analysis. Financial Communication.
- SONG Kun. (2003). 10-year Review and Prospect of Chinese dairy Industry. Chinese Supply and Marketing Business Situation. Dairy Industry Guide.
- Yang Z X. (2015). Development prospect analysis of dairy industry in China. Gansu Agriculture, (in Chinese with English abstract
- Zhang Wenqiu. (2007). Development Strategy analysis of dairy products in China. China Animal Husbandry Communication.
- Zhang Danfeng. (2013). Discussion on the production and development of dairy products in our region. Xinjiang Animal Husbandry.