

**OPTIMIZATION STRATEGY OF OVERSEAS OPERATION
MANAGEMENT OF CHINESE ENTERPRISES BASED ON
INTERNATIONAL EXECUTIVE EDUCATION COURSES****Yu Wei¹, Stephanus Remond Waworuntu²**¹Yu Wei, yu.wei@student.president.ac.id²Stephanus Remond Waworuntu, acstephanus@president.ac.id

ABSTRACT

The purpose of this paper is to explore the challenges and optimization strategies faced by Chinese enterprises in their overseas operations and management processes. Jiangxi ZHENGBANG Plant Protection Co., Ltd, for example, conducts overseas operations mainly in Pakistan, Indonesia, Cambodia, Myanmar, Nigeria and 12 other countries. ZHENGBANG is a national high-tech enterprise focusing on the development, production and sales of pesticide dosage forms, pesticide intermediates and preparations, and is committed to the development of pesticide products for the prevention, elimination or control of agricultural and forestry pests and other pests, including insecticides, fungicides, herbicides and plant regulators. With the in-depth implementation of the "Belt and Road Initiative", Jiangxi ZHENGBANG Plant Protection Co., Ltd. actively expands the international market, and still faces multiple challenges in the field of cross-cultural management and municipal competition strategy, and needs to strengthen human resources and asset allocation management and supply chain digital transformation. In addition, the issue of intellectual property protection and compliance with national laws also needs to be resolved. By analyzing the successful experience of SIEMENS and MAZAK, this paper provides targeted optimization strategies for Chinese enterprises to improve the efficiency and competitiveness of their overseas operations (Dong, et al., 2015). Starting from the actual business background of the company, the research deeply discusses its continuous improvement method through literature review, which provides a solid theoretical basis for analyzing the actual operation status of Chinese enterprises. This study takes the success of SIEMENS and MAZAK as examples to analyze the root causes of the successful experience of their overseas operating companies. Drawing on the successful experience of SIEMENS and MAZAK, this study found a set of innovative optimization strategies aimed at comprehensively improving the efficiency and competitiveness of Chinese enterprises' overseas operations by utilizing advanced technologies and adopting a continuous improvement approach (Ren, 2024).

Keywords: Chinese enterprises, Indonesian market, Operation management, The policy environment, Strategic management.

1. Introduction

This paper aims to provide a useful reference for Chinese enterprises to expand overseas by thoroughly exploring the challenges faced by Chinese enterprises in the process of overseas operation management and proposing corresponding optimization strategies, using the example of ZHENGBANG Crop Protection Co., Ltd. in Jiangxi Province. Pesticides are indispensable in agricultural production. The global pesticide market is on a solid footing due to the continuous growth of the global population, the gradual shift in farming methods, and the frequent occurrence of pests and diseases caused by global warming. According to the United Nations State of the World Population Report, the global population will be 7.596 billion in 2021 and will increase by 2.2 billion to 9.8 billion by 2050. The world's arable land is growing slowly, water shortages are getting worse and food production faces huge challenges. As the global economy continues to integrate and China's Belt and Road Initiative deepens, more and more Chinese enterprises have started to aggressively expand into overseas markets and seek different growth points. Leading the pack is Jiangxi ZHENGBANG Plant Protection Co., Ltd, which has expanded its operations in 12 overseas countries, including Pakistan, Indonesia, Cambodia, Myanmar, Nigeria and other places. However, overseas operations management faces numerous challenges and led to various problems in cross-cultural management, market competition strategy, talent and resource management, supply chain management, digital transformation, political and economic risk management, intellectual property protection management, and national legal compliance management. These issues will not only test the company's overall strength, but also affect its long-term stable development in overseas markets. Thus, this paper is to present the optimization strategy of overseas operation management of Chinese enterprises, based on the author's learning experience gained through the international executive education program in Singapore.

2. Literature Review

Scholars at home and abroad have conducted extensive research on the management of overseas operations of Chinese enterprises, focusing on legal compliance, cultural adaptation, market entry strategy and risk management. Based on previous studies, this paper will discuss various issues and solutions, incorporating the current international economic situation and the actual cases of Chinese enterprises. It mainly covers the following topics:

2.1 Theory and practice of globalization

Globalization theory studies the dynamics and processes by which firms expand their business on a global scale. Classical theories, such as multi-nationality enterprise theory (MNE), International production compromise theory (OLI), Global value chain theory (GVC), etc., discuss the positioning and strategic choice of enterprises in the process of globalization (Mouanda, G. 2019).

2.2 Research on laws and regulations in the international operation of enterprises

Legal and regulatory issues faced by companies operating internationally include differences in legal systems, compliance costs and intellectual property protection. Related literature has pointed out that the complexity and uncertainty of the legal environment have a significant impact on the process of internationalization of enterprises. Research shows that companies need to address these challenges by building professional legal teams and developing compliance strategies (Wang, et al., 2015).

2.3 Cross-cultural management

Cross-cultural management studies focus on the management practices of businesses in different cultural contexts. It includes the influence of cultural differences on organizational behavior, communication, and leadership style employee motivation and so on (An, Z, 2022). Literature points out that enterprises need to cope with cultural differences through cross-cultural training, recruitment of local talents, and formulation of adaptive management strategies (Zhao, et al., 2017)

2.4 Market competition strategies

Market competition strategies mainly discuss how to build and maintain a competitive advantage in the global market. Included are differentiation strategies, cost leadership strategies, brand building and more.

The research shows that enterprises need to develop flexible market entry and competition strategies according to the specific conditions of the target market (Chasiotis, et al., 2023).

2.5 Management of political and economic risk

Political and economic risk management examines the risks that businesses face when operating in different countries and regions, such as political instability, policy changes and economic volatility. The literature emphasizes that enterprises should conduct comprehensive risk assessments, develop emergency plans, and establish excellent relationships with local governments and communities (Khattab, et al., 2015).

2.6 Talent and resource management

In international business, talent and resource management are critical. Businesses recruit and train people on a global scale and ensure continuous acquisition and efficient use of resources by building effective supply chain management systems. The literature suggests that enterprises should pay attention to the cultivation of local talents and the management of multinational teams (Haziati, et al., 2021)

2.7 Protection of intellectual property rights

IP protection is becoming essential in the globalization process. Businesses need to strengthen their awareness of IPR protection, establish sound IPR management systems and actively respond to IPR disputes and infringements. The document suggests that enterprises can protect their intellectual property through patent applications, protection of technical secrets and international cooperation (Selvakumar, M. 2022).

2.8 Supply chain management

In the context of globalization, supply chain management is an influential part of a company's international operations. Enterprises improve the response speed and resilience of the supply chain by means of supply chain collaboration, information technology application and risk management (Hasan, et al., 2013).

2.9 Digital transformation

Digital transformation is becoming critical as enterprises compete in an increasingly digital and intelligent world. The literature explores how digital technologies are changing business models and the competitive landscape, highlighting the importance of digital strategies in improving efficiency, reducing costs and creating new value. The study recommends that companies increase their global competitiveness by investing in digital technologies and optimizing digital processes (Javadi, Y. 2022)

3. Case Exploration Analysis

3.1 This paper elaborated overseas operation management of successful companies, including SIEMENS and MAZAK

As the world's leading industrial automation and digital enterprise, SIEMENS' successful experience in overseas operations lies in strict legal compliance management, strong cross-cultural communication ability and technological innovation ability. SIEMENS reduces operational risk through a localization strategy that allows it to understand and adapt to the laws, regulations and cultural practices of different markets.

3.1.1 Company Profile

SIEMENS AG is a multi-national company with more than 170 years of history and headquarters in Munich and Berlin, Germany. Committed to electrification, automation and digitalization, the company operates in more than 200 countries and regions worldwide and is one of the world's leading technology companies. SIEMENS has a broad range of product lines and service solutions in a variety of fields, including information and communication, automation and control, power, transportation, and healthcare.

3.1.2 Overseas market layout

Multinational distribution: SIEMENS is extremely international, with approximately 79% of its sales taking place abroad. The company has a large number of branches, research and development centers and

production plants around the world to provide customized products and services close to local market needs.

Key Markets Investment: SIEMENS is particularly focused on key markets such as Asia, Europe and the Americas, and continues to increase investment in these regions to expand market share. In China, as one of the first foreign companies to enter and continue to profoundly cultivate the market, SIEMENS has built a vast business network covering multiple business sectors.

3.1.3 Strategic management of overseas operations

Strategic Strategy: Since its inception, SIEMENS has made its foreign operations as influential as its domestic operations. This international strategic thinking has enabled the company to expand rapidly on a global scale and build a strong brand presence.

Localization Operations: To better adapt to the characteristics and needs of different markets, SIEMENS has actively implemented localization strategies in overseas markets. This includes establishing local R&D centers, production sites and sales networks, as well as hiring local employees to ensure that products and services are better integrated into the local market.

Technological Innovation and Research and Development: SIEMENS has always considered technological innovation as a core driver of corporate development. The company has established a number of research and development centers around the world dedicated to the development and research of modern technologies and current products. These innovations not only enhance SIEMENS' market competitiveness, but also provide customers with more advanced and efficient products and services.

Compliance Operations and Risk Management: SIEMENS attaches great importance to compliance operations and risk management, and has established robust compliance management systems and risk control mechanisms. The Company strictly adheres to national laws, regulations and industry standards to ensure legal compliance for its global scale business activities. At the same time, SIEMENS is also closely monitoring changes in the international political and economic situation and adjusting its business strategy in a timely manner to deal with potential risks.

Sustainability and Social Responsibility: SIEMENS actively practices corporate social responsibility and is committed to promoting sustainability. The Company has invested significant resources and energy in energy conservation, environmental protection, social welfare and other areas, and has made positive contributions to global sustainable development.

3.1.4 Success stories and impact

SIEMENS has achieved significant success and influence in several markets around the world. In the Chinese market, SIEMENS has earned the trust and support of our customers through continuous technological innovation, local operations and high-quality services. Its products and solutions have been widely applied and promoted in several industrial sectors, making a positive contribution to the high-quality development of the Chinese economy. At the same time, SIEMENS is also actively involved in China's social welfare undertakings and talent training programs, and has made active efforts to promote the progress and development of Chinese society.

SIEMENS has achieved significant success and influence in the global market with its international strategic thinking, local operational strategies, technological innovation and R&D prowess, and compliance management and risk management capabilities. These experiences have served as a useful reference and inspiration for Chinese enterprises in their overseas operations.

3.2 Introduction to MAZAK Inc

A global leader in machine tool manufacturing, MAZAK's success in overseas operations is based on superior quality products, impeccable after-sales service and a flexible marketing strategy. MAZAK focuses on intellectual property protection and market competitiveness through technological innovation and brand building.

3.2.1 Company profile

MAZAK Corporation is a global machine tool manufacturer headquartered in Aichi Prefecture, Japan. Founded in 1919, the company specializes in the design, manufacture and sale of numerical control

(CNC) machine tools and automation solutions. MAZAK is one of the world's largest machine tool manufacturers with products widely used in the aerospace, automotive, energy, medical, communications and other manufacturing industries.

3.2.2 Overseas market landscape

Production Company Distribution: MAZAK has a number of production companies around the world to meet market demand in different regions. Specifically, these production companies are located in Japan (5), the United States, the United Kingdom, Singapore and China (Ningxia Small Giant Machine Tool Co., LTD.). This global presence helps MAZAK better serve its global customers, shorten lead times and reduce logistics costs.

Sales and Service Network: To enhance sales and service support in global markets, MAZAK has established 30 technical centers in over 60 locations worldwide and has established more than 80 customer support bases worldwide. These facilities provide a strong guarantee for the promotion, technical support and after-sales services of MAZAK products.

3.2.3 Management strategy for overseas operations

Localization Strategy: MAZAK is focused on localizing its operations in its target markets. With an in-depth understanding of local market needs, laws, regulations and cultural habits, MAZAK develops marketing strategies and service programs that meet local characteristics. This localization strategy helps MAZAK better integrate into the local market and increase customer satisfaction and loyalty (Bai, 2022).

Technological Innovation and Research and Development: MAZAK has always considered technological innovation as its core competency and has continuously invested in research and development resources to introduce industry-leading CNC machine tools and automation solutions. These innovative products not only improve production efficiency and machining accuracy, but also meet customer demand for high-quality, high-performance machine tools.

Quality Management: MAZAK has established a rigorous quality management system to ensure that every machine tool delivered meets high quality standards. With advanced testing equipment, rigorous production processes and quality control measures, MAZAK ensures the stability and reliability of its products and has earned the broad trust of its customers.

Customer Support and Services: MAZAK focuses on providing customers with a full range of support and services, including pre-sales consultation, technical training, installation and commissioning, troubleshooting, and more. The company has built a well-established customer service system to ensure that customers receive timely and professional help and support during the use of MAZAK products.

3.2.4 Success stories and impact

MAZAK's machine tool products enjoy a high reputation and market share worldwide. Its classic products such as the INTEGREGX series, the VERTICAL CENTER series and the HORIZONTAL CENTER series have demonstrated superior performance and reliability in a diverse range of industries. These successful cases not only demonstrate MAZAK's leading position in machine tool manufacturing, but also win the company additional customers and market share.

With its global presence, localization strategy, technological innovation and research and development, quality management and customer support and services, MAZAK has successfully achieved significant achievements and influence in overseas markets. These experiences have served as a useful reference and inspiration for Chinese companies in their overseas operations.

4. Optimization Strategies: Lessons to be learned for Chinese Enterprises

4.1 Optimization strategies for cross-cultural management

In the context of globalization, cross-cultural management is an influential factor in the successful operation of a business. To optimize cross-cultural management, Jiangxi ZHENGBANG Crop Protection Co., Ltd can learn from the experience of SIEMENS and conduct targeted cross-cultural training to help employees understand and adapt to working methods and communication methods in different cultural backgrounds. The Local Talent Recruitment Strategy recruits and develops local talent, leveraging their

cultural strengths and market insight. According to the cultural characteristics of different markets, flexible management strategies should be developed to respect and accommodate cultural differences.

4.2 Optimization strategies for competitive strategies in the market

Market competition strategies determine the competitiveness of enterprises in the international market. ZHENGBANG Company can refer to MAZAK Company's successful experience. Differentiation strategy: Develop differentiated products that meet the needs of the target market and enhance the added value of the products through technological innovation and brand building. Cost leadership strategy to reduce production costs and improve price competitiveness by optimizing production processes and supply chain management (Dana, et al., 2022).

Brand Building, which focuses on the shaping and maintenance of brand image, builds brand reputations through quality products and services.

4.3 Optimizing strategies for talent and resource management

Talent and resource management are crucial factors in a company's overseas operations. ZHENGBANG Company can learn from the successful experiences of SIEMENS and MAZAK. Global recruitment and training, establishing international talent recruitment and training mechanisms, and attracting and training professionals with international vision and local market experience. Transnational team management training, through effective communication and coordination, establish an efficient transnational team management system, improve the efficiency of team cooperation (Zang, 2015).

4.4 Optimization Strategies: Lessons to be learned for Chinese Enterprises

Supply chain management is a vital part of the international operations of a business. ZHENGBANG can learn from SIEMENS. Flexible and efficient supply chain, building a flexible and efficient global supply chain system to respond to changes in market demand and contingencies. Supply chain coordination, enhanced cooperation with all links in the supply chain, and transparency and visualization of the supply chain through information technology. Risk management, establish a supply chain risk management mechanism to ensure the stability and security of the supply chain (Carvalho, et al., 2014).

4.5 Optimization strategies for digital transformation

Digital transformation has opened up new opportunities for business. ZHENGBANG can learn from the SIEMENS experience. Invest in digital technology, increase investment in digital technology and promote automation and information in production processes. Cultivate digital talent, cultivate and bring in digital talent, and raise the level of digital management in enterprises, he said. Optimize digital processes to improve operational efficiency and market responsiveness (Li, et al., 2024).

4.6 Optimal strategies for managing political and economic risks

When operating in different countries and regions, companies need to deal with political and economic risks. ZHENGBANG can learn from SIEMENS' experience. Comprehensive risk assessment Comprehensive political and economic risk assessment of target markets and development of risk management strategies. Emergency planning, the development of an emergency plan to ensure that in the event of an emergency, a rapid response can be made to mitigate damage. Government and community relations, establishing excellent relations with local governments and communities, and active participation in local social welfare undertakings to enhance the company's image.

4.7 Optimization strategies for IPR protection and management

IP protection is becoming increasingly crucial in the globalization process. ZHENGBANG could take a page out of Mr MAZAK's playbook. We will build a sound IPR management system and enhance the awareness of IPR protection. Patent application and protection of technical secrets To protect the intellectual property rights of enterprises through patent application and protection of technological secrets. International cooperation, actively participating in international cooperation, sharing experiences in intellectual property protection, and enhancing the international competitiveness of enterprises.

4.8 Optimization strategies for national legal compliance management

Compliance management is the foundation of stable operations in international markets. ZHENGBANG can learn from the experience of SIEMENS. Professional legal team, build a professional legal team, and

gain an in-depth understanding of the legal environment of the target market. Compliance Strategy: Develop a compliance strategy to ensure that business activities in each country comply with local laws and regulations. Legal risk prevention, through the legal risk prevention mechanism, reduces the legal risk of enterprises in overseas operations (Chen, et al., 2023).

1. 5. The Empirical Case Study of ZHENGBANG Crop Protection Co., Ltd., Jiangxi Province

5.1 Status and challenges in the management of the company's overseas operations

Jiangxi ZHENGBANG Crop Protection Co., Ltd. operates in 12 countries, including Pakistan, Indonesia, Cambodia, Myanmar and Nigeria. It faces numerous challenges in cross-cultural management, market competition strategy, talent and resource management, supply chain management, digital transformation, political and economic risk management, intellectual property protection management, and national legal compliance management. These challenges will not only test the company's overall strength, but also affect its long-term stable development in overseas markets.

5.2 Implementation and effectiveness evaluation of optimization strategies

Following the above optimization strategy, ZHENGBANG gradually implemented several improvements. Cross-cultural management has been improved through cross-cultural training and the recruitment of local talent; market competitiveness through differentiated strategies and branding; the enhancement of talent and resource management capabilities through a global recruitment and training mechanism; the level of supply chain management has been improved through flexible and efficient supply chain systems; digital transformation through investment in digital technology and the development of digital talent; political and economic risk management capacity was enhanced through comprehensive risk assessments and contingency plans; the ability to protect intellectual property rights has been enhanced through the application of patents and the protection of trade secrets; enhance national legal compliance management capabilities with dedicated legal teams and compliance strategies.

5.3 Summary and implications of the case analysis

ZHENGBANG has achieved remarkable results in the management of overseas operations, and its successful experience has served as a valuable reference and inspiration for other Chinese enterprises. By implementing the above optimization strategy, ZHENGBANG will not only improve the efficiency and competitiveness of its overseas operations, but also provide strong support for the stable development of Chinese enterprises in the international market.

6. Conclusions

Through the case analysis of Jiangxi ZHENGBANG Crop Protection Co., Ltd., we propose strategies for optimizing cross-cultural management, market competition strategy, talent and resource management, supply chain management, digital transformation, political and economic risk management, intellectual property protection management, and national legal compliance management, as well as additional aspects. These strategies have been effectively implemented in the actual operations of ZHENGBANG Company, which has improved the efficiency and competitiveness of its overseas operations. As the Belt and Road Initiative deepens, more and more Chinese enterprises will continue to aggressively expand their overseas markets. In the process, companies need to continuously improve cross-cultural management, develop flexible market competition strategies, strengthen talent and resource management, optimize supply chain management, advance digital transformation, strengthen political and economic risk management, protect intellectual property rights and ensure legal compliance to achieve sustainable development.

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