

MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE
SUMY NATIONAL AGRARIAN UNIVERSITY
ECONOMICS AND MANAGEMENT FACULTY

Finance, banking and insurance department

QUALIFICATION WORK
education degree - Master

on: **Anti-crisis management of an agricultural enterprise**

Completed:

Su Yulong

student of
073 Management
(EP Administrative Management)

Supervisor

Samoshkina Iryna Dmytrivna
PhD., Associate Professor

Reviewer

Karpovych Kostyantyn Volodymyrovych
director of the Regional Utility Company
"Sumy Airport"

Sumy - 2024

SUMY NATIONAL AGRARIAN UNIVERSITY

Faculty Economics and Management
Department Finance, banking and insurance

Education degree «Master»
Speciality 073 Management EP «Administrative management»

Approved:

Head of
Department _____

«_____» _____

2023

TASK

on qualification work for student

Su Yulong

1. Theme of Qualification work: *Anti-crisis management of an agricultural enterprise*

Base of research *Guangming Dairy Co., Ltd*

Supervisor *Iryna Dmytrivna Samoshkina, PhD, Associate Professor*

approved by the university order dated _____

No _____

2. Deadline for student completed project (work) _____

3. Background to the project (work):

Crisis is the normal state in the process of the development and survival of an agricultural enterprise. No matter the business scale and business scope of an enterprise, it is inevitable to encounter various crises. The research background of anti-crisis management in agricultural enterprises can be deeply interpreted from the following dimensions: increasing market risks under the background of global economic integration; challenges brought about by natural environmental change. The paper focuses on exploring the crisis management strategies of an agricultural enterprise, including the establishment of a crisis warning mechanism, the formation and operation of crisis response teams, communication strategies with stakeholders, and recovery and summary after the crisis.

4. Contents of settlement and explanatory notes (the list of issues to develop):

This research will outline the study objectives and significance, review relevant literature, and describe the methodology used. This research aims to analyze the current system of anti-crisis management of an agricultural enterprise. This paper further extracts crisis management principles and methods that are generally applicable to agricultural enterprises from the case of Bright Dairy & Food Co., aiming to provide useful references for other agricultural enterprises., this paper provides valuable lessons and coping strategies for agricultural enterprises when facing crises. The conclusion will summarize the findings and their implications for improving the anti-crisis management of an agricultural enterprise.

5. Date of assignment:

June, 19 2023

CALENDAR PLAN

№	Name of the diploma project's stages	Dates of project stages' performance	Note
1	Definition and approval of the thesis, preparation of the plan - schedule of work	<i>June, 2023</i>	
2	Selection and analysis of literary sources, the preparation of the first theoretical chapter	<i>September – October, 2023</i>	
3	Preparation and presentation of draft of the first chapter of the thesis	<i>November, 2023</i>	
4	Collection and processing of factual material, synthesis analysis of application issues in the enterprise	<i>December, 2023</i>	
5	Making the theoretical part of the thesis, summarizing the analytical part	<i>January, 2024</i>	
6	Design options improve the research problem	<i>January, 2024</i>	
7	Completion of the project part of the thesis, design chapters	<i>January, 2024</i>	
8	Previous work and its defense review	<i>March, 2024</i>	
9	Checking the authenticity of the thesis	<i>August, 2024</i>	
10	Deadline for student completed the thesis	<i>September, 05 2024</i>	
11	Defense of the thesis	<i>September, 12 2024</i>	

Student _____ **Su Yulong**
(signature)

Supervisor of science work _____ **Iryna Samoshkina**
(signature)

Authentication performed _____ **Nadiya Baranik**
(signature)

Checking the authenticity conducted.
Thesis allowed for defense _____ **Svitlana Lukash**
(signature)

АНОТАЦІЯ

Сю Юлонг. Антикризове управління сільськогосподарським підприємством. (база дослідження ТОВ “Компанія Гуанмін Дейрі”, Китай)

Кваліфікаційна робота за спеціальністю 073 «Менеджмент» ОП «Адміністративний менеджмент» СНАУ, Суми-2024 - Рукопис.

Ця робота на прикладі компанії "Guangming Dairy Group Co., Ltd." детально досліджує стратегії управління аграрними підприємствами під час кризи. "Guangming Dairy" як один з головних гравців в молочній промисловості в Китаї неодноразово стикався з різними кризами, наприклад, проблеми з якістю продукції, переривання ланцюга поставок та жорстку конкуренцію на ринку. Проведене дослідження детально аналізує стратегії управління кризами, які були застосовані під час попередніх інцидентів, відображаючи ефективні методи управління в кризовій ситуації.

У роботі розглядається базова інформація про компанію і галузь молочної промисловості в Китаї, а також окремі приклади криз, які сталися з підприємством у минулому та їх причини. На цій основі розглядаються конкретні стратегії управління кризами: встановлення механізмів попередження криз, формування та функціонування команди з управління кризами, стратегія комунікації зі зацікавленими сторонами, відновлення та підсумковий аналіз після кризи.

Зокрема, у роботі виявлено, що для ефективного управління кризами потрібно не тільки ефективне внутрішнє співробітництво, але й ефективна комунікація та взаємодії з зовнішнім середовищем. Крім того, постійна оцінка ризиків та встановлення системи попередження криз є ключовими аспектами для запобігання потенційних криз. Проведений в роботі аналіз практики управління кризами компанії "Guangming Dairy" та стратегії управління кризовими ситуаціями можуть бути застосовані для інших аграрних підприємств.

Ключові слова: кризовий менеджмент, кризова комунікація, кризові зв'язки з громадськістю, агробізнес, аграрне підприємство.

ABSTRACT

Anti-crisis management of an agricultural enterprise (research base of Guangming Dairy Co., Ltd, China)

Qualification work on specialty 073 “Management” EP “Administrative management” SNAU, Sumy-2023 - Manuscript.

This paper takes Bright Dairy & Food Co., Ltd. as an example to explore the crisis management strategies of agricultural enterprises in times of crisis. As a domestic dairy industry giant, Bright Dairy & Food Co. has inevitably faced various crisis challenges during its development, such as quality problems, supply chain interruptions, and intense market competition. Through detailed analysis of the coping strategies adopted by Bright Dairy & Food Co. in previous crises, this paper summarizes an effective set of crisis management methods and experiences. The paper first outlines the basic situation of Bright Dairy & Food Co. and its industry environment, and then analyzes in detail the main crisis events the company has encountered and their causes. On this basis, the paper focuses on exploring the crisis management strategies of Bright Dairy & Food Co., including the establishment of a crisis warning mechanism, the formation and operation of crisis response teams, communication strategies with stakeholders, and recovery and summary after the crisis. This paper further extracts crisis management principles and methods that are generally applicable to agricultural enterprises, aiming to provide useful references for other agricultural enterprises. Through this research, we have found that effective crisis management not only requires efficient cooperation within the organization but also requires good communication and interaction with the external environment. The analysis of crisis management practices of the "Guangming Dairy" company and crisis management strategies conducted in the work can be applied to other agricultural enterprises.

Keywords: crisis management, crisis communication, crisis relations with the public, agribusiness, agrarian enterprise.

CONTENTS

INTRODUCTION	7
CHAPTER 1 THEORETICAL AND METHODOLOGICAL FOUNDATIONS OF ANTI-CRISIS MANAGEMENT OF AN AGRICULTURAL ENTERPRISE	11
CHAPTER 2 ANALYSIS OF ANTI-CRISIS MANAGEMENT PRACTICE OF BRIGHT DAIRY GROUP CO., LTD	20
2.1 Introduction to Bright Dairy Group Co., Ltd	20
2.2 Analysis of the crisis and challenges faced by Bright Dairy Group Co., LTD	20
2.3 Specific cases of quality and safety crisis - Bright in the "melamine event"	35
CHAPTER 3 COUNTERMEASURES AND SAFEGUARD MEASURES FOR ANTI-CRISIS MANAGEMENT	40
3.1 Countermeasures of anti-crisis management adopted by Bright Dairy Group Co., LTD	40
3.2 The guarantee mechanism for implementing anti-crisis management countermeasures	50
3.3 Enlightenment and reference for the anti-crisis management of Chinese agricultural enterprises	59
CONCLUSION	62
REFERENCES	65

INTRODUCTION

Actuality of theme. Crisis is the normal state in the process of the development and survival of an enterprise. No matter the business scale and business scope of an enterprise, it is inevitable to encounter various crises. The research background of anti-crisis management in agricultural enterprises can be deeply interpreted from the following dimensions:

(1) Increasing market risks under the background of global economic integration: With the deepening of globalization, agricultural market is more and more affected by international market supply and demand, price fluctuations, trade policies and other factors, and agricultural enterprises are facing more complex market competition and uncertain risks.

(2) Challenges brought about by natural environmental changes: Environmental factors such as climate change and natural disasters have a direct and far-reaching impact on agricultural production. Agricultural enterprises need to establish climate risk management and disaster response mechanisms to cope with crises such as production reduction and cost increase caused by droughts, floods, diseases and insect pests.

(3) Demand for technological progress and industrial upgrading: With the progress of science and technology and the development of agricultural modernization, agricultural enterprises are facing the pressure of transformation and upgrading, especially in the application of biotechnology and information technology, enterprises should not only seize the opportunity but also guard against the potential risks brought by technological change.

(4) Changes in policy environment: The adjustment of national agricultural policies, subsidy policies and environmental protection policies will bring opportunities and challenges to agricultural enterprises, and enterprises must have enough foresight and adaptability, to build a policy risk early warning and response mechanism.

(5) The attention of social responsibility and food safety: in recent years, food safety incidents occur frequently, caused the attention of the whole society, agricultural enterprises in the pursuit of economic benefits at the same time, must strengthen the social responsibility consciousness, establish effective food safety risk control system, ensure product safety, prevent crisis damage to corporate reputation and social stability.

(6) Outstanding internal management problems: some agricultural enterprises are prone to fall into financial crisis and credit crisis due to non-standard management, financial management loopholes, human resources shortage and other problems. Strengthening anti-crisis management is helpful to improve the level of enterprise management and enhance the vitality of enterprises.

The importance of anti-crisis management in agricultural enterprises

(1) Maintenance enterprise survival and development: agricultural enterprises by the natural conditions, market volatility, policy adjustment and other uncertainty factors, good crisis management helps enterprises to identify potential risks in advance, advance prevention and response measures, reduce the risk of the enterprise, so as to ensure the long-term survival and development of the enterprise.

(2) Safeguarding farmers' interests and social stability: Agricultural enterprises are usually an important pillar of the rural economy, and the success of anti-crisis management directly affects the stability of farmers' income. Once enterprises suffer from a serious crisis, it may lead to a sharp decline in farmers' income, which is not conducive to rural social stability. A sound anti-crisis management system helps to maintain the stability of the upstream and downstream of the industrial chain and protect the interests of farmers from infringement.

(3) Ensuring food supply safety: For agricultural production and processing enterprises, anti-crisis management is of great significance to ensuring national and regional food safety. If such enterprises cause product quality problems or production interruption due to improper crisis management, it may threaten public food safety and social stability.

(4) Enhance competitiveness and brand value: Successful anti-crisis management helps enterprises to respond to market changes and emergencies in a timely manner. Through flexible strategic adjustment and efficient response measures, enterprises can improve their market adaptability and competitiveness, and also help to maintain and enhance their brand value.

(5) Optimize resource allocation and risk dispersion: effective anti-crisis management can help enterprises rationally allocate resources, and minimize potential losses through risk prediction, evaluation and prevention and control. At the same time, it is also conducive to diversify the enterprise layout, disperse operational risks, and realize the effective preservation and appreciation of enterprise assets.

(6) Compliance compliance and social responsibility: Agricultural enterprises also face many risks in compliance with laws and regulations and environmental protection policies. Good anti-crisis management helps enterprises operate in accordance with the law, fulfill social responsibilities, and avoid trust crisis caused by illegal or negative events.

The purpose of the research is to study the role of Anti-crisis management of an agricultural enterprise.

According to a particular purpose, only the important objectives of this work are:

1. To analyze external and internal factors influencing the dynamics of activity of an agricultural enterprise;
2. To analyze anti-crisis management mechanism and organizational structure of an agricultural enterprise;
3. To identify the role of anti-crisis management status and challenges activity of an agricultural enterprise.
4. To develop ways to improve the system of anti-crisis management of an agricultural enterprise.

Subject of the research theoretical, methodological, and practical provisions of the process of anti-crisis management of an agricultural enterprise.

Object of the research there are organizational and economic relations that arise in connection with the process of anti-crisis management of an agricultural enterprise.

Elements of scientific novelty of the obtained results of work are: development of an anti-crisis management strategy for an agricultural enterprise; developing ways to improve the system of anti-crisis management strategy of an agricultural enterprise.

The practical significance of the obtained results is that they can be used as a basis for anti-crisis management of the agricultural enterprise.

Methodological basis of the study there are scientifically substantiated interpretations of processes and phenomena in economics, dialectical, logical and systemic approaches to their consideration. During the research general scientific methods of analysis and synthesis, theoretical generalization and comparison, statistical and graphical analysis and grouping were used. The following methods were used to solve the tasks in the work: scientific generalization (when determining the essence of processes and systematization of their components); system approach; formation of tables, diagrams, graphs - to present the results of theoretical and practical research in a visual form; classification, scientific abstraction, system and complex analysis, economic analysis; calculation-analytical, comparative - to compare indicators over the years; modern computer technologies for processing economic information, in particular, the MS Excel application package, SWOT-analysis.

CHAPTER 1

THEORETICAL AND METHODOLOGICAL FOUNDATIONS OF ANTI-CRISIS MANAGEMENT OF AN AGRICULTURAL ENTERPRISE

The system theory of enterprise crisis management is how to adapt to the changes of the environment and build them on the market platform to achieve healthy and sustainable development. System theory regards its own organizational environment as an internal environment, The environment on which an enterprise entity depends is viewed as an external environment, Study how to optimize the internal environment, that is, to improve the enterprise crisis handling capacity, And through how to implement the effective interaction with the external environment to achieve the stable state of the enterprise itself; When the internal environment as an entity is disharmony with the external environment due to some crisis factors (the crisis factors may originate from the internal or external of the entity), If the information channel between the internal and external environment is not smooth, or the information transmission of the internal environment is blocked (human factors, etc.), the decision response is slow, and the mechanism is not perfect (Stephen P. Banks, 1995), a corporate crisis may occur. Therefore, the advocates of system theory suggest that enterprise managers implement crisis management strategies from the aspects of detecting the changes of the environment (avoiding risks), optimizing the internal environment (improving the organizational structure), and constructing and unobstructed environmental information channels.

Using the view of system theory to recognize the crisis management of the enterprise is beneficial for the manager of the enterprise to prevent and deal with the enterprise crisis with the dual role (parties and bystander). However, due to the complexity of the enterprise internal and external environment, the crisis management system theory researchers have not put forward a series of empirical research problems, such as: how to detect the friction between the environment, how to build the cost of

crisis prevention measures and crisis to the loss between the utility function problem and how to establish information open channels, how to optimize the organization structure to better implement crisis management.

Structure theory.

Zhu Yanzhi, a scholar from Taiwan, constructed the structure theory of enterprise crisis management on the basis of the "five competitive forces" architecture model proposed by American scholar Porter. This theory emphasizes how to respond positively to the changing pressure of the external environment to achieve the purpose of avoiding risk and crisis; the source of the enterprise crisis is mainly locked in the external environment of the enterprise, and the focus of the enterprise crisis management is no longer only focusing on the standard management of internal efficiency. He elaborated the external crisis that enterprises may face from four aspects: the deviation with suppliers, the industry competitive threat, the substitution threat and the challenge of potential competitors, as shown in Figure 1.1:

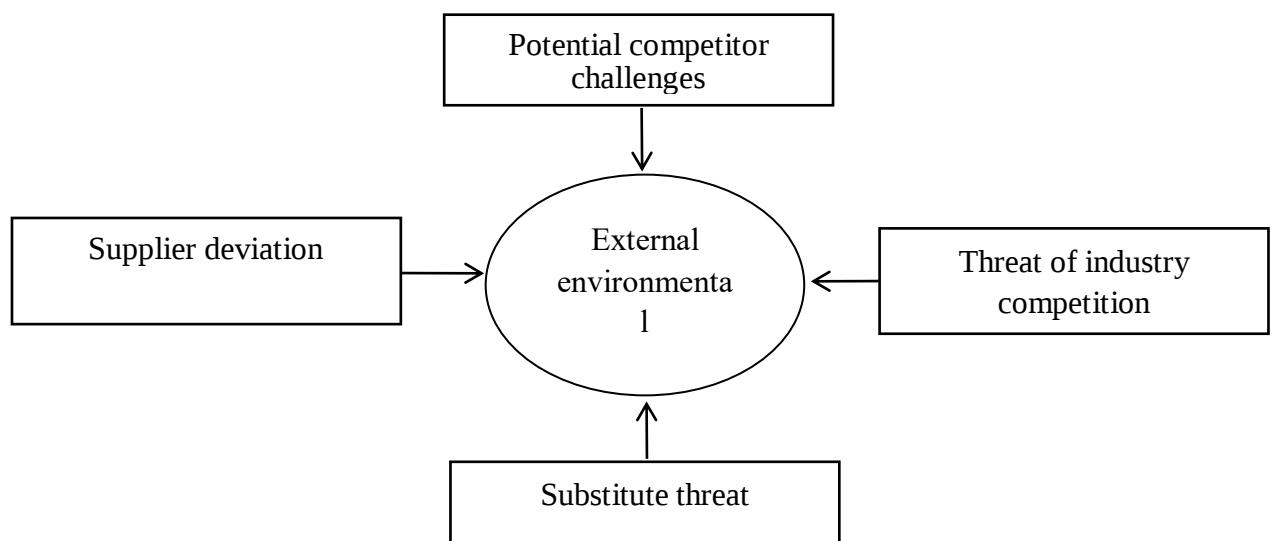


Figure 1.1 - Crisis structure of the "four forces" in the external environment

Source: systematized by the author

The main contribution of the enterprise crisis management structure theory is to observe and analyze the changes of the external environment of the enterprise from the

overall perspective (or the perspective of bystanders), so that the enterprise can implement the management strategy to deal with environmental threats from the strategic management level. It can be said that this theory brings enterprise crisis management into the scope of strategic management, and enhances its position in enterprise management. However, emphasis on the stress of the external environment structure theory, but failed from the enterprise "zero defect management" core competitiveness to improve the perspective of the crisis management strategy, and the connotation of the structure of the enterprise organization structure optimization, production and operation activities architecture adaptive adjustment to avoid, dealing with crisis is rarely discussed.

Cyclicism

There are many different expressions for the definition of crisis management stage in academic circles, but there is a common feature, that is, it is divided according to the time series of crisis occurrence, which can be regarded as the life cycle process of crisis. From the perspective of process theory, the crisis life cycle theory believes that the crisis, like the development of human life process, also goes through the stages of birth (Birth), growth (Growth), maturity (Maturity) and death (Death). Each development stage of a crisis has different life characteristics, which are the basis and conditions for crisis managers to identify the development stage of a crisis and formulate crisis management strategies. This theory divides the crisis into five development stages: crisis factor brewing period, crisis outbreak period, crisis outbreak period, crisis diffusion period, crisis handling period and treatment results and sequelae period, as shown in Figure 1.2:

The crisis life cycle theory provides the basis and guidance for the crisis managers to identify the crisis development stage and correctly formulate the crisis management strategies. The straight line from the crisis brewing period indicates the ultimate goal of crisis management: to eliminate the crisis factor in the bud before the crisis outbreak and the spread; If the crisis fails, the severity of the crisis and to explore the direction

and possible result of crisis spread. Just as the calm lake can not cover up the underwater undercurrent, the surface of the crisis does not mean the complete end of the

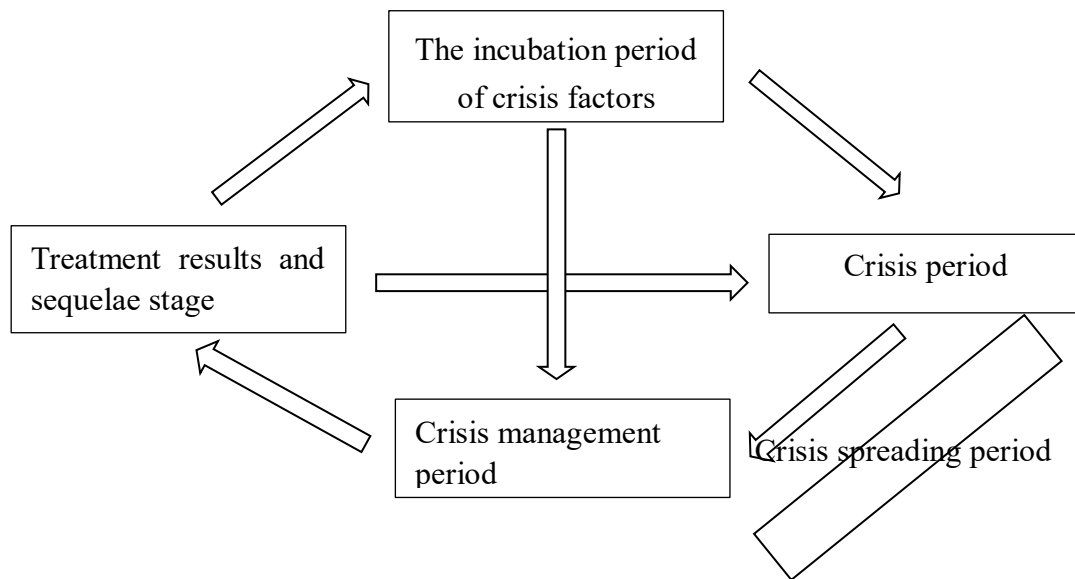


Figure 1.2 - Enterprise crisis life cycle

Source: systematized by the author

the crisis management must treat the symptoms and the root causes. If the crisis is not thorough, the residual crisis factors will be in the sequelae period or again outbreak or enter a new crisis brewing period, the enterprise will once again face the threat of the crisis.

Diffusion theory. The diffusion theory of enterprise crisis management is a new direction of studying crisis management. It is a combination of crisis theory, economics, mass media theory, public relations, social psychology and other theoretical systems. The crisis diffusion architecture constructed is shown in Figure 1.3:

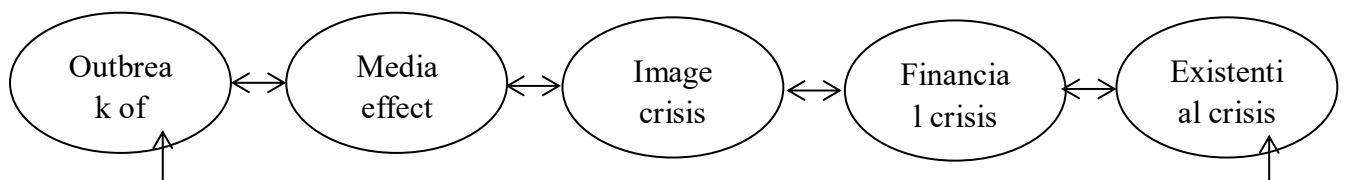


Figure 1.3 - Diffusion architecture of enterprise crisis diffusion theory

Source: systematized by the author

The assumption of this theory is that enterprises fail to resolve the crisis in advance, and fail to effectively deal with the crisis after the crisis breaks out. Therefore, the crisis diffusion theory of constructing the above diffusion map expects that enterprises can deal with the crisis quickly and effectively, so as not to avoid a series of crisis ripple effects such as shown in Figure 3 that make it difficult for enterprises to control and seriously erode the enterprise body. The theory of enterprise crisis management contribution is: from the strength of the crisis damage, transmission effect, cognitive structure, panic and herd behavior, the ability to solve the crisis and the crisis diffusion and crisis management time gap between the six level of the crisis to spread power and root, which can indicate for the enterprise managers to curb crisis diffusion strategy orientation. On the proliferation of corporate crisis, Jeffrey R. Caponigro In the book *Crisis Consultant*, the theory of crisis communication management focuses on how customers, users, members, investors, suppliers, service agencies, creditors and debtors) and other pressure groups, etc.); for the priority of the media effect shown in Figure 3, the American scholar Robert Heath suggested incorporating the media management into the enterprise strategic management, and made a theoretical study on how to manage the media from the strategic level.

The best model of crisis management - The structure of crisis change is the American scholar Ian I. Mitroff Put forward, the model points out: crisis form and risk, crisis management mechanism, crisis management system, interest stakeholders are the four key factors in enterprise crisis management, and emphasizes that enterprises must manage them in a planned way before, during and after the outbreak of the crisis. Ian I. Mitroff in the research, if the enterprise does not study the impact scope and intensity of each crisis form and risk, then the effect of preparation will be greatly reduced. Ian I. Mitroff It also studies the experience curve of the crisis management mechanism, and points out that only by learning from the crisis mistakes and designing a more effective crisis management mechanism to deal with the crisis can we achieve better results. In the study of the enterprise system crisis response, he established from the outside to the onion model (Onion Model) to the model, in turn is: science and technology level,

organization structure level, human factors level, organization culture level, senior managers psychological level five levels, and points out that the inner senior director psychology is the research crisis processing is not easy to obtain data, also the enterprise processing crisis performance variables. If the senior supervisor has the mentality of denying the crisis, it is not easy to prepare for a rainy day, more difficult to find out the weak links of the enterprise. In recent years, relevant scholars have been studying the dynamics and interaction theory for Ian I. Mitroff. The best mode of crisis management has added a new connotation, pointing out that the four factors in the best mode of crisis management not only develop dynamically, but also the variables and variables are always in an interactive state and have results. If the enterprise cannot grasp the reasons for the interaction between variables and variables, it is difficult to avoid and control the crisis. On the contrary, if the enterprise can incorporate these variables into the crisis management plan and grasp them, it can naturally achieve the goal of more and less.

Crisis communication is one of the core links of crisis management. When an enterprise is in a crisis, if there is no appropriate crisis communication strategy, it is impossible to achieve good communication results, and the enterprise decision makers will not be able to obtain effective information of the event, evaluate the crisis and its impact, and formulate effective action plan. People and organizations related to the crisis may have all kinds of rumors or speculation because they are unable to obtain the right information through the normal communication channels, thus bringing greater crisis to the enterprises. Therefore, in order to achieve a good effect of crisis communication, enterprises must choose and develop appropriate crisis communication strategies. The crisis communication strategy mainly focuses on the two stages of crisis management and post-management, ignoring the pre-crisis management stage. The crisis communication strategy mainly considers the following factors: the enterprise's own resources and advantages, the needs of the stakeholders, and the crisis inducement.

William Bennett (William L. Benoit) Pioneered a set of image repair (Image Repair) strategy theory, which is a relatively complete research framework in the current image repair strategy literature. The corporate image referred to in its theory refers to the

subjective feelings of consumers on the products, brands, institutions and enterprises of the enterprise. In short, it is the position of the enterprise in the eyes of the public and stakeholders. Starting from this theory, Taiwan scholar Zhu Yanzhi believes that the image repair strategy can also be used as a crisis communication strategy.

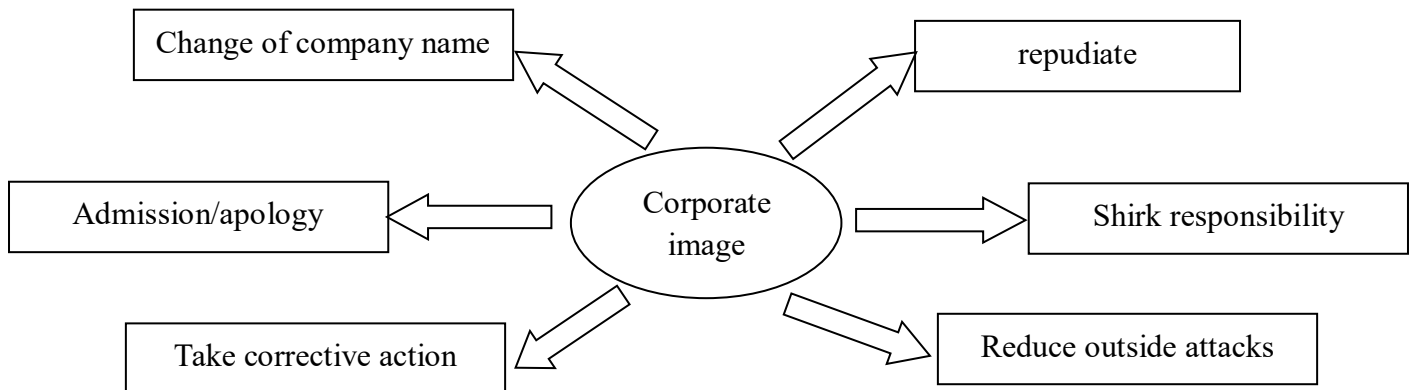


Figure 1.4 - Strategic chart of corporate image repair

Source: systematized by the author

Finally, Zhu Yanzhi pointed out that the corporate crisis communication tactics constructed by Bennett should be applied flexibly according to different crises, but no matter how used, all communication strategies must adhere to four core principles: credibility, empathy, sincere attitude and communication integration. The criterion of credibility is mainly to see whether there is practical action and communication. If the two are compatible, the credibility is high; otherwise, low. Empathy emphasizes empathy. Enterprises need to think from the standpoint of stakeholders in order to achieve the mission of crisis communication. The sincere attitude emphasizes the enterprise to establish a good first impression in communication, to give the outside world a responsible and sincere overall impression. Communication integration refers to the integration of various communication channels and communication information. Communication information consistent with the communication theme should fully cover all kinds of communication channels, including within and outside the company.

Huang Yihui, a scholar, also expressed a similar view to Zhu Yanzhi in his article "Discussion on Image Repair Strategies: Crisis Response", and added strategies such as formalism, providing information and building new issues and shown in following table.1.1.

Table 1.1 - Image Repair Strategies: Crisis Response

Policy	Subcategory	Definition of subcategories
1	2	3
deny	1. Simple denial	Denied that the incident had occurred
play truant	2. Transfer responsibilities	The responsibility for the event is not oneself but in others
	3. The act of self-defense	Organizational behavior is a response to the misconduct or policies of others
	4. Out of capacity	To "lack of relevant resources", "not" to evade responsibility
	5. Something happened	The incident occurred purely as an accident
	6. Pure goodwill	Out of good intentions, he did not expect such a result
Courtesy in form	7. Formal greeting	With regret, sad and other words to express their feeling of the incident
Reduce external attacks	8. Emphasize a positive image	Emphasize the positive image of the enterprise and reduce the negative comments from the outside world
	9. Smaller	The situation is not as serious as what the outside world says
	10. Differentiation	Using similar or more severe events to compare with them
	11. Conversion frame	Put events in a content framework that benefits the enterprise
	12. Attack on the charges	To attack the accuser himself, the standard or content of the charge
	13. Compensation	Compensation victims

1	2	3
Admit/Apologize	14. Apologies	Take the initiative to admit mistakes, take responsibility to apologize to the stakeholders
Make corrections	15. Recovery and preparedness	Plan to solve problems and prevent them from happening again
information giving	16. Provide indicative information	Provide indicative information and public behavior guidelines
	17. Provide information on psychological adjustment	Provide information on public psychological regulation
	18. Provide factual information	Provide information about the event
Build new issues	19. Build new issues	Constructing new issues, divert public attention, in an attempt to blur the focus
Change the company name	20. Change the company name	Change the company name and abandon the past history

Source: systematized by the author

CHAPTER 2

ANALYSIS OF ANTI-CRISIS MANAGEMENT PRACTICE OF BRIGHT DAIRY GROUP CO., LTD

2.1 Introduction to Bright Dairy Group Co., Ltd

The Bright Dairy Group is a renowned dairy enterprise with over 100 years of history, established in 1996. As a national key enterprise of agricultural industrialization, it integrates the research and development, production, and sales of dairy products. The company boasts the world's leading dairy research and development center and advanced processing technology. Its product range includes sterilized milk, fresh milk, yogurt, milk powder, and other series, all dedicated to providing consumers with high-quality fresh dairy products. Additionally, the company adheres to its corporate mission of "innovative life" and "sharing health," continuously innovating and progressing to earn titles such as "China Food Safety Top Ten Enterprises." With an industry chain layout ensuring high-quality products and services, Bright Dairy owns well-known brands like "Bright Cold Beverage" and "Moselian."

2.2 Analysis of the crisis and challenges faced by Bright Dairy Group Co., LTD

Although bright dairy has made remarkable achievements in the industry, but bright dairy in the past in the process of development encountered various crisis problems, in recent years facing multiple internal and external challenges lead to its performance decline, market position, these problems mainly include the fierce market competition, macroeconomic adverse factors, financial difficulties, business strategy, internal management problems, brand image damage and problems in the historical development path. These challenges are intertwined and together constitute the complex predicament of Bright Dairy.

Etenuated market competition: in the industry, double competition and share competition

Bright Dairy Group, as an important enterprise in China's dairy industry, is facing the strong squeeze of Yili and Mengniu two giants, and the market competition is becoming increasingly severe. In the fierce battle for market share, Bright Dairy is under unprecedented pressure, and its market position is gradually eroded, showing a situation of falling behind. This phenomenon is particularly prominent in the market value comparison in 2022, which clearly reveals the inferior position of Bright Dairy in the current market competition pattern.

Specifically, the total market value of Yili Group reached a scale of about 215.6 billion yuan in 2022, showing its strong strength and market recognition as an industry leader. This value not only reflects Yili's successful practice in product innovation, brand building, channel laying, operation management and other aspects, but also reflects the market valuation of its sustainable profitability and future development prospects. Yili, by constantly enriching its product line, covering normal temperature milk, low temperature milk, milk powder, yogurt, cold drinks, milk drinks and other categories, to meet the diversified needs of consumers for dairy products, thus consolidating its leading position in the market.

At the same time, the total market value of Mengniu Dairy Group also reached about 118.868 billion yuan, although slightly lower than Yili, but still show a strong market competitiveness. Mengniu also has a rich product matrix, especially in the field of normal temperature milk. Through strategic cooperation and technology introduction with internationally renowned dairy brands, Mengniu continuously improves product quality and brand influence. Its efficient marketing strategy and extensive distribution network coverage, make mengniu products go deep into all parts of the country, and has won the favor of the majority of consumers.

In contrast, the total market value of Bright Dairy in 2022 is only about 15.055 billion yuan, which is less than one tenth of Yili's market value, and the market gap with Mengniu is also quite significant. Such a huge market value gap directly reflects the

unfavorable situation of Bright Dairy in the competition with Yili and Mengniu. Although Bright Dairy still maintains a certain market share and brand loyalty in some regional markets and specific product categories, there is an obvious gap between it and the two giants in terms of overall competitiveness, brand influence and market share.

The reason why Yili and Mengniu can form an effective market interception effect on Bright Dairy in the fierce market competition is that they each have a series of competitive advantages. First of all, both have a popular brand image and broad consumer awareness, and their brand influence significantly exceeds Bright Dairy. Secondly, the product lines of Yili and Mengniu are extremely rich and updated quickly, which can quickly respond to the changes in market demand and meet consumers' diversified needs for the taste, nutrition, packaging, convenience and other aspects of dairy products. Finally, Yili and Mengniu constantly innovate in marketing strategy, using the combination of online and offline methods, and effectively improve brand exposure and consumer stickiness by sponsoring major events, popular variety shows, social media interaction and other forms.

Tabl. 2.1 - Dual Competition and Market Share Competition within the Industry

Company	Total Market Value in 2022 (Billion Yuan)	Market Share/Position	Notes
Guangming	150.55	Low/Lagging	Faces intense competition from Yili and Mengniu, market share is gradually eroded, total market value is significantly lower than the other two.
Yili	2156	Leading/Strong	As an industry leader, possesses strong brand influence and market competitiveness, highest total market value.
Mengniu	1188.68	Strong/Competitive	Also exhibits strong market competitiveness, has a rich product matrix and extensive distribution network, second highest total market value.

Source: systematized by the author

Milk source shortage and quality problems cause a crisis of trust

The Bright Dairy has faced several public relations crises in the past, including the "milk return" incident in 2005, the melamine incident in 2008, and the product quality incident in 2022. These events have had a detrimental impact on consumer confidence and raised concerns about the company's supply chain management.

(1) The "milk back" incident in 2005

In early June 2005, a news report titled "Reporters secretly uncovered the spoiled bright milk back to the factory for processing and resales" was quickly circulated on the Internet. The article revealed that Zhengzhou Guangming Ximeng Dairy Co., Ltd., a subsidiary of Guangming Dairy, refills, labels and put into the market after recycling the deteriorated milk in the market without proper treatment. The news was like a bolt from the blue, triggering a great consumer panic about the safety of bright products.

With the spread of media reports, the public doubts about Bright Dairy are rising. Consumers have doubts about the bright milk in their refrigerators, a large number of returns, refused to buy the phenomenon, market sales suddenly frustrated. Social media is filled with condemnation and concerns about Bright Dairy, and discussions of regulatory loopholes in the dairy industry. Bright Dairy's stock prices fell immediately, and its market value shrank sharply.

In the face of public opinion pressure, Bright Dairy made an urgent response, claiming that Zhengzhou Guangming Ximeng Dairy has never recycled milk for reuse production. However, the statement has failed to appease the public's anger and doubts. Subsequently, the Office of Zhengzhou Food and Drug Safety Committee was involved in the investigation, and released the investigation conclusion on June 22 of the same year. Although the survey results showed that Zhengzhou Guangming Ximeng Dairy was not found to recycle milk from the market for recycling production, it was confirmed that the company used the stock products within the shelf life after proper treatment, namely the so-called "back milk

tank" problem. This discovery further aggravates the public's doubts about the honest operation of Bright Dairy Industry.

After the incident was exposed, Bright Dairy failed to make a reasonable response to the media reports in the first time, which led to customers' distrust of Bright quality, and then led to a sharp decline in the sales of Bright dairy products, which seriously damaged the healthy image and market value of Bright brand.

(2) Melamine incident in 2008

The melamine incident encountered by Bright Dairy Group in 2008 was a major food safety crisis in the history of China's dairy industry. In September 2008, the melamine contamination incident of Sanlu infant formula occurred in China, which shocked the whole country and even the world. Sanlu milk powder was found to contain a high concentration of melamine, a chemical raw material that is harmful to humans and is not used in food production. A large number of infants have suffered from serious health problems such as kidney stones after eating milk powder containing melamine, and even killed several babies. The incident quickly aroused strong public concern and questions about the safety of domestic dairy products.

Bright Dairy is involved. With the expansion of the situation, the Chinese government urgently launched a nationwide special inspection of melamine for dairy products. In addition to Sanlu, a number of well-known dairy companies' products were also found to contain melamine, including some products of Bright Dairy. Bright Dairy Hero brand infant formula, liquid milk and other products were found to contain different degrees of melamine. In light of the test results, Bright Dairy and other products involving companies were ordered to immediately remove them from the shelves and stop selling them. Bright Dairy subsequently launched a recall process for related products. CCTV and other mainstream media have widely reported the incident, which triggered a crisis of confidence among consumers in Bright Dairy and other dairy companies involved, and seriously affected the market sales.

Economic losses and impacts. Bright Dairy suffered huge economic losses due to the melamine incident: Bright Dairy pointed out in its report that as of September 30, 2008, the loss caused by the melamine incident was more than 300 million yuan, including product recall and return costs, provision for impairment of inventory goods, additional sales expenses, etc. In 2008, Bright Dairy achieved operating income of 7.359 billion yuan, down 10.33% year on year; net profit changed from 213 million yuan in 2007 to a loss of 286 million yuan, down 234.34% year on year. The melamine incident became the main reason for the sharp decline in performance in that year. Since the outbreak, Bright Dairy's share price has been falling, reflecting the capital market's concerns about its future operations.

(3) Product quality problems in 2022

In 2022, Bright Dairy encountered wave after wave of product complaints, among which the core issues focused on product deterioration and quality issues, which not only caused strong dissatisfaction among consumers, but also caused the high attention of the quality supervision department, which had a significant impact on the company's brand image, market position and sales performance.

At the consumer level, a large number of direct feedback reveals the serious defects of Bright Dairy products. After the purchase of liquid milk products, including its main ordinary series and positioning high-end dairy series, have shown signs of deterioration of varying degrees. Some consumers smell the obvious sour smell after opening the package, which is obviously far from the mellow taste of fresh dairy products, greatly affecting the eating experience of consumers. What's more, some products have the phenomenon of package increase, that is, excessive gas inside the package leads to the deformation of the package, which not only directly reflects the product may have excessive reproduction of microorganisms, but also makes consumers seriously question the safety of the product.

Faced with such a large area of product quality problems, consumers no longer choose to be silent, but publicly expose their experiences through social media platforms and dedicated consumer complaint websites. On these platforms,

consumers described in detail the process of buying Bright Dairy products, finding problems and disappointment with the company, forming a snowball effect in the public opinion field. With the widespread spread of negative comments and photo evidence, the product quality problem of Bright Dairy quickly became a hot topic in the public, causing serious damage to the brand reputation.

In addition to the spontaneous complaints of consumers, quality supervision departments also launched a special sampling inspection of bright dairy products. In the process of strict sampling and testing, several indicators of some bright dairy products were found not to meet the national mandatory standards or enterprise self-declaration standards. These non-conformities may involve key indicators related to food safety and nutritional value, such as excessive total number of bacteria, substandard fat content, insufficient protein content, and improper use of additives, which further confirms the omission in product quality control of Bright Dairy.

These continuous negative events have caused a serious blow to the brand image of Bright Dairy industry. For a long time, Bright Dairy is known for providing high-quality and healthy dairy products, and today's product quality problems have completely overturned consumers' existing perception of the brand. Consumer trust has dropped sharply, and many people began to question whether there are management loopholes in the production process, raw material procurement, storage and transportation and other links. Some people even began to call for a boycott of Bright Dairy's products to prevent potential threats to the health of themselves and their families. In the fiercely competitive dairy market, the product quality problem of Bright Dairy has caused a direct negative impact on its sales performance.

The "milk back" incident in 2005 Media reports Public queries Market value shrinkage	Melamine incident in 2008 Crisis outbreak Product recall Economic loss	Product quality problems in 2022 On summer feedback Regulatory concern Brand damage
---	--	---

Figure 2.1 - Product quality problems of Bright Dairy

Source: systematized by the author

Cope with regional limitations and national market expansion difficulties

As a dairy enterprise with a profound history, its market strategy and performance have always been the focus of the industry. However, in recent years, the company's market performance has shown some weakness and limitations, especially in the market expansion and competition situation.

From the perspective of market distribution, the market of Bright Dairy is mainly concentrated in the Yangtze River Delta region. According to the company's internal sales data, sales in the Yangtze River Delta region account for nearly 70 percent of the company's total sales. This high proportion indicates that there is indeed a high dependence on the Yangtze River Delta market, while in other regions, especially in the northern and western regions, Bright Dairy has a relatively low market share. This regional market bias, to a certain extent, limits the company's national market expansion.

When we turn to the national market, we will find that bright Dairy's expansion in the Chinese market is particularly weak. According to statistics, the share of Bright Dairy in the national dairy market is only 8%. Compared with the 20% and 30% market share of competitors such as Mengniu and Yili, Bright Dairy has a long way to go to

expand the national market. This inferior position not only affects the company's sales performance, but also limits the radiation range of its scale economy effect and brand influence to a certain extent.

Although Bright Dairy enjoys high popularity in the Yangtze River Delta, and its product quality and taste have been widely recognized by consumers, the lack of market share in China makes it repeatedly at a disadvantage in the competition with competitors with national layout. For example, in the competition with Mengniu, Yili and other national brands, Bright Dairy is inadequate in brand promotion, market channel expansion and new product research and development.

To illustrate this point more intuitively, we can compare the input and output of several major dairy companies in new product research and development. According to industry reports, Bright Dairy has launched only about half of its competitors' new products in the past three years, and most of them have received little response to the market. This partly reflects the company's lack of product innovation and market adaptability.

In addition, from a financial point of view, the performance of Bright Dairy is also consistent with the current situation of weak market expansion and competitive disadvantage. According to its published financial reports, the company has seen slow revenue growth in recent years, and even reported negative growth in some years. At the same time, its net profit also showed a downward trend of fluctuation. These data further confirm the challenges faced by Bright Dairy industry in the market expansion and competition.

Lack of innovation ability and aging of product matrix. Bright Dairy's product innovation speed and market trends have been criticized by industry experts and analysts in recent years. In the in-depth analysis of Bright Dairy, it is found that the performance of Bright Dairy declined by nearly 40% is closely related to the unreasonable layout of the product matrix, which reveals the significant shortcomings of the company's existence in product innovation and market adaptability, especially the unsatisfactory performance in the core business plate of low-temperature dairy products.

Tabl. 2.2 - The current market situation and challenges of Mengniu Dairy

The current market situation and challenges of Mengniu Dairy	
Regional limitation ↓ Highly dependent on the Yangtze River Delta market ↓ At a disadvantage compared to competitors such as Mengniu and Yili. ↓ Brand promotion and market channel expansion are insufficient. ↓	National market expansion difficulties ↓ National market share accounts for only 8% ↓ Insufficient investment in new product research and development, lackluster market response ↓ Slow revenue growth, even negative growth occurs ↓
Net profit shows a fluctuating downward trend.	

Source: systematized by the author

Product innovation speed lags behind, the lack of market tipping point. Bright Dairy's pace and strength in product innovation has been criticized by the industry. Taking 2022 as an example, Bright Dairy launched about 30 new products in the whole year. Compared with the number of new products of competitors Mengniu and Yili in the same period, the frequency of new products is significantly lower, and the proportion of new products in the total product line is relatively small. This contrasting data reveals that there is an obvious gap between Bright Dairy and the leading enterprises in the industry in the speed and number of product innovation. Specific to the market performance of new products, the market acceptance and sales performance of new products seem not optimistic. Market research data show that although many new products launched by Bright Dairy in 2022 attracted some attention in the early stage of the launch, the sales growth slowed down in the later stage, and some new products even entered a unsalable state a few months after the launch. On the other hand, their new products can often achieve sales breakthrough in a short period of time, and even become the market burst. This contrasting market performance further verifies the deficiency of Bright Dairy in the speed of product innovation and market adaptability.

Low-temperature dairy products market performance is weak, the market share continued to decline. Low-temperature dairy products are the traditional advantage area of Bright Dairy industry, but in recent years, its performance in this market has been surprising. According to the 2022 China Low-temperature Dairy Market Report released by market research institutions, Bright Dairy's market share in market segments such as low-temperature yogurt and low-temperature fresh milk has declined significantly. In the low-temperature yogurt market, Bright Dairy's market share fell from 25.6% in 2021 to 22% in 2022, down by more than 2 percentage points. In the low-temperature fresh milk market, Bright Dairy's market share fell from 31% in 2021 to 27% in 2022, with a market share loss of nearly 4 percentage points.

These data clearly show that Bright Dairy's competitiveness in the low-temperature dairy market is rapidly weakening, and its market share is continuing to be seized by competitors. Especially in the low-temperature yogurt market, the original dominant position of Bright Dairy industry is facing severe challenges. In the highly competitive market environment, Bright Dairy failed to launch competitive new products in time and effectively upgrade its existing products, leading to its poor performance in the low-temperature dairy market.

Tabl. 2.3 - Bright Dairy's market share of low-temperature dairy products

Category	Detailed Description	Data/Indicator
Problem Overview		
Performance Decline	Bright Dairy's performance has declined by nearly 40%	Performance decline of nearly 40%
Insufficient Product Innovation	The company exhibits significant deficiencies in product innovation and market adaptability	Low frequency of new product launches, lack of market breakout points
Product Innovation Issues		

Category	Detailed Description	Data/Indicator
Frequency of New Product Launches	The company launched approximately 30 new products throughout the year, significantly lower than competitors	Number of new products: around 30
Market Performance of New Products	Market acceptance and sales performance of new products are unimpressive, with some products facing sluggish sales	Slowdown in sales growth, sluggish sales of some products
Low-temperature Dairy Product Market Performance		
Low-temperature Yogurt Market Share	Market share has significantly decreased, from 25.6% in 2021 to 22% in 2022	Market share decline of over 2 percentage points
Low-temperature Fresh Milk Market Share	Market share declined from 31% in 2021 to 27% in 2022	Nearly 4 percentage points lost in market share
Cause Analysis		
Unreasonable Product Matrix	An unreasonable product matrix is one of the key reasons for the decline in performance	Poor product line layout leading to performance decline

Source: systematized by the author

In the performance analysis of Bright Dairy, it is found that the unreasonable product matrix is one of the key reasons for the decline in its performance of nearly 40%. The product line layout of Bright Dairy fails to fully consider the changes of

market trends and the diversification of consumer demand, and the product structure is too single and lacks competitive high-end products and differentiated products. For example, Bright Dairy has invested a lot in traditional product lines such as normal temperature milk and milk powder, while it makes few moves in emerging hot areas such as plant-based drinks and functional dairy products, which makes its product portfolio seem powerless to cope with market changes.

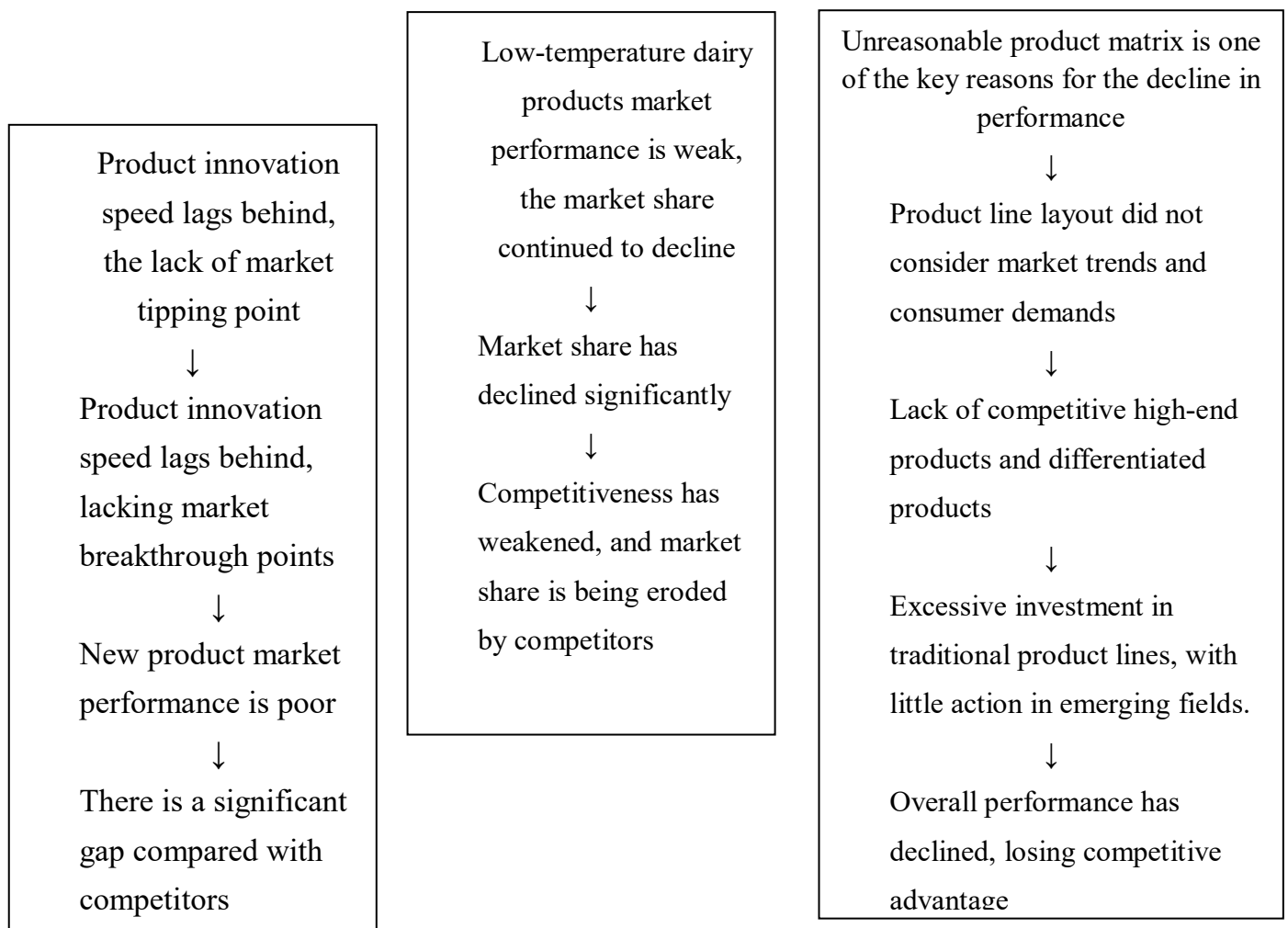


Figure 2.2 - Product innovation of Bright Dairy

Source: systematized by the author

Bright Dairy's deficiency in product innovation and market adaptability directly leads to its loss of competitive advantage in the core market of low-temperature dairy products. Bright Dairy's declining share in the low-temperature dairy market is one of the main reasons for the decline in its overall performance. Insufficient capacity and product matrix aging.

Management turbulence and strategic miscalculation exacerbate the internal dilemma. In recent years, the frequent personnel changes at the top and middle levels has become an important factor hindering the smooth implementation of the company's strategy and the rapid response to market changes. This kind of personnel flow not only shakes the internal management stability of the company, but also brings adverse effects to the comprehensive competitiveness of Bright Dairy, which is embodied in the destruction of market strategy, product layout and marketing consistency.

High-level personnel changes frequently, the strategy implementation is blocked. In recent years, the turnover phenomenon of senior management personnel of Bright Dairy industry is particularly significant. In recent years, for example, the position of chairman of Bright Dairy has changed hands several times. In 2021, the then chairman Huang Liming left, and Zhang Chongjian took over; but in 2022, Zhang Chongjian left, and Zhu became the new helm. This frequent change of the top level directly leads to the constant change of the company's strategic direction and decision-making thinking, which seriously affects the smoothness and stability of the strategy implementation.

Strategic continuity is disrupted and market sensitivity decreases. The frequent changes of the senior personnel make the strategic direction of the company constantly change. As a result, Bright Dairy is difficult to maintain long-term unity in market layout, product research and development, marketing strategy and other aspects. For example, during Huang Liming's tenure, the company invested heavily in the expansion of the low-temperature milk market, but with his departure, the new chairman will shift his focus to the normal temperature milk or milk beverage market based on his personal understanding and market judgment. This frequent shift of strategic focus makes the market behavior of Bright Dairy lack of continuity and foresight, and it is difficult to

shape a long-term brand positioning and market image. At the same time, it also affects the effective allocation of internal resources in the company and the rapid response to market changes.

Middle-level management is seriously lost, and the execution force is impaired. In addition to the instability of the top level, the loss of middle managers of Bright Dairy industry can not be ignored. Middle managers play a key role in the organization in translating high-level strategies into practical actions and ensuring their effective implementation. However, the continuous loss of middle managers undermines the knowledge inheritance and accumulation of experience within the organization. New managers need time to familiarize themselves with business processes and team conditions, which will undoubtedly reduce the company's decision-making efficiency and execution ability. For example, when a regional sales manager leaves, the new manager needs to re-establish the contact with customers and grasp the market dynamics. This transition period will lead to the decline in sales performance, and then the market share will be occupied by competitors.

Product layout and marketing strategy of the instability. The frequent changes of senior and middle level personnel directly affect the stability of product layout and marketing strategy of Bright Dairy. The strategic preferences of different leaders lead to the constant adjustment of the product lines. For example, the former leaders focused on the development and promotion of low-temperature yogurt, while the new leaders preferred to develop normal temperature milk or milk drinks. The frequent changes of this product layout make the product line of Bright Dairy in the market lack of stability, and it is difficult to form a fixed brand impression and purchase habits in the hearts of consumers.

In terms of marketing strategy, personnel changes have also led to constant changes in advertising, promotional activities and brand communication strategies. For example, former leaders prefer online marketing methods, while new leaders pay more attention to the development and maintenance of offline channels. The frequent adjustment of this marketing strategy weakens the communication effect of Bright

Dairy brand in the market, leading to the confusion of consumers' cognition of the brand, and then affects the sales performance.

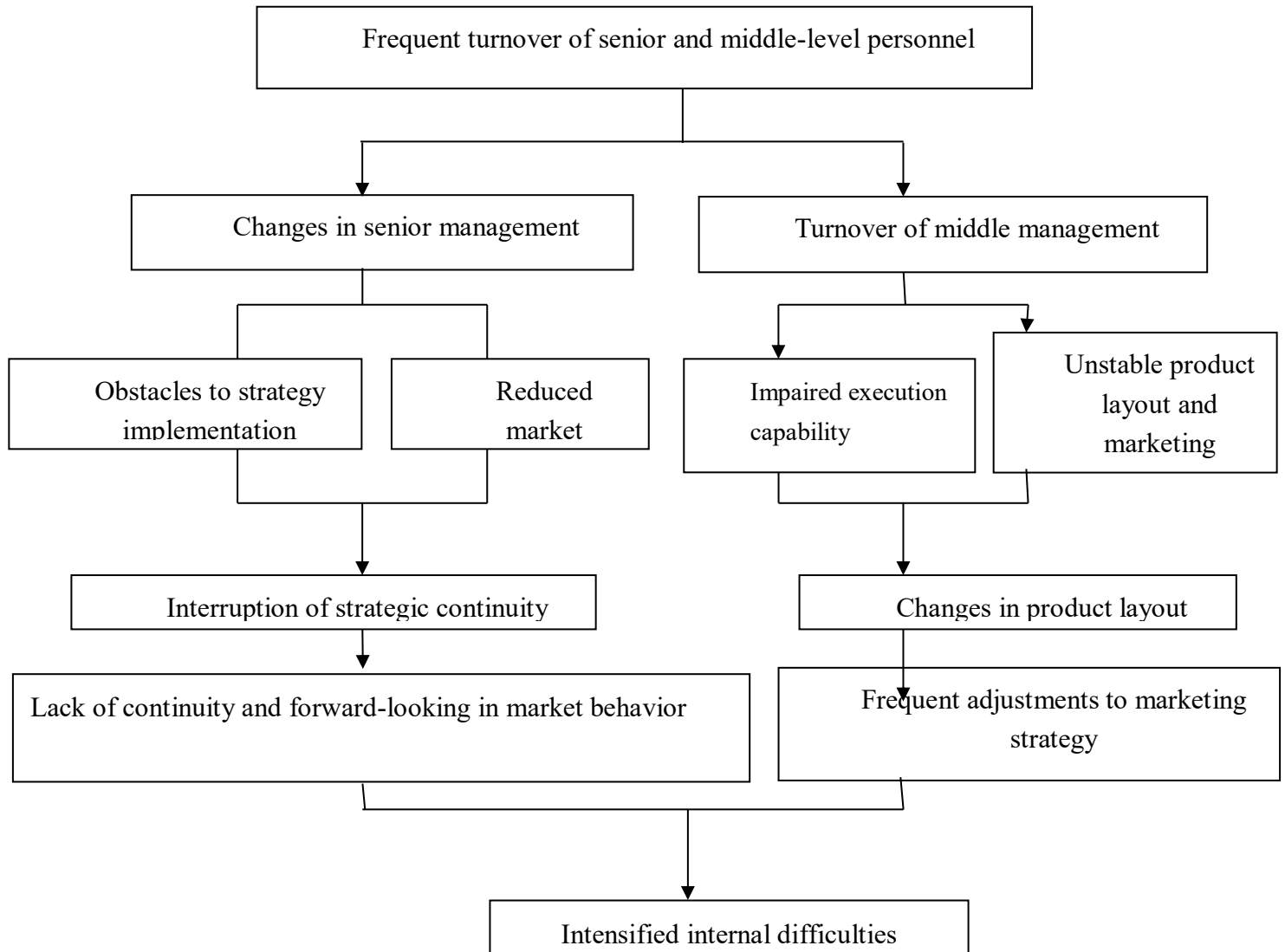


Figure 2.3 - Product layout and marketing strategy of the instability

Source: own research

2.3 Specific cases of quality and safety crisis - Bright in the "melamine event"

Bright response to the melamine incident

In September 2008, in a special test of milk powder and liquid milk melamine conducted by the State Administration of Market Regulation in China, Guangming has "Hero" brand infant formula milk powder and 6 batches of liquid milk were detected as melamine. On September 19, a person in charge of Bright Dairy Co., Ltd. said that Bright Dairy is deeply sorry for the discomfort caused by the problem products to consumers, and is willing to bear all the resulting responsibilities, and double the compensation according to national standards to be responsible for the resulting diseases. Guangming also promises to consumers that it has entrusted relevant national and local testing institutions to comprehensively test all products produced by Bright Dairy and publish the test results; all products detected with melamine have been recalled, sealed and destroyed in the first time; the factories in Beijing and Wuhan have carried out comprehensive inspection and rectification; the production line of related products has been stopped for rectification.

Table 2.3 - Corporate crisis communication strategy of Bright Company

Policy	Subclass and	Light	Action details
1	2	3	4
deny	1. Simple denial		
play truant	2. Transfer responsibilities		
	3. The act of self-defense		
	4. Out of capacity		
	5. Something happened		
	6. Pure goodwill		
Courtesy in form	7. Formal greeting	×	We sincerely apologize to the consumers

1	2	3	4
Reduce external attacks	8. Emphasize a positive image	×	In order to safeguard the interests of dairy farmers, continue to purchase qualified raw milk after strict testing; Guangming e + "Fuel China with Love" large-scale public welfare parade
	9. Smaller		
	10. Differentiation		
	11. Conversion framework		
	12. Attack on the charges		
	13. Compensation	×	Willing to bear all the resulting responsibilities, and according to the national standard double compensation, responsible for the resulting disease caused to the end
	Win sympathy	×	The loss exceeded 300 million yuan
	Communication with the media	×	Invite media to make the enterprise information center; media publish positive coverage
	Act quickly and actively	×	All the products detected with melamine are recalled, sealed and destroyed in the first time; the production line of related products has been stopped for rectification; the relevant national and local testing institutions are entrusted to comprehensively test all the products produced by Bright Dairy and publish the test results
Admit / Apologize	14. Apologies	×	We apologize for the unease the problem product has caused to consumers
Make corrections	15. Recovery and preparedness	×	Milk source revolution; to establish a professional dairy cow feed plant in Wuhan
information giving	16. Provide indicative information	×	Publish the hotline to guide the return process
	17. Provide information on psychological adjustment		
	18. Provide factual information	×	Bright Dairy accelerated the "milk source" revolution and completed the milk source management plan 3 months in advance; all the problem milk products were removed from the shelves, and all the products on the shelves passed the quality test
Build new issues	19. Build new issues		
Change the company name	20. Change the company name		

Source: systematized by the author

Bright company mainly adopts the strategies of reducing external attacks, apologizing, correcting and providing information, and adopts the image repair strategies as follows:

(1) We sincerely apologize to the consumers, bear the responsibility, and promise to double the compensation according to the national standards, and the company will be responsible for the resulting diseases.

(2) Entrust relevant national and local testing institutions to conduct comprehensive testing of all products produced by Bright Dairy, and announce the test results. Take advantage of the social credibility of the national government departments to enhance the credibility of the Guangming Company.

(3) Announced that in order to safeguard the interests of dairy farmers, Bright will continue to purchase raw milk that has passed strict testing. Even in such a crisis moment, Bright still pays attention to assuming social responsibilities and improving the positive image of the enterprise.

(4) Accelerate the implementation of the "milk source revolution" and improve the quality of milk source.

(5) The construction of a professional dairy cow feed plant in Wuhan implies that Guangming will improve the dairy production in Wuhan area.

(6) Emphasize that the bright dairy products being sold in Shanghai are fine. With 70% of the market of Bright Dairy products in Shanghai, it is crucial to stabilize the psychology of Shanghai consumers.

(7) Since May 2008, Guangming's "Cheer for China with Love" large-scale public welfare parade has spread throughout Jiangsu, Zhejiang, Anhui and Fujian provinces, with more than 70 primary schools assisted. On November 2, 2008, the "Fuel China with Love" public welfare parade was held in Xuzhou. Guangming donated love sports goods to Xuzhou Jiuli Hope Primary School, bringing the dream and happiness of sports to more children. Bright Dairy has been actively involved in public welfare activities. For example, in 2007, Bright Dairy and China Children and Teenagers Foundation jointly launched the "Love, Love Light" e + Bright East China Tour; during

the Wenchuan earthquake, Bright Dairy donated one million yuan of milk to the victims to help the affected schools rebuild after the earthquake. It reflects the positive image of its great corporate social responsibility and enthusiasm for public welfare undertakings.

(8) Actively communicate with the media, and enterprises become the information source of the media. The positive news of enterprises published by the media is conducive to eliminating the public's distrust of enterprises.

CHAPTER 3

COUNTERMEASURES AND SAFEGUARD MEASURES FOR ANTI-CRISIS MANAGEMENT

3.1 Countermeasures of anti-crisis management adopted by Bright Dairy Group Co., LTD

Adjust and optimize the strategy and strengthen the market competitiveness.

Bright Dairy Group, as a leader in the domestic dairy industry, is also constantly adjusting and optimizing its own strategy to cope with the rapid changes in the market. The following will elaborate on the specific measures taken by Bright Dairy to deal with the problem of intensified market competition.

(1) Brand positioning and product innovation

In terms of brand positioning, Bright Dairy always adheres to the high quality, safety, nutrition and health as the core values. In order to meet consumers' demand for high-quality dairy products, the company continues to promote product innovation, increase investment in research and development, and open up a number of products with differentiated characteristics. For example, Bright Dairy's low-fat fresh milk and high-protein yogurt are popular among consumers with increasing health awareness.

(2) Supply chain optimization and pasture project construction

Bright Dairy attaches great importance to the optimization of its supply chain to improve the overall operational efficiency. In the first half of 2022, the company completed the capital increase and fund replacement of Bright Farming and its subsidiaries. In addition, Ningxia Zhongwei, Anhui Funan, Anhui Huaibei, Hachuan Phase II and other pasture projects are also promoted on schedule. The completion of these projects will further optimize the supply chain system of Bright Dairy and provide a more stable and high-quality milk source for the market. It is reported that through the

implementation of these pasture projects, bright dairy cow stock, raw milk production have achieved growth.

(3) Omni-channel marketing strategy

Facing the diversified consumer market, Bright Dairy actively expands sales channels to improve the coverage and penetration of products. In addition to the traditional supermarket channels, the company has also launched in-depth cooperation with a number of e-commerce platforms to carry out online sales activities. In addition, Bright Dairy is also trying to cooperate with catering enterprises to introduce products into restaurants, coffee shops and other places to provide consumers with more choices.

(4) Social responsibility and brand image building

While developing, Bright Dairy industry never forgets to fulfill its social responsibilities. During the epidemic period, the company of the whole industrial chain made concerted efforts to ensure the normal supply of dairy products. The ranch staff work on site to ensure the production safety of milk source; the factory adopts high-level epidemic prevention measures to ensure the stable daily production of dairy products in Shanghai during the epidemic period at over 800 tons; the logistics staff take the logistics base as their home and provide supply and distribution 24 hours; the customer service center staff adopts "AB round duty mode" on duty and all weather to ensure the smooth operation of all services. These measures not only reflect bright Dairy's social responsibility, but also further enhance its brand image and market competitiveness.

(5) Perfect customer service and complaint handling mechanism

In terms of customer service, Bright Dairy has also made a lot of improvements and innovations. Since 2012, the company has refined the response mechanism, dividing the complaints according to the frequency and the nature of the problem, and doing a good job of information recording and problem tracking. At the same time, the company has also opened social media platforms such as official microblogs to handle related complaints and suggestions. These initiatives effectively improve complaint response and negative productivity and customer satisfaction. According to statistical

data, in recent years, the customer satisfaction of Bright Dairy has maintained at a high level and shown an increasing trend year by year. These achievements fully demonstrate the company's efforts and achievements in customer service and complaint handling.

(6) Introduction of the quality and safety management system construction and the implementation of the continuous improvement plan

In order to ensure that the product quality and safety performance meet the national standards and customer expectations and continue to improve the level of customer satisfaction, Bright Dairy has established a perfect quality and safety management system and formulated the corresponding management system and operating procedures. At the same time, the company also regularly carries out internal audit, management review and third-party certification and other activities to ensure the effectiveness of the system operation and continuous improvement ability. In addition, in order to further strengthen the management and control of suppliers, Bright Dairy has also formulated strict supplier evaluation standards and procedures and regularly evaluates and reviewed suppliers. These measures lay a solid foundation for Bright Dairy to provide high-quality, safe and reliable products.

Tabl. 3.1 - Meilong Dairy Strengthens Market Competitiveness Measures Chart

1	Brand positioning and product innovation	Core values: High quality, safety, nutrition, health Drive product innovation Increase R&D investment Develop products with distinctive features
2	Supply Chain Optimization and Pasture Project Construction	Focus on supply chain optimization Complete capital increase and fund replacement for Bright Pastoral and its subsidiaries Promote pastoral projects (such as Ningxia Zhongwei, Anhui Funan, Anhui Huaibei, Ha Chuan Phase II, etc.) Optimize the supply chain system to provide stable and high-quality milk sources
3	Omnichannel marketing strategy	Expand sales channels Increase product coverage and penetration Collaborate with e-commerce platforms to carry out online sales Try partnering with catering businesses to introduce products into new venues

4	Social Responsibility and Brand Image Building	Fulfill social responsibilities Ensure the normal supply of dairy products during the pandemic Enhance brand image and market competitiveness
5	Comprehensive customer service and complaint handling mechanism	Improve and innovate customer service Refine response mechanisms Categorize based on complaint frequency and nature of issues, and ensure information is recorded
6	Construction and implementation of a continuous improvement plan for quality and safety management systems	Establish a comprehensive quality and safety management system Develop management systems and operational processes Conduct regular internal audits, management reviews, and third-party certifications Set strict supplier evaluation criteria and procedures Regularly evaluate and review suppliers

Source: own research

Strengthen the construction of milk source and establish a comprehensive quality management system

Bright Dairy Group has taken a variety of effective measures to deal with the crisis of trust caused by the shortage of milk source and the quality problems, including strengthening the construction and management of milk source, establishing a comprehensive quality management system, strengthening the brand and public relations work, and promoting the digital transformation and supply chain optimization.

(1) Strengthen the construction and management of milk source

In order to deal with the shortage of milk source, Bright Dairy actively strengthen the construction of milk source. The company has increased investment in pastures and improved the scale and quality of dairy farming, thus ensuring a stable supply of milk sources. At the same time, Bright Dairy has also strengthened the cooperative relationship with the pasture, and ensured the stability and quality of the milk source by signing contracts and providing technical support.

In terms of milk source management, Bright Dairy has introduced an advanced quality management system to conduct strict testing and screening of milk sources to ensure that the quality of raw milk meets the national standards and the requirements of the company. In addition, the company has also strengthened the supervision of the pasture, regular inspection and evaluation of the pasture, to ensure the safety and reliability of milk sources.

(2) Establish a comprehensive quality management system

In order to solve the trust crisis caused by the quality problems, Bright Dairy has established a comprehensive quality management system. The system covers every link from milk source procurement, production and processing, logistics and distribution to product sales. In each link, the company has set up strict quality control standards, and equipped with professional quality testing equipment and personnel, to ensure the quality and safety of products.

At the same time, Bright Dairy has also strengthened cooperation with regulatory agencies and regularly accepted quality supervision and inspection to ensure that product quality complies with national standards and regulations. Through these measures, the company has gradually restored consumer trust in the products.

(3) Strengthen brand publicity and public relations work

In the process of coping with the trust crisis, Bright Dairy has also strengthened its brand publicity and public relations work. The company delivers information about product quality and safety to consumers through various channels to enhance consumers' awareness and trust of the brand. At the same time, the company also actively responds to consumers' concerns and doubts, timely answer questions and deal with complaints, in order to maintain the brand image and reputation.

Bright Dairy Group has successfully dealt with the difficulties of regional limitations and national market expansion by taking the construction of national sales network, strengthening online sales channel construction, product innovation and differentiation strategy, brand image building and promotion, supply chain optimization and logistics distribution system construction, market research and strategy adjustment.

(1) Build a national sales network

In order to break through the regional limitations, Bright Dairy is actively building a national sales network. By establishing branches or representative offices everywhere, establishing close partnerships with local distributors and retailers to promote products to a wider region. The move will help expand market share and raise the brand's national awareness.

(2) Strengthen the construction of online sales channels

With the development of the Internet, the e-commerce platform has become an important channel for dairy products sales. Bright Dairy has strengthened its cooperation with mainstream e-commerce platforms, opened official flagship stores, and used online channels to expand the national market. Through online promotion, live broadcast with goods and other new marketing methods, to attract more consumers' attention and purchase.

(3) Product innovation and differentiation strategy

In order to meet the tastes and needs of consumers in different regions, Bright Dairy pays attention to product innovation and launches dairy products with regional characteristics. Through the combination with local ingredients, new products are developed that meet the preferences of local consumers to enhance the competitiveness of the brand in the local market.

(4) Brand image building and promotion

In the process of expanding the national market, Bright Dairy pays attention to the shaping and promotion of its brand image. By increasing advertising and publicity, using celebrity endorsement and sports event sponsorship to enhance brand awareness and reputation. At the same time, we will actively participate in public welfare activities, fulfill our social responsibilities, and establish a good corporate image.

(5) Supply chain optimization and logistics distribution system construction

In order to ensure the efficient distribution of products across the country, Bright Dairy constantly optimizes the supply chain and establishes a perfect logistics

distribution system. Through cooperation with logistics companies, we can achieve rapid and accurate distribution of products and improve customer satisfaction.

(6) Market research and strategy adjustment

In the process of national market expansion, Bright Dairy pays close attention to market dynamics and changes in consumer demand, and conducts regular market research. According to the research results, timely adjust the product strategy, price strategy and promotion strategy, to adapt to the market demand of different regions.

Tabl. 3.2 - Bright Dairy Group National Market Expansion Strategy

Strategy Direction	Specific Measures
1. Build a national sales network	Establish branches/representative offices
	Collaborate with local distributors/retailers
2. Strengthen online sales channel construction	Cooperate with mainstream e-commerce platforms Open official flagship stores Online promotion/live streaming for sales
3. Product innovation and differentiation strategy	Launch region-specific dairy products Develop new products using local ingredients
4. Brand image building and promotion	Increase advertising and publicity efforts Celebrity endorsements/sponsorship of sports events Participation in public welfare activities/fulfillment of social responsibilities
5. Supply chain optimization and logistics distribution system construction	Optimize the supply chain Establish a comprehensive logistics distribution system Collaborate with logistics companies
6. Market research and strategy adjustment	Closely monitor market trends and changes in consumer needs Conduct regular market research Adjust strategies based on research findings

Source: own research

Improve the innovation ability and update the product matrix

By improving internal innovation ability, seeking external cooperation and updating product matrix, Bright Dairy Group actively responds to the problems of insufficient innovation ability and aging product matrix, so as to maintain and enhance the market competitiveness of the enterprise. These measures will help Bright Dairy maintain its leading position in the rapidly changing market environment and continue to provide consumers with high-quality, innovative products.

(1) Improve innovation capacity

Strengthen innovation consciousness: enterprises should strengthen the understanding of innovation ability, promote the formation of innovation culture from top to bottom, and encourage employees to actively put forward innovative ideas and suggestions.

Increase R & D investment: Bright Dairy has increased its investment in R & D, supporting the development of innovative projects with funds and resources. For example, Bright Dairy's R & D spending rose 22.53 per cent year on year in 2021, indicating the company's emphasis on innovation.

Improve the innovation system: the company will establish a sound innovation management system, improve the quality of R & D personnel and the ability of R & D personnel, so as to promote product innovation more effectively.

Seek external cooperation: conduct technical cooperation with other enterprises or scientific research institutions, introduce external resources and technologies to improve research and development capabilities, and accelerate the pace of innovation.

(2) Update the product matrix

Market research: in-depth understanding of consumer demand and market trends, in order to determine the new product direction and innovation points.

New product development: Based on the market research results, develop new products that meet the consumer needs, and optimize the existing products.

Product line adjustment: evaluate and adjust the aging products, eliminate the products that are no longer suitable to the market, and introduce new and competitive products.

Marketing strategy update: cooperate with the launch of new products, develop new marketing strategies and promotion activities, and improve the market awareness and share of products.

Tabl. 3.3 - Marketing strategy update

Improve innovation capacity	Update the product matrix
Strengthen innovation consciousness	Market research
Increase R & D investment	New product development
Improve the innovation system	Product line adjustment
Seek external cooperation	Marketing strategy update

Source: own research

Stabilize the management team, clarify and adhere to the core strategy

In response to the internal difficulties caused by the management turmoil and strategic misjudgment, Bright Dairy Group has taken various measures to stabilize the team, clarify the strategy, optimize the organizational structure and process, and strengthen the construction of corporate culture and staff training.

(1) Stable the management team

Introducing experienced management talents: In order to make up for the impact of management turmoil, Bright Dairy has introduced experienced and capable management talents from the outside to stabilize the team and bring new management concepts and strategies.

Strengthen internal training and selection: at the same time, the company will strengthen the training and selection of internal talents, through a perfect promotion mechanism, to encourage internal employees to actively strive for management positions, so as to improve the stability and loyalty of the management team.

(2) Define and adhere to the core strategy

Reassessment and adjustment of strategy: After strategic misjudgment, Bright Dairy reevaluates its strategic planning and adjusts according to the market environment and the actual situation of the company. This helps to ensure that the company's strategy matches the actual development and avoids further miscalculation.

Strengthen strategic communication and implementation: In order to ensure the effective implementation of the strategy, the company strengthens internal communication, so that all employees can understand and agree with the company's strategic goals. At the same time, through the development of detailed implementation plans and supervision mechanisms, to ensure that the strategy can be effectively implemented.

(3) Optimize the organizational structure and process

Adjustment of organizational structure: In response to the possible organizational instability caused by management turmoil, Bright Dairy adjusts the organizational structure to better meet the needs of the company's development. For example, create new departments or positions to strengthen management in key areas and optimize collaboration processes between departments.

Simplify the decision-making process: In order to improve the decision-making efficiency and response speed, the company simplifies the decision-making process and reduces unnecessary approval links. At the same time, through a clear responsibility division and authorization mechanism, to ensure that decisions can be quickly and accurately implemented.

(4) Strengthen the enterprise culture construction and staff training

Strengthening corporate culture: In the period of management turbulence, it is particularly important to strengthen the construction of corporate culture. Bright Dairy holds various activities and promotes corporate values to enhance the sense of belonging and loyalty of its employees, so as to stabilize the staff team.

Strengthen staff training: In order to improve the professional quality and management ability of employees, the company has increased staff training efforts. Through regular training courses, online learning resources and other ways, to help

employees to improve their own ability and better adapt to the needs of the development of the company.

Tabl. 3.4 - Strengthen staff training

Stable the management team	Define and adhere to the core strategy	Optimize the organizational structure and process	Strengthen the enterprise culture construction and staff training
Introducing experienced management talents Strengthen internal training and selection	Reassessment and adjustment of strategy Strengthen strategic communication and implementation	Adjustment of organizational structure Simplify the decision-making process	Strengthening corporate culture Strengthen staff training

3.2 The guarantee mechanism for implementing anti-crisis management countermeasures

Strengthen the internal communication mechanism of enterprises

As a dairy enterprise, excellent performance and high-quality service is inseparable. Only excellent product quality and service quality can stabilize the consumer community, stimulate their loyalty and encourage them to buy repurchase their products. In addition, appropriate support measures can significantly improve employees' productivity and sales performance. All efforts and reforms are aimed at improving performance. Therefore, the following key measures are developed to optimize services and improve efficiency:

The external service hotline will be kept open during working hours. Even on rest days, duty personnel will be arranged to ensure that the quality of service is not affected and quickly respond to customer needs.

Every employee is required to have a deep understanding of the department's workflow. For consumer inquiries, employees should not respond with vague words such as "unclear" or "not know". Every employee is expected to give a clear answer. If an employee is not very sure of a question, they should consult a colleague who knows

the situation, or direct the customer to the department that provides an exact answer. The goal is to ensure that every question of the customer is answered satisfactorily.

Before planning a leave, employees must give a notice to their superiors and ensure that their work has been properly handed over to other colleagues. Employees can only begin their leave after the work handover is completed.

Only a rigorous and serious working attitude, efficient working methods, and enthusiastic employees can promote the enterprise to move forward. For the work attitude is not serious, low work efficiency, lack of work enthusiasm, or show negative work behavior, will take corresponding punishment measures, serious cases will be dismissed. Dedicated to creating a positive and efficient working environment to meet customer expectations and drive the business.

Tabl. 3.5 - Key Measures to Strengthen Internal Communication

1. Optimization of External Service Hotline	Ensure the hotline is accessible during working hours Arrange for staff to be on duty on rest days Ensure service quality and respond promptly to customer needs
2. Employee Understanding of Departmental Workflows	Avoid using vague terms such as "unclear" or "don't know" Every employee should provide clear answers If unsure, consult a colleague who knows or guide the customer to a department that can provide accurate answers
3. Employee Leave Management	Notify superiors before planning to take leave Ensure work has been properly handed over to other colleagues Employees can only start their leave after work has been handed over
4. Employee Work Attitude and Efficiency Management	A rigorous and conscientious work attitude, efficient work methods, and enthusiastic employees drive business development. Punitive measures should be taken against those with a careless work attitude, low efficiency, lack of enthusiasm, or negative behavior. In severe cases, dismissal will be considered. We are committed to creating a positive and efficient work environment, meeting customer expectations, and driving business growth.

Source: own research

Shaping of a good corporate culture

Having a good corporate culture is the inexhaustible driving force for the sustainable development of the enterprise, and also the guarantee of its strong survival ability. In order to deepen and promote the enterprise culture, the spiritual concept formed in the long-term operation practice should be integrated into the operation and management of the enterprise. This spirit should run through the system construction, management behavior and image shaping of the enterprise, and permeate into every corner of the enterprise. At the same time, through targeted publicity activities and theme planning, we can further strengthen the enterprise spirit, spread the corporate values, adopt advanced management concepts, and improve the common cognition of employees. This will not only motivate employees to make continuous progress and innovation, but also enhance the cohesion and centripetal force of the enterprise, and create a good brand image.

With the evolution of The Times and the development of the society, Bright Dairy Group Co., Ltd. also faces some challenges in the process of growth. Some salespeople's thinking is still in the outdated "pyramid scheme" mode, lured by external money, they may have the idea of "getting something for nothing" and "making quick money", but ignore the constraints of national laws. In this case, it is necessary to timely remind and guide the employees from the national policy level, so that they can embark on the road of compliance operation. Especially when the number of sales staff increases rapidly and the speed of company training does not match the speed of the company, this potential crisis is even more prominent.

In order to effectively deal with this crisis, the sales staff should conduct comprehensive business management training, and strengthen the guidance of national policies. In the training of new employees, the learning content of relevant laws and regulations should be added, and the assessment of legal provisions should be strengthened in the examination of direct sellers to ensure that they strictly abide by national laws in their future sales work.

In terms of the training content, the focus will be on national policies, such as the Regulations on the Prohibition of Pyramid Selling, the Administrative Regulations on Direct Selling, the Advertising Law, the Food Safety Law and the Protection Law of Consumer Rights and Interests. These training is designed to allow sales people to clarify the concept, powers and requirements of direct sellers and learn to distinguish between direct training and MLM activities to avoid breaking the law. At the same time, training will also be conducted on business operations, including internal regulations such as "Service Center Management Regulations", "compliance operation education" and "enterprise compliance operation requirements" and other internal regulations.

Tabl. 3.6 - Building a Strong Corporate Culture

Element	Description
Corporate Culture	The inexhaustible driving force for sustainable corporate development The guarantee of strong corporate viability Integrating spiritual philosophy into management and operations Pervading system construction, management behaviors, and image building Strengthening corporate spirit, disseminating values, and adopting advanced management concepts Enhancing common cognition among employees
Challenges Faced	Outdated sales personnel thinking (pyramid selling) External monetary temptations (get-rich-quick schemes, easy money) Neglect of national legal constraints
Coping Strategies	Comprehensive business management training Strengthening national policy guidance (new employee training, direct selling personnel exams) Key training contents:
Expected Outcomes	Sales personnel have a clear understanding of direct selling concepts, powers, and requirements Learn to distinguish between direct selling and pyramid selling activities Promote the healthy and stable development of the direct selling industry Shape a positive social image for the direct selling industry

Enhance the core competitiveness of enterprises

The competitiveness of an enterprise covers three levels: product, system and core.

First, the product level is the cornerstone of competitiveness. The Group must ensure that each product launched is of consistently high quality. Only the products that have been strictly examined and approved by the state can be allowed to enter the market. I know that only products that consumers trust can turn them into loyal customers and then become sales personnel. This is the secret of the group's continued growth and eternal vitality.

Secondly, the system level provides a strong guarantee for the promotion of enterprise competitiveness. The group needs to face up to its own shortcomings and shortcomings, and actively improve. Whether it is internal management, system construction, or the behavior of sales personnel, must make more effective adjustments. By ensuring the orderly market order, and guiding the sales staff to pursue green performance, the overall competitiveness of the enterprise can be further enhanced.

Finally, the core level of competitiveness comes from continuous technological innovation. The group must constantly improve its innovation ability, especially in technological innovation. The Group needs to continuously launch new products to meet the changing needs of the market and consumers. At the same time, it is also necessary to constantly adjust its sales strategy and improve its service capacity to better meet the expectations of sales people and consumers. Although a free e-commerce platform has been established, this innovative measure is worthy of recognition, but it still needs to be continuously optimized and innovated in all aspects.

"Big waves wash the sand, not to advance is to fall back", this is the cruel reality of market competition. Only through continuous adjustment and innovation, can we gain a foothold in this ever-changing society. From the product layer, system layer to the core layer, we must comprehensively enhance the competitiveness of the enterprise to ensure that the group always walk in the forefront of the industry.

Tabl. 3.7 - Directions for increasing the core competitiveness of enterprises

Level	Enhancement Strategy
Product Level	Ensure high quality for each product Products must pass strict national review and approval before entering the market Consumer trust is converted into loyal customers, who further become salesperson
System Level	Face shortcomings and actively improve Implement more effective internal management, system construction, and salesperson behavior adjustment Ensure market order and guide salesperson to pursue green performance
Core Level	Continuously enhance innovation capability, especially technological innovation Continuously launch new products to meet market and consumer demands Adjust sales strategies and improve service capabilities Continuously optimize and innovate the e-commerce platform

Source: own research

Improve the image of the enterprise and the industry

(1) Strengthen the publicity of the company's public welfare activities

Since the inception of the group, it has firmly upheld the public welfare belief of "taking the society and using the society". Over the years, it has actively planned and participated in many public welfare activities, and the total amount of donations has reached hundreds of millions of yuan, covering eight fields, including charity People's Bank, promoting Chinese education, drug control, earthquake relief, donation of Hope Primary School, national blood donation, donation of mother's water cellar and public welfare Image Festival. In the future, we will continue to inherit and carry forward the spirit of public welfare, and pass love on.

Public welfare activities not only reflect the social responsibility of enterprises, but also are an important window to shape the corporate image. It helps to establish a

positive corporate image and enhance the social reputation of the enterprise. In response to crisis events, positive media reports can further enhance the credibility of enterprises.

(2) Consciously accept government supervision

CSR report is an important way to show the public the fulfillment of social responsibility, strategic planning and implementation methods. The business situation will directly affect the economic and social development and the environment of the region. Therefore, it is necessary to sort out and summarize the information systematically. Corporate social responsibility plays a pivotal role in maintaining public relations, which requires regular reporting to the government on the progress made in fulfilling social responsibility.

Prepare a social responsibility report that fully reflects the annual performance of the company and bind it to the relevant functional departments by the end of the first quarter of each year. The report will focus on the achievements of the previous year in the fulfillment of social responsibility, supplemented by the introduction of public welfare activities, and fully demonstrate the unique corporate culture, achievements and contributions to society through illustrated.

In daily operation, although the functional departments can not supervise all affairs in real time, they always consciously abide by laws and regulations and regulate their business behavior. Between the law and the law, often only a difference, and this is the regulatory authorities can not fully monitor.

Tabl. 3.8 - Strategies to Enhance Corporate and Industry Image

Strategies to Enhance Corporate and Industry Image	Specific Implementation Measures	Expected Effects
Strengthen Public Welfare Promotion	Adhere to the Belief in Public Welfare Years of Public Welfare Activities	Shape Corporate Image Spread Love
Accept Government Regulation	Compile Social Responsibility Reports Showcase Corporate Culture and Contributions	Establish Corporate Image Consciously Abide by Laws and Regulations

Source: own research

Strengthen the assessment and supervision of the staff

The group should be committed to optimizing the compensation system and fundamentally eliminate the profiteering of sales personnel through "discount sales" and "illegal pyramid selling" mode.

The main reason for the "discount sales" strategy is to maintain or improve the sales level to increase the performance, so as to get more subsidies or commissions. However, this practice often leads them to buy products beyond what they can sell and quickly sell funds to lower prices. This practice has cultivated consumers' dependence on discount products and disrupted the normal market order. In order to solve this problem, we can consider weakening the level system, so that the sales staff will no longer excessively pursue the level and performance, but according to the actual sales ability to sell, so as to maintain the market order. At the same time, other preferential measures can be adopted, such as coupons, full reduction activities and package discounts, to give consumers certain concessions in a reasonable and legal way, so as to achieve the effect of "discount" both, and will not destroy the market order. The company's unified preferential policy will provide a fair competition platform and opportunities for all sales staff.

Sales personnel adopt the "illegal pyramid scheme" sales model, its root cause also lies in the current compensation system. In this "pyramid" sales model, the upper sales staff profit from the sales rebate of the lower sales staff, which prompts the sales staff to increase the revenue by "pulling the head". This approach not only violates national laws and regulations, but also brings many risks to the company. In order to change this situation, the salary system similar to the pyramid scheme should be gradually weakened, promote the "de-direct selling", and transform the salary system into a preferential policy based on products. This will guide the sales staff to shift their attention to the product itself, to achieve standardized operation and the pursuit of green performance, so as to promote the long-term and stable development of the company.

Tabl.3.9 - Anti-crisis management strategies for enterprises

Main Strategies	Specific Implementation Measures	Expected Effects
Weakening the Hierarchy System	Compensation is no longer overly dependent on hierarchy and performance Encourage sales based on actual sales ability	Maintain market order Reduce the phenomenon of "discount sales"
Implementing Other Preferential Measures	Providing coupons, full reduction activities, and package discounts Ensuring that preferential measures are legal and compliant	Offer reasonable discounts to consumers Do not disrupt market order
Promoting "De-direct Selling"	Gradually weakening the compensation system similar to pyramid selling Transforming the compensation system into product-based preferential policies	Guide sales personnel to focus on the product itself Achieve standardized operations and pursue green performance

Source: own research

Strengthen the optimization of the salary system

(1) Build a credit system for sales personnel

Credit, as an important social relationship formed between people and between people and organizations in commodity trading, is the key to maintain the market order. Many years ago, the Group has implemented a credit mechanism for the service center, with the service center as the evaluation unit, deducting points for violations, ranging from 1 to 10 points, with the total score set at 100 points, requiring all service centers to strictly abide by the national and internal rules and regulations of the company. The group has formulated detailed evaluation criteria and announced the results at the annual meeting of each branch at the end of each year. Those with a score of more than 90 will be awarded the honorary title of "star service center", while those with a score of less

than 60 will have to be rectified and closed for three months. This reward and punishment mechanism help to further purify the market environment.

However, the disadvantage of the current system is that it only restricts the service center and does not cover every sales person. In the future, the Group will continue to conduct further market research and explore a credit mechanism that can be applied to every sales person. The Group will provide corresponding incentives for sales personnel with good credit performance, and it will limit their sales activities for a certain period of time. Through this mechanism of clear rewards and punishments, the Group expects to motivate sales staff to achieve steady development and actively pursue green performance.

(2) Severe punishment of violations of sales personnel

As the number of sales people continues to increase, violations are also on the rise. To this end, the group has increased the punishment to ensure that every sales staff can be treated fairly. Once a violation of a bad nature is found, the service center and the sales staff involved will be disqualified immediately. For other violations, they will be given the corresponding warning and fines according to their severity, with no tolerance. Always believe that no rules, no circumference, only adhere to the law, the enterprise can develop for a long time. Therefore, will always adhere to the law operation, committed to provide consumers with quality products and services; at the same time, will adhere to the bottom line thinking, strictly abide by national laws and regulations, to ensure that the enterprise in the firm, determined on the basis of planning and then move.

3.3 Enlightenment and reference for the anti-crisis management of Chinese agricultural enterprises

As a leading enterprise in China's dairy industry, Bright Dairy Group has shown its efficient and strategic anti-crisis management ability in the face of many crises. This not only provides valuable experience and inspiration for the dairy industry, but also for a wider range of agricultural enterprises.

First of all, the establishment of a sound early warning mechanism is one of the important factors for the successful anti-crisis efforts of Bright Dairy Industry. This mechanism allows enterprises to respond quickly when the crisis begins, effectively controlling the spread of the crisis. For agricultural enterprises, it is particularly important to establish an early warning mechanism because agricultural production is affected by multiple factors such as weather and epidemic situation. By monitoring market dynamics, paying attention to industrial policies, and regularly assessing their own risks, agricultural enterprises can build a multi-angle and all-round early warning system, so as to have enough time to deal with the crisis.

Secondly, the rapid response ability of Bright Dairy in the crisis response is worth learning from agricultural enterprises. Once the crisis occurs, Bright Dairy industry can quickly launch the emergency plan, mobilize all resources, and minimize the impact of the crisis on enterprises and consumers. For agricultural enterprises, because the industrial chain is long and involves multiple links, so the rapid response ability is particularly important. Enterprises need to make detailed emergency plans in peacetime, and conduct regular drills and training to ensure that they can respond quickly and effectively in the crisis.

Moreover, bright Dairy in crisis communication is also worth learning. In the event of a crisis, Bright Dairy can timely and accurately inform the public of relevant information, eliminating the doubts and panic of consumers. Enterprises need to establish an efficient communication mechanism to ensure that accurate information can be transmitted quickly when a crisis occurs, and maintain the image and credibility of the enterprise.

In addition, Bright Dairy has also strengthened its own risk management capabilities through international cooperation. For agricultural enterprises, international cooperation is also an important way. Through cooperation with international advanced enterprises and introducing advanced technology and management experience, agricultural enterprises can improve their risk management level and better cope with various potential crises.

Tabl. 3.10 - The main components of the strategy of anti-crisis management of an agricultural enterprise

Establishment of a Sound Early Warning Mechanism	Importance: Quick response at the onset of a crisis, effective control of crisis spread. Agricultural Focus: Monitoring market dynamics, attention to industrial policies, regular risk assessment.
Rapid Response Ability	Bright Dairy's Approach: Quick launch of emergency plans, mobilization of resources, minimization of crisis impact. Agricultural Relevance: Importance of detailed emergency plans, regular drills, and training for effective crisis response.
Crisis Communication	Bright Dairy's Practice: Timely and accurate information sharing, elimination of consumer doubts and panic. Agricultural Importance: Efficient communication with consumers, government, media, and other stakeholders.
International Cooperation for Risk Management	Bright Dairy's Strategy: Strengthening risk management capabilities through international cooperation. Agricultural Application: Cooperation with international advanced enterprises, adoption of advanced technology and management experience.
Corporate Social Responsibility (CSR)	Bright Dairy's Emphasis: Prioritizing consumer interests, active responsibility-taking, winning consumer trust and support. Agricultural Relevance: Balancing economic benefits with societal and environmental impact for sustainable development.

Source: own research

Finally, the anti-crisis management of Bright Dairy industry also reflects the importance of corporate social responsibility. For agricultural enterprises, social responsibility is also an important part of anti-crisis management.

The anti-crisis management of Bright Dairy Group provides valuable inspiration and reference for Chinese agricultural enterprises. Agricultural enterprises need to establish a sound early warning mechanism, improve their rapid response capacity, strengthen crisis communication, carry out international cooperation and assume social responsibilities, so as to comprehensively improve their anti-crisis management level.

CONCLUSIONS

1. Research summary

On the basis of theoretical research, this paper investigates the current situation and causes of crisis management of Bright Dairy Group Co., Ltd. through case analysis, and analyzes the working measures with scientific research methods. The following basic conclusions are drawn:

First of all, in the face of intensified market competition, Bright Dairy Group first strengthened its own brand construction. Brand is the core competitiveness of enterprises, especially in the dairy industry that consumers are highly concerned about. Bright Dairy has effectively enhanced its brand awareness and influence by enhancing its brand image, strengthening brand promotion activities, cooperating with well-known enterprises, and actively using social media platforms to interact with consumers. This will not only help to consolidate the existing market, but also lay a solid foundation for expanding into new markets. Bright Dairy pays attention to the improvement of product quality. By introducing new technologies, optimizing production processes and strengthening quality testing, they ensure that product quality meets national standards and consumer expectations. This strict control of the quality, so that the Bright Dairy industry in the market competition to occupy a favorable position.

Secondly, in view of the trust crisis caused by the shortage of milk source and quality problems, Bright Dairy has taken active measures for the construction and management of milk source. They increased investment in pastures and improved the scale and quality of dairy farming, thus ensuring a stable supply of milk. At the same time, through the introduction of advanced quality management system, strict testing and screening of milk sources, Bright Dairy has successfully restored consumers' trust in the products. In order to strengthen communication with consumers, Bright Dairy actively responds to consumers' concerns and doubts, answers questions and deals with complaints in time. This open and transparent approach has further enhanced consumer trust.

Moreover, in order to break through regional limitations and realize the expansion of the national market, Bright Dairy actively builds a national sales network. They spread their products to a wider range by building close partnerships with local distributors and retailers. At the same time, strengthening the construction of online sales channels is also a key link. Through the cooperation with mainstream e-commerce platforms and the use of new marketing methods such as online promotion and live streaming, Bright Dairy has successfully attracted more consumers' attention.

In addition, facing the problems of insufficient innovation ability and aging product matrix, Bright Dairy first strengthened its understanding of innovation ability and increased its investment in research and development. Their measures of improving the innovation organization, improving the quality and ability of research and development personnel, increasing foreign cooperation, and strengthening technological transformation and learning ability building have effectively enhanced the innovation ability of enterprises. In order to update the product matrix and meet the changing needs of consumers, Bright Dairy has conducted in-depth market research and launched new products. They have successfully enhanced the market competitiveness of their products by optimizing the product structure, developing dairy products with regional characteristics and strengthening the marketing and promotion of new products.

Finally, in view of the internal difficulties brought about by the management turbulence and strategic miscalculation, Bright Dairy has taken the measures to stabilize the management team, clear and adhere to the core strategy. They have successfully stabilized the management team and improved the decision-making efficiency by introducing experienced management personnel, strengthening the internal training and selection, and optimizing the organizational structure and processes. In order to avoid the occurrence of strategic misjudgment, Bright Dairy has strengthened the formulation and implementation of market research and strategic planning. They reess and adapt the strategy to ensure that it matches actual development and ensure effective implementation of the strategy by enhancing strategic communication and implementation.

2. Research limitations and future prospects

(1) Research limitations. The limitations of the anti-crisis management of Bright Dairy Group Co., Ltd. are mainly reflected in the following aspects:

First, the study may focus too much on the internal management mechanisms and strategies of the company and ignoring the impact of changing external environment on crisis management. In the modern business environment, many factors such as politics, economy and society may lead to corporate crisis, and the speed and complexity of these factors are increasing. Therefore, the research from the internal mechanism may not be comprehensive.

Second, the study may lack sufficient case comparison and empirical analysis. Although the crisis management cases of Bright Dairy are representative, the crisis situation and coping strategies of each enterprise are different. Without enough case comparisons, it is difficult to accurately assess the effectiveness and universality of a crisis management strategy.

(2) Future outlook. With the constant change of the market environment and the increasing diversification of consumer demand, enterprises are also faced with increasing crises and challenges. In this context, the anti-crisis management research of Bright Dairy Group Co., Ltd. is not only related to the stable development of the enterprise itself, but also has a reference significance for the whole dairy industry.

Looking into the future, we look forward to Bright Dairy to continue to deepen research in anti-crisis management and constantly innovate response strategies. First of all, enterprises can further strengthen the cooperation and exchange with external experts, introduce more advanced crisis management concepts and technical means, to improve their crisis warning and response capabilities. Secondly, with the rapid development of big data and artificial intelligence technology, Bright Dairy can actively explore the application of these technologies in crisis management, to achieve more accurate data analysis and prediction, and to provide stronger support for decision-making.

REFERENCES

1. Li Li, Ni Yan. On the selection of the model of food safety supervision system. *South China University of Technology*, 2020 (2). P. 65-66.
2. Wei Jianing The logistics security system construction of China's agricultural products supply chain. *Logistics business theory*, 2021 (2). P. 171-172.
3. Zhang Weiping, Li Yundong When the enterprise is facing a crisis event. *Chinese and Foreign Management Guide*, 2019 (9). P. 40-41.
4. Zhan Min. Case study of crisis management of "Xu Yuan Incident" by GR Company. *South China University of Technology*, 2020. P. 140-141.
5. Zhang Junjie, Yang Li. Innovation of enterprise crisis management based on big data technology. *Business Economics Research*, 2022 (22). P. 94-95.
6. Zou Ping, Dong Ying, Li Xin A comparative study on crisis management in the field of mapping at home and abroad from the perspective of scientific knowledge graph. *Intelligence Science*, 2021,36 (12) P. 64-67.
7. Jin Yuxi. Research on enterprise crisis public relations Strategy in network communication environment. *Business Economics Research*, 2020 (20). P. 74-89.
8. Wang Yan. Research on the pragmatic strategy of enterprise microblog crisis public relations under the theory of cooperation principle. *Central China Normal University*, 2020.
9. Zhang Xueyan Yang. Corporate Crisis Management Research - Take Boeing as an example. *Science, Education and Culture Collection (China Ten Days Journal)*, 2019,479 (12). P. 208-209.
10. Zhu Chunlan. Analysis and Research on enterprise crisis Management mode under the "Internet +" platform. *Think Tank Era*, 2020 (10). P. 54-55 58.
11. Peak peak. Research on the application of microblog in enterprise Crisis Management in the new media environment. *Yinshan Journal*, 2019,32 (2). P. 7-11.
12. Gong Chong. Empirical study on the impact of brand crisis type on the behavior of consumer network clusters. *Wuhan: Huazhong Agricultural University*, 2020.

13. Li Zhijun. Research on the inducement analysis and management of enterprise crisis in the social media environment. *Tianjin: Tianjin University*, 2020.
14. Liu Dandan. Research on strategic communication mode in enterprise brand crisis event. *Wuhan: Huazhong University of Science and Technology*, 2021.
15. Zhang Yunfei. Research on microblog network reputation in the context of brand crisis. *Tianjin: Nankai University*, 2022.
16. Li Guohong. Research on social responsibility of food enterprises under economics – review. Crisis management of food enterprises based on social responsibility. *Food industry*, 2019,40 (8). P. 344-344.
18. Zhang Yunfu Research on strategic management and crisis management strategy. *Investment and Entrepreneurship*, 2020 (2). P. 127-129.
19. Xu Hao's Research on enterprise brand crisis management based on case analysis. *Finance and Economy*, 2020 (7). P. 12-14.
20. Cao Jian Research on crisis management Strategy of private enterprises in China. *New Business Weekly*, 2019 (2). P. 1819.
21. Chen Jialin, Modern Enterprise crisis Management and its response. *Modern Corporate Culture*, 2021 (35). P. 192 – 199.
22. Jiang Qijun. How do food enterprises deal with the crisis caused by consumption warning misreport: starting from the event of excessive arsenic in Haikou. *Management Scholar Academic edition*, 2019 (8). P. 22-29.
23. He Suxiang, Li Chunlin. The world's top enterprise crisis public relations planning classic mode. *Beijing: Economic Science Press*, 2019.
24. Sun Duoyong. Corporate image shaping theory. *Beijing: Peking University Press*, 2020.
25. Yang Zhongchun. Venture crisis management. *Beijing: Enterprise Management Press*, 2020.
26. Chen Jiaqi. Countermeasures to improve the crisis management ability of small and medium-sized enterprises under the background of the epidemic. *Land Bridge View*, 2021 (04). P. 81-83.

27. Zhang Jing Business management is like building a dam. *Resource Regeneration*, 2021 (08). P. 60-61.
28. Living status and development strategies of small and medium-sized enterprises. *Alibaba SME Business School*, 2021.
29. Liao Ganli The art of controlling the timing of leaders responding to public opinion in crisis management. *Leadership Science Forum*, 2021 (10). P. 123-127.
30. Gao Wei, want Yaling, Zhang Jing. Research on Internet Situation Response in Enterprise Crisis Management under new media environment. *Modern Marketing (Next Ten issue)*, 2022 (05). P. 89-91.
31. Liu Gang.crisis management. *Beijing: China Renmin University Press*, 2021.
32. Li Dequan. Enterprises should strengthen the awareness of crisis management and improve the emergency response agencies. *Shandong State Assets*, 2021 (12). P. 56-57.
33. Ming Xuan. Keep your eyes: "black PR" complete discrimination guide. *Public Relations World*, 2022 (12). P. 86-87.
34. Yin Jilin, Jia Muxiao, Liao Ganli. Research on the impact of leadership conflict management style on team innovation performance - the mediation of a positive emotional atmosphere in the team. *Technical Economy*, 2020,39 (09). P. 153-161.
35. Zhang Yansong. Enterprise crisis management and network public opinion response. *Beijing: Economic Management Press*, 2020.
36. Kelly McGoniger.self control. *Beijing: Cultural Development Press*, 2021.
37. Su Yulong System related theories of enterprise crisis management. *Матеріали науково-практичної конференції викладачів, аспірантів та студентів Сумського НАУ, (14-16 травня 2024 р.)*. Суми, 2024. С. 478.
38. Samoshkina I., Su Yulong Significance of anti-crisis management theories of the enterprise in modern economic condition. Abstracts of *II International Scientific and Practical Conference "Problems of modern youth and the latest methods of assistance"*, September 09-11, 2024. Hamburg, Germany. P.81-83.