

Exploration of Value Creation Path of Traditional Chinese Medicine Industry Chain in the “Internet” Era

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Abstract: In recent years, China's traditional Chinese medicine industry has risen rapidly, and has gradually become an important development project of socialist economic construction. According to research, improving the development level of the Chinese medicine industry chain has a positive effect on China's economic construction and development. This article explains the characteristics of the traditional Chinese medicine industry chain, analyzes the difficulties faced by the traditional Chinese medicine industry chain in the Internet era, and explores the value creation path of the traditional Chinese medicine industry chain in the Internet era. It aims to promote the better and faster development of the traditional Chinese medicine industry and promote the sustained growth of China's socialist economy.

1. Introduction

The industrial chain refers to a chain-like relationship formed between various industrial sectors based on certain technological and economic associations, and objectively formed according to specific logical relationships and spatial-temporal layout relationships. From an economic point of view, the industrial chain is a specific economic concept, which is the economic relationship between various production sectors in the process of economic development. In recent years, China's traditional Chinese medicine industry has affirmed the industrial chain-type economic development model, and made specific research on the realization path of the industrial chain value. The research results show that the innovative Chinese medicine industry chain development model has important practical significance for the sustainable development of the Chinese medicine industry.

2. Characteristics of the Chinese Medicine Industry Chain

2.1 Long Industrial Chain

Since economic development, people's quality of life has gradually improved, and traditional Chinese medicine has changed from traditional curative effects to disease prevention, which has led to the development of the nature of traditional Chinese medicine products toward health products and functional foods. The development of the traditional Chinese medicine industry has entered a new era of development. From the production and operation of the Chinese medicine industry, it can be seen that the industrial chain involves multiple fields, such as the industrial field and the agricultural field. The production process involves the participation of multiple departments, and each production process requires the use of expertise in multiple fields. This has increased the Chinese medicine industry chain. The length of the industry chain shows that there are more ways to realize the value of the traditional Chinese medicine industry, and the industrial value is achieved through production labor.

2.2 Constrained by the Development of the Pharmaceutical Industry

Early Chinese medicines were mainly based on traditional Chinese medicine products. However, with the rapid development of science and technology, the pharmaceutical industry with chemical and biological properties as its main characteristics has rapidly risen and gradually replaced the

backbone of the traditional Chinese medicine industry. The pharmaceutical industry uses chemical and biopharmaceuticals as its main production content. It optimizes the defects brought by traditional medicines, completes the pharmaceutical manufacturing process with more scientific and systematic technology, and realizes modernization development, which is in line with the national conditions of China's economic development. Under such circumstances, the path to realize the value of the traditional Chinese medicine industry chain has been limited, and the development of the traditional Chinese medicine industry in China has fallen into a bottleneck.

2.3 High Technical Standards

Professional technology is the basic premise of the production and operation of the Chinese medicine industry, and the foundation of the development of the Chinese medicine industry. In recent years, with the continuous development of the socialist economy, the development of major industries in our country has gradually developed into a diversified economy, the pressure of market competition has gradually increased, and the development of the industry is facing a huge test. As a major economic development project in China, the traditional Chinese medicine industry has also shown a new development trend under the influence of the new economic era, that is, the transition from traditional intensive labor production to technology-intensive production, and the operating mode has also changed from traditional extensive The change of intensive operation direction has made it difficult for TCM production technology, and further raised the standards required by TCM manufacturing enterprises for professional skills of employees.

2.4 Service-Oriented Business Model

The service-oriented business model refers to the service concept of taking customers as the center and satisfying the needs of customers. Under the correct leadership of socialism, the service-oriented business model has gradually become the core advantage of stable development of enterprises. However, many traditional Chinese medicine industries still adopt the traditional business model. With the continuous economic growth, the traditional business model has been difficult to adapt to the pace of social development, limiting the development of the traditional Chinese medicine industry. In order to innovate the development model of the traditional Chinese medicine industry, traditional Chinese medicine manufacturing enterprises have deeply applied the development model of the industrial chain, that is, changing from a passive business model to an active supply model, understanding the true needs of customers, and at the same time ensuring the normal supply of the market, from the perspective of patients, To meet the needs of patients, it is necessary to ensure the quality and effectiveness of traditional Chinese medicine products, enable patients to trust traditional Chinese medicine products, trust enterprises, and be loyal customers of enterprise traditional Chinese medicine products.

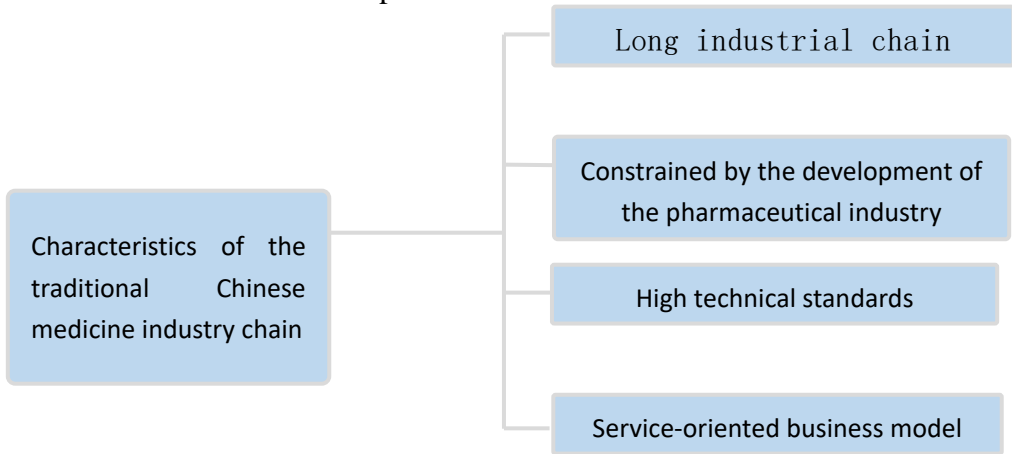


Fig.1 Characteristics of the Traditional Chinese Medicine Industry Chain

3. Difficulties Faced by the Traditional Chinese Medicine Industry Chain in the “Internet” Era

3.1 Declining Status in Clinical Treatment

In 2019, at the symposium of the “Sound Responsibility” medical people's congress deputies to the CPPCC National Committee, Hu Jiqiang, chairman of Kangbei Group, said that the development of China's traditional Chinese medicine industry chain faces many difficulties, of which the decline in the status of traditional Chinese medicine in clinical treatment is the most important. problem. At present, many hospitals use chemical and biological medicines for teaching, and the use of proprietary Chinese medicines is relatively low, which makes the development of the traditional Chinese medicine industry a bottleneck. According to the public data of Quintiles Ames, in 2017, the value of prescriptions of traditional Chinese medicines of medical institutions at level 2 and above decreased by 7%, while the prescriptions of traditional Chinese medicines of imported and foreign-funded enterprises increased by 9% in the same period. According to the data of the Ministry of Industry and Information Technology, 2017 and 2018 The revenue of the main business of proprietary Chinese medicines has shown a downward trend in two years, and is expected to decrease by 37.7%. The ratio of the main business income of Chinese patent medicines to the revenue of the pharmaceutical industry also shows a downward trend. The specific proportion has dropped from 23.63% in 2013 to 19.23 in 2017. %, And it dropped directly to 18% in 2018, which shows that the development trend of Chinese patent medicines generally shows a downward trend, which is far from the expected target of the development of China's traditional Chinese medicine industry.

3.2 The Evaluation System of Traditional Chinese Medicine is Inconsistent with the Theory of Traditional Chinese Medicine

At present, the inconsistency between the traditional Chinese medicine evaluation system and traditional Chinese medicine theory is one of the main difficulties faced by the traditional Chinese medicine industry chain. The rapid development of the Chinese medicine industry has not only promoted China's socialist economic construction, but also played a positive role in promoting China's comprehensive construction of a well-off society. In order to further increase the development speed of the Chinese medicine industry, the “Traditional Chinese Medicine Law” proposed by China clearly states that it is necessary to continuously build and improve the scientific and technological innovation system, evaluation system and management system suitable for the characteristics of Chinese medicine, and to promote the scientific progress and innovation of Chinese medicine. However, since the “Traditional Chinese Medicine Law” was promulgated, China's traditional Chinese medicine manufacturing enterprises have not really implemented the relevant policies issued by the state. They have not paid much attention to the construction of the evaluation system of traditional Chinese medicines, making it difficult to truly reflect the value of the traditional Chinese medicine industry chain. And with the increasing internationalization of China's drug review system, its core theory has gradually drifted away from the theory and development law of traditional Chinese medicine. All in all, with the rise of Western-style medicines, the market situation of Zhongcheng Medicines is becoming increasingly severe, and the development of the Chinese medicine industry in China has been hindered.

3.3 Chinese Herbal Medicine Cultivation Methods Are Not Scientific

During the actual development of the traditional Chinese medicine industry, the cultivation and management of traditional Chinese medicine materials are the basic guarantee for the sustainable development of the traditional Chinese medicine industry. However, the supervision system of the Chinese medicinal materials industry chain in China is still not perfect, and the ability to monitor Chinese medicinal materials and decoction pieces has been in a weak position. Over time, the development of the Chinese medicine industry chain has fallen into a bottleneck. In addition, Chinese farmers' cultivation methods of Chinese medicinal materials are relatively backward, the

overall planting model is scattered, lack of unified management, and the planting model is systematic and scientific. There is no specific plan for the cultivation of Chinese medicinal materials, and the planting management mechanism is blind. The high quality makes it difficult to effectively guarantee the quality of Chinese medicinal materials, which is not conducive to the research and development of Chinese medicinal materials. The difference between Chinese patent medicine and chemical pharmaceuticals is that the source of Chinese medicinal materials is directly related to the quality and efficacy of Chinese patent medicines. It can be said that the quality assurance of medicinal material raw materials is the basic condition to promote the sustainable development of the Chinese medicine industry. Many traditional Chinese medicine manufacturers start from insuring the safety of the source of medicinal materials and implement intensive planting models. Although they have achieved certain results, they can only solve some of the traditional Chinese medicinal materials for their own use, which is far from the goal of large-scale planting of traditional Chinese medicinal materials. In addition, good Chinese patent medicines do not reflect the quality advantages of their raw materials at the time of bidding and procurement, and government management departments have not implemented policies in this regard, which has led to the intensive, scientific and systematic cultivation of Chinese medicinal materials. The lack of building management system is not conducive to the healthy development of the Chinese medicine industry.

3.4 Inadequate Regulatory Policies

From the perspective of the management mechanism, the long and complicated characteristics of the traditional Chinese medicine industry chain have added many difficulties to the supervision and management of the traditional Chinese medicine industry. In the actual management process, the supervision work of the Chinese medicine industry chain needs to span multiple regions, such as the Ministry of Agriculture and Rural Affairs, the Ministry of Natural Resources, the Forestry and Grassland Bureau, the Ministry of Commerce, the Ministry of Industry and Information Technology, the Drug Administration, the Market Supervision Bureau, the Chinese Medicine Bureau, and Health. Many government departments, such as the National Health Insurance Commission and the Medical Insurance Bureau, have complicated and lengthy work, too little fragmentation in the supervision of government departments, lack of rigorous, systematic, and scientific organizational structure, and are relatively one-sided in the overall planning of the development of the traditional Chinese medicine industry. The development plan is prone to poor supervision due to the unclear division of work, which will affect the progress of Chinese medicine research and development.

3.5 The Construction of Traditional Chinese Hospitals is Not Strong

Traditional Chinese medicine hospitals are the backbone to promote the stable development of the traditional Chinese medicine industry, and they are also an important way to ensure the realization of the value of the traditional Chinese medicine industry chain. However, according to the actual survey results, in 2017, the total number of consultations in comprehensive medical institutions reached 8.18 billion, while the number of TCM consultations was 1.02 billion, which only accounted for 12.47% of the total number of consultations. This shows that the development of the Chinese medicine industry in China is slow. In addition, many hospitals use scientific techniques such as B-ultrasound and CT for diagnosing the disease, and the diagnostic concepts such as look, smell, question, and cut in Chinese medicine have gradually been abandoned or even forgotten, further hindering the stable development of the Chinese medicine industry.

4. Value Creation Path of Traditional Chinese Medicine Industry Chain in the “Internet” Era

4.1 Strengthen the Implementation of Chinese Medicine Development Policies

Relevant government departments should strengthen the implementation of Chinese medicine development policies, fully urge the Bureau of Traditional Chinese Medicine to actively implement relevant policies, strive to implement statutory responsibilities, and grant certain work authority in

accordance with specific requirements in the “Traditional Chinese Medicine Law”. At the same time, a Chinese medicine development team was set up to enhance the flexibility of the development of the Chinese medicine industry; supervised the Health and Medical Committee and the Chinese Medicine Bureau to implement the policy of “emphasis on traditional Chinese and western medicine”, in-depth understanding of the clinical value of Chinese medicine, and strengthening the construction of the path to realize the clinical value of Chinese medicine .

4.2 Strongly Support the Construction of Traditional Chinese Medicine Project

Relevant government departments should vigorously support the construction of TCM projects, increase capital investment, improve TCM clinical equipment, and enhance the professional skills of TCM hospitals. In addition, we must attach importance to the training of Chinese medicine professionals and actively introduce outstanding talents. At the same time, we must strengthen the training and education of the professional skills of doctors and nurses of Chinese medicine hospitals, comprehensively improve their work skills and comprehensive quality, and then improve the overall skill level of Chinese medicine hospitals and optimize the talent management model of Chinese medicine hospitals. Indirectly promote the sustainable development of the Chinese medicine industry.

4.3 Improve the Supervision Mechanism

Attaching importance to the supervision of the Chinese medicine industry chain, improving the supervision mechanism, establishing a coordination mechanism at the State Council level, and proposing “the establishment of a traditional Chinese medicine inheritance development project” under the general framework of “one law, one outline, and two plans”; To avoid the phenomenon of the same nature of functions, there are plans to arrange the management of various departments of the Chinese medicine industry chain, while ensuring the stable development of the Chinese medicine industry chain, and improving the efficiency of industrial development.

4.4 Scientific and Large-Scale Management of Chinese Medicinal Materials

Clarify the development goals and direction of the Chinese medicine industry, and formulate a scientific and reasonable Chinese medicine development plan. On the one hand, it is necessary to rationally plan the scale of Chinese medicinal material cultivation and innovate the management mode. An intensive planting mode can be adopted to achieve systematic management of Chinese medicinal material cultivation. On the other hand, the scale of planting has been expanded, and advanced science and technology have been actively introduced to continuously improve the cultivation of Chinese medicinal materials. Level.

4.5 Strengthening the Clinical Value of Traditional Chinese Medicine

In order to increase the development speed of the Chinese medicine industry, it is necessary to strengthen the clinical value of Chinese medicine. On the one hand, it is necessary to strengthen the management of traditional Chinese medicine, strictly correct the mishandling of traditional Chinese medicine, and carry out the theme activities of the development of the traditional Chinese medicine industry in a timely manner. At the meeting, the clinical value of traditional Chinese medicine is emphasized, and practical cases are explained to make everyone deeply understand the development of the traditional Chinese medicine industry. The real meaning; on the other hand, we must fully urge the Market Supervision Bureau to implement the progress of the work, further coordinate the Ministry of Agriculture and Rural Affairs, the Ministry of Commerce, the Ministry of Industry and Information Technology and other government departments to jointly carry out the management of the production and distribution channels of Chinese medicinal materials to improve the timeliness of the development of the Chinese medicine industry Effectively ensure that the true value of the traditional Chinese medicine industry chain is reflected.

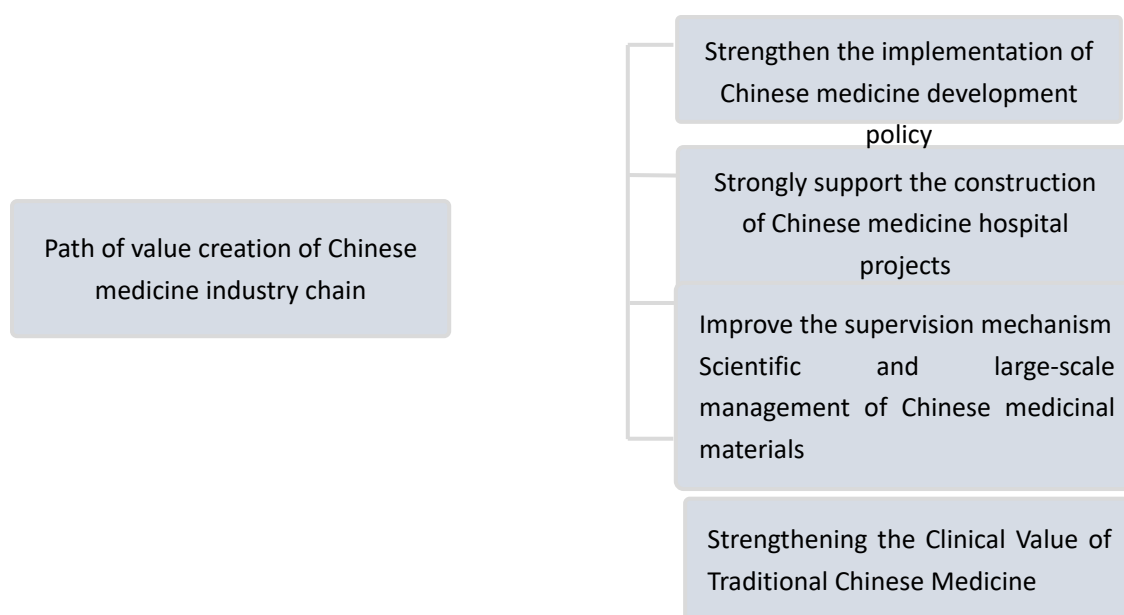


Fig.2 The Value Creation Path of the Traditional Chinese Medicine Industry Chain

Acknowledgment

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