Study on Customer-oriented Corporate Development Strategy

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Abstract: As the pillar industry of the national economy, the power industry has also been undergoing continuous and profound changes in recent years. DongFang Electronics (DFE), an enterprise providing energy management system solutions, products and services, will closely follow the changing situation, and adapt to the new social division of labor and competitive environment, so as to meet the diversified and personalized customer demands and satisfy the requirements of customer value innovation. DFE has deeply realized that in order to enhance its core competitiveness, it is necessary to change from pursuing only profits to taking "Customer orientation" as its goal, establish a link extending from the internal operation process of the enterprise to the internal value chain of the customer, focus on customer orientation and create value for customers, thus promoting the overall innovation and development of the company.

This paper starts with a series of practices such as planning, formulating, implementation, monitoring and review of the actual operation of DFE Development Strategy, and conducts an open study. By analyzing the macro environment, industry structure, company resources, strategic level and market position related to its development, this paper analyzes their influences and effects on the enterprise. Additionally, this paper summarizes the development of DFE in the past three years, identifies the existing problems with Michael Porter's Five Forces Model, and develops the countermeasures; through SWOT analysis, this paper identifies advantages and disadvantages, opportunities and threats, so as to determine the future development direction and construct competitive advantages in the industry.

1. Introduction

1.1 Proposal of PDCA cycle.

Based on the actual operation of DFE in the past three years, this paper analyzes the current situation and future development of the power industry. Through the PDCA strategic management mechanism established by the company, the specific planning, formulation, execution, monitoring and review, and the closed-loop management from theory to practice and from formulation to implementation of the development strategy are organized, so as to determine the future development direction, key measures and implementation path.

1.2 Customer-oriented corporate culture.

DFE has integrated CMMI, PCMM, BSC, 6σ management, PMP, Lean Management and other classical management concepts and methods, and determined its corporate culture as "Customer-oriented, value creation, encouraging innovation, simplicity and openness". Customer orientation is to take customers as the center, design the correct business model, and systematically think across disciplines and industries, forming differentiation; to scientifically select and position the target market, concentrate effective resources on the industries, products and regions where enterprises make profits, and deploy a net-like customer value capture mechanism based on a three-line matrix, identifying the customer needs accurately; to adopt an internal business processes varying with the requirements, and manufacture products with price competitiveness, reliable design and manufacturing quality, ensuring that the company provides the proper products and services at the right time and at the right price, thus meeting the needs of customers profitably and

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achieve the company's development strategic goals.

2. Overview of Relevant Theories

2.1 Corporate development strategy

"Strategy", originally used in the military field, Alfred D. Chandler, Jr. took DuPont as a case to study on the introduction of strategy into enterprise management, and in 1960; the word had been brought into focus and widely used for the operation and management of enterprises in The Concept of Corporate Strategy, published by Kenneth R. Andrews in 1965, and Corporate Strategy[1], published by H. Igor Ansoff.

In the 1980s, Michael Porter published Competition Strategy and argued that the industry structure determines the scale and field of competition of enterprises and the means of making strategies more effective, and gaining competitive advantages to strengthen their market positions[2]. In his paper "What is Strategy?" published in 1996, he proposed that the essence of strategy is choice, namely, choose activities different from that of competitors, to provide unique value; this differentiated position helps avoid excessive competition caused by mutual imitation among enterprises[3].

Henry Mintzberg believes that different strategic connotations of enterprises are given to enterprises by customers in different ways on different occasions, indicating that people can accept and interpret different strategic definitions according to their needs. Mintzberg sums up various definitions as "5Ps", namely, the strategy includes Plan, Ploy, Pattern, Position and Perspective [4].

Carpenter and Sanders, in their joint work: Strategic Management: A Dynamic View (Concepts and Cases), argue that "the development strategy is the means by which an enterprise will compete with its existing and future competitors in a specific business area", "the development strategy involves the enterprise's methods of achieving its goals in a specific way", "It pays the utmost attention to changes in competition", "It is the choice made by enterprises for their competitive situation" and "We shall consider how enterprises achieve their goals and how enterprises plan for future competition"[5].

Since the beginning of 21st century, with the redistribution of global industries, economic development has stepped into a new stage, while the competition mode among enterprises has also changed; the digital and web economy became the focus, and a large number of cross-industry competitors have emerged in various industries and fields, bringing those in the industry with new challenges. It can be seen that the competition space of enterprise's development strategy has expanded to the whole world and industry. Moreover, the development strategy is constantly changing with the economic environment, and the competition space and mode of enterprises will gradually change in the future. Therefore, building the core competitiveness of the enterprise is the foundation for the sustainable growth and development.

2.2 Customer orientation

The customer orientation of DFE defined customers, namely, the organizations and individuals that accept the company's products or services, or the objects that interact with the company at work, including internal and external customers. At the same time, according to daily business processes, real customers are identified, active communication is carried out with customers, identifying the needs to create value for customers, and transposing considerations to identify, respond to and meet customer demands, and creating and comprehensively promoting the customer-oriented management model, to realize the enterprise mission and goal of "Creating value for customers" under the guidance of customer orientation.

2.2.1 Customer-oriented organization assurance.

A three-dimensional customer classification retention mechanism shall be established, and annual, quarterly and monthly customer visit plans shall be made for each responsible link and the schedule management shall be completed. At the same time, the sales department shall set up a

relatively fixed team to conduct investigation and policy study in various industries, and cooperate with personnel in various regions to maintain customer relations; each product department and research and development department shall identify the source of customer demand survey, established a comprehensive survey mechanism for customer demand, to effectively manage the collection, analysis, distribution, implementation and verification of customer demand.

Meanwhile, a customer-oriented working environment (including both internal and external customers) shall be established, and all business processes need to be customer-oriented in line with the principle of integrity and utmost simplification. Through the form of "Customer-oriented monthly report", the employee's customer-oriented actions, management innovation and technological innovation in each link shall be collected and sorted out, to conduct company-level appraisal and reward.

2.2.2 Basic principles of customer orientation.

First, the customers shall be prevented from becoming internal coordinators of the company. If any person is not responsible for the link or has the ability to meet the customers' demands or requirements identified, he or she shall feedback to the principal in the responsible link at the first time, and the principal shall actively communicate with the customers and meet the their demands; Second, the most important is to solve the field problems at the first time. In view of field problems, the product department shall actively respond to and arrange for the field technical support requirements of the project if the department is unable to specify a solution based on the information it has mastered or to propose a solution to solve these problems, and put the customer's interests in the first place; The third, custom satisfaction is the only criterion for evaluating the quality of products and services. Customer's manifest demands are reflected in the requirements for business and technology, products and services, and its implicit demands include its unique usage habits and preferences for brands. Therefore, identifying and satisfying the two types of demands is the only way to achieve customer satisfaction.

2.2.3 Practicing "customer-oriented" working concept.

The customer's experience, knowledge and psychological needs are the most important resources of DFE. In order to identify these needs, DFE requires the personnel in marketing, research and development and engineering to follow the customer's thoughts for several times, break down and thoroughly grasp the customer's process, understand the customer's needs better, and to record the current situation and data, satisfaction and dissatisfaction of these links. All the survey data collected and summarized constitutes the basic material of "customer demands" and new customer information. Based on these information, a response plan for the demands shall be made according to the classification of technology, business and preferences, further confirming and developing the customer demands, thus meet the demands profitably on the basis of the total cost of the business process budget.

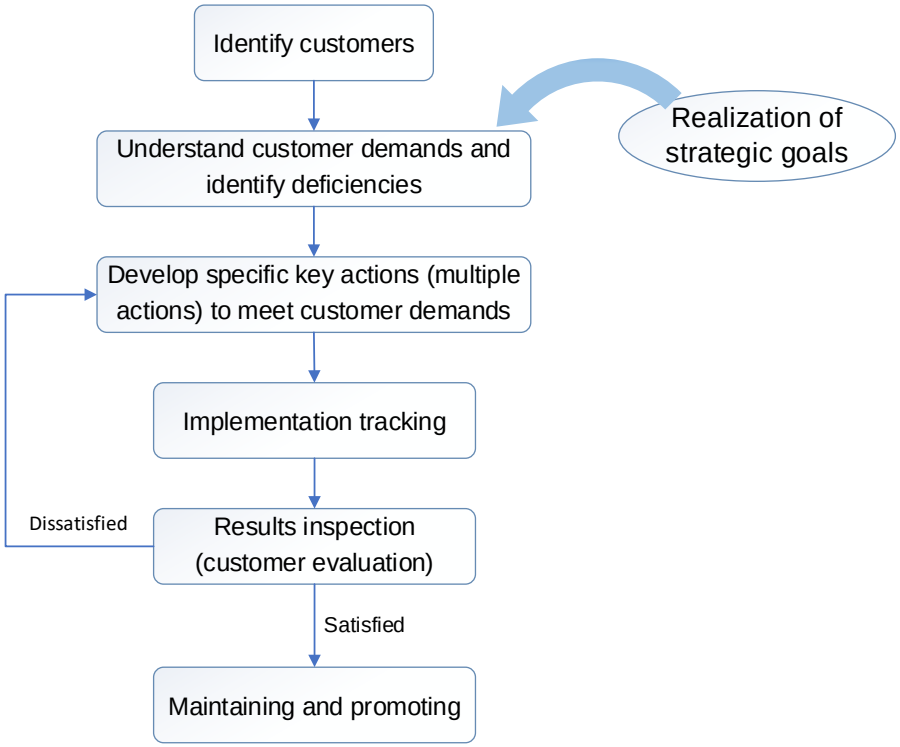

Fig.1 Customer-oriented Work Concept

3. Analysis on the External Environment Confronted by DFE

3.1 Brief analysis of macro-environment

Mobile internet, cloud computing, AI applications, 3D printing, new energy and technological innovations in other fields will develop rapidly, and intelligent manufacturing under IT+ automation + Internet mode will become the core of industrial transformation and inevitably create new economic value-added points and opportunities. According to the McKinsey & Company's outlook, by 2025, breakthrough will be made in 12 technologies such as the wireless interconnection, automatic control, intelligent Internet of Things and AI intelligence, with an economic value-added point of US $ 14 - 33 trillion.

In 2016, the focus of Chinese economic development shifted from the industry to the service industry, and all walks of life actively complied with the new normal economic cycle and environment, making the economy run smoothly. Advancement has been achieved in the macro-economic control goal steadily, with the GDP growth rate of about 6.7% in the first year of the 13th Five - Year Plan. This rate is the basic characteristics in line with the development of the New Normal, laying a good foundation for improving the economic structure, improving the quality of economic growth and promoting environmental protection.

3.2 Brief analysis of industry environment

The power industry, in which DFE is involved, is the pillar industry of the national economy. Since the Reform and Opening-up, the power industry system has been continuously reformed, the capacity has been ranked the second in the world since the end of 1996, showing a rapid development trend. The power industry environment has shown a good trend in recent years. According to the International Energy Agency's forecast, China's power industry investment will account for 67% of the total investment in the energy industry in 2012-2035, making China the focus of energy investment in the next 20 years[6].

After the initial wave of automation and intelligence in power grid construction in various countries, it has turned to the field of power transmission and distribution since 2015, and the earnings of global power transmission and distribution market reached US $ 88.34 billion in 2016.

It is estimated that the global power enterprises, by 2026, will invest US $ 32,000 to upgrade and transform the technical facilities of power transmission and distribution. From a regional perspective, by 2026, the continued population growth and accelerating urbanization in India, China, Thailand and Vietnam in Southeast Asia and other non-developed countries will have a huge demand for transmission equipment and distribution facilities, as well as an increasing demand for the modernization of power grids.

3.2.1 Power grid investment has increased steadily.

In the past five years, the total investment of the two major power grid companies has shown an upward trend, with the growth rate maintained at about 10%. With the change of people's lifestyle, the requirements for the stability and reliability of electric power have been raised, prompting the power grid companies to continuously upgrade the electric power equipment, so as to improve the quality of power transmission and distribution.

3.2.2 Urban distribution network construction and transformation will be accelerated.

All power grid companies and provincial power companies deployed relevant measures after the issuance of "Guidance on Accelerating Construction and Transformation of Distribution Networks" and "Distribution Network Construction and Transformation Plan (2015-2020)" [7]. The pilot master stations of distribution network of State Grid’s centralized bidding , have reached 50 sets in 2015 and 52 sets in 2016, and 179 new regional-level network master stations will be built by 2020; China Southern Power Grid, has invested RMB 35 million in the master station of distribution network and RMB 1.7 billion in the construction of distribution terminals in 2016 [8].

3.2.3 A new round of power reform has begun.

The release of the No. 9 Power Reform Document and supportive documents marks a new round of power reform that has been stalled for 13 years. Specific measures for electricity reform will be clarified and refined from the perspective of electricity trading system, electricity price, electricity generation and utilization plan, electricity trading organization, electricity sales side and other related fields of electricity marketization construction and corresponding electricity supervision[9].

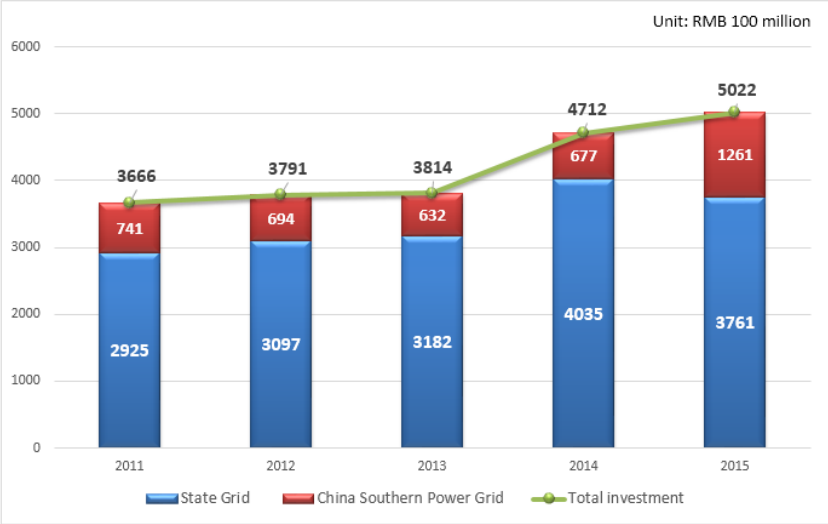

Fig.2 Overview of Investment in Power Grid Construction from 2011 to 2015

3.3 Five-force model analysis of DFE

3.3.1 Threats from potential entrants.

As indicated by the development history of various manufacturers, the newly-entered manufacturers of power equipment are generally rely on three modes. First, with the product technology and innovation, they enter the industry independently from product research and development. Second, foreign power equipment manufacturers merge a Chinese company or found

joint ventures in China to enter the industry. Third, power grid companies and research institutes in the power industry enter the industry through acquisitions, mergers and enterprise operations. Considering the current competition pattern, among the three modes of entering the electric power industry, the first type of manufacturers will pose less threat to DFE, while the second and third types constitute a great threat.

3.3.2 Competition among existing manufacturers.

From the perspective of domestic situation, the substations and monitoring companies are divided into three echelons. The first echelon includes Nari Technology, Nari-relays Electric, Beijing Sifang Automation, CYG Sunri, Guodian Nanjing Automation, and XJ Group Corporation, with a market share of about 60%; the second echelon includes Shanghai Siyuan Hong Rui Automation, Wiscom System, Integrated Electronic Systems Lab, Shandong Luneng Intelligence Technology and DFE, with a market share of about 35%, and other manufacturers with a market share of 5%. Companies, ordered by their performance on master distribution stations, are Nari Technology, Zhuhai Xuji, Integrated Electronic Systems Lab, Beijing Sifang Automation, Beijing Kedong Electric Power Control, Nari-relays Electric and DFE; those, ordered by their performance on State Grid's centralized bidding of distribution terminals over three years, include DFE, Beijing Hexinruitong Electric Power Technology, Nari Technology, CYG Sunri, Wiscom System and Beijing Sifang Automation. The master dispatching station is basically dominated by Nari Technology, which occupies more than 60% of the market share. In short, the competition of existing manufacturers can be described as violent.

3.3.3 Bargaining power of supplier.

The product suppliers of DFE mainly include the hardware and software. In terms of hardware products, we mainly purchase IC, terminals and various general electronic devices; in terms of system software, we mainly purchase servers, operating systems and databases concerned. The materials used for hardware products are basically standard products, which are widely used in many industries; the manufacturers generally produce on a large scale, with fierce competition among them. Consequently, they will not specially depend on the procurement of specific materials, and their price negotiation efforts will be much weaker.

However, software operation needs to be achieved on the computer operating systems, among which Linux is open source, but Windows is controlled by Microsoft, and UNIX usage is increasing; the enterprise-level database is basically in a monopoly state, and the market share is divided up by Oracle, Sun, Microsoft and IBM, so the supplier price negotiations involving software platforms and databases are much stronger. On the whole, the discourse power of the secondary equipment enterprises is weak.

3.3.4 Bargaining power of buyer.

A power grid company is both a buyer on the power generation side and a seller on the power consumption side, resulting in the uniqueness in the power transaction and forming an invisible monopoly to the power equipment manufacturers. In the competition with manufacturers of the same industry, DFE faces the price rules of buyers on the one hand and the space squeeze from business competitors on the other. Therefore, for the enterprise, the power grid company, as the buyer, has very strong bargaining power, with little room for negotiation.

3.3.5 Threat from substitutes.

The substitutes of power equipment are almost rare in this industry. The power industry is closely related to people's livelihood, and ensuring the safety and reliability of its products and stable operation is the top priority. Therefore, there are few substitutes for the products of enterprises in the power industry, and the threat of products being replaced is very low.

4. SWOT Analysis of DFE

4.1 Advantage analysis

4.1.1 Promotion of customer orientation.

The company takes sustainable development as its strategic goal, and customer orientation as its code of conduct, to create value for customers, establishes a harmonious and win-win ecosystem, thus realizing strategic transformation and business transformation. Additionally, the company re-establishes the organizational structure, reorganizes business processes, and quantifies work responsibilities; we establish a scientific performance management system, and break down barriers to communication and communication, achieving simplicity, openness, and efficiency.

4.1.2 Innovation of strategic management mechanism.

We establish the strategic discussion mechanism and the strategic management process of strategic planning, formulation, implementation and review, as well as the internal PDCA strategic circulation mechanism, effectively distributing the development strategy and goals into various business units, and forming the strategic plans of various departments and units, thereby realizing the interpretation and implementation of the company's strategy. Meanwhile, adhering to the goal and result orientation, we promote the review system, ensuring "Specify work goals, evaluate results and review after completion".

4.2 Disadvantage analysis

4.2.1 Weakness in basic technology research.

The company's research on basic technology has the problems of low academic status and weak industry influence, failing to accurately grasp the future trend of the products and lead the market demand, and resulting in the weak ability to timely and effectively convert the market opportunities into products or plans, with a slow launch speed of new products.

4.2.2 No echelon training for personnel.

The company's personnel echelon level is deficient, with the thin and loose foundation, and the phenomenon of inverted triangle is serious; the company fails to form an effective echelon and training plan for the subsequent personnel training, as a result, personal training and development ability of employees are deficient, young talents are not promoted and cultivated, and the personnel training mechanism is inflexible.

4.3 Opportunity analysis

4.3.1 Opportunities brought by power reform.

According to the No. 9 Power Reform Document and 6 supportive documents, the market orientation shall be adhered to, with the main goal of establishing a sophisticated electric power market mechanism, and the institutional framework of "Controlling the intermediate transmission and distribution prices and deregulating the internet and selling power prices" shall be implemented, to deregulate the price of competitive links in an orderly manner, excepting the transmission and distribution, open the electricity distribution business to social capital, and deregulate the electricity generation and consumption plan other than public welfare and regulatory business, so as to break the monopoly gradually, change the situation of power procurement and distribution controlled by power grid enterprises, promote the direct trading of the main market players, and give full play to the decisive role of the market in resource allocation.

4.3.2 Investment in distribution network market.

The Action Plan for Construction and Transformation of Distribution Network (2015 - 2020) clearly States that the state will invest no less than RMB 2 trillion in the proposed area of distribution network in the next five years. The NDRC's "Guidance on Accelerating Construction

and Transformation of Distribution Networks" focuses on solving the weak distribution network, improving the capacity of accepting new energy sources, and promoting equipment upgrading and technological innovation, thus facilitating the construction of modern distribution network facilities and service systems.

4.3.3 Expansion of overseas markets.

Since 2011, DFE has put efforts into fostering markets in Southeast Asia, Central Asia and Africa. Our products are featured with low price, robust quality, stable and reliable operation, guaranteed after-sales and good service, greatly weakening the competitive edges of ABB, Siemens, GE/Alstom and other foreign manufacturers. At the same time, the national strategies of "the Belt and Road Initiative" and "Going Out" have brought convenience to the financing of large overseas projects, and the large-scale system solutions under overseas financing conditions still have stimulated huge demands for electricity investment in developing countries such as India and Africa.

4.4 Threat analysis

4.4.1 Lack of technical leaders.

The constant updating of standards in the power industry has virtually intensified the monopoly position of enterprises in the industry. In addition, the company has no leader, in technology research and development, to guide and practice the basic research of products, software and hardware architecture and future product technology and research and development direction, as a result, the upgrading of products fails to keep pace with customers' requirements, and the lack of industry and technology leaders will be a major threat to the future development of the company.

4.4.2 Industry standard and product inspection.

State Grid and China Southern Power Grid, as the two major power grid companies in China so far, have an absolute say in the industry, consequently, many power industry standards and specifications are formulated by the two companies. DFE has less participation in the formulation of standards and specifications. However, in recent years, due to the constant changes of standards and specifications, State Grid has higher and higher requirements for the reliability of products, EMC and other professional indicators. On the one hand, State Grid has formulated standards and unified performance indicators and product specifications in the design and manufacturing of products. On the other hand, in order to meet and inspect these standards, State Grid add a large number of specialized tests, quality spot tests and field factory inspection activities in each link. If any company fails to pass the tests and spot inspections, it will lose the chance of bidding. Given that, companies invest manpower and material resources in dealing with various tests.

5. Analysis of DFE Core Competence

5.1 Continuous promotion of customer orientation

Culture is the soul of enterprise development. In the corporate culture of DFE, the priority is given to the customer orientation, and it means to fulfill customers' original demands, realize the quantization of work responsibilities through the processes, tools, skills and knowledge, achievements and measurement systems, and establish a scientific and reasonable performance evaluation system, and to strengthen employee training on business processes, build an information-based support platform throughout the entire business process, and break down interdepartmental barriers, achieving simplicity, openness, and efficiency, thus creating a happy, honest and win-win enterprise.

In 2014, DFE planned the strategic layout of the second development, and revised the corporate culture at the annual strategic seminar, to ensure that the customer-oriented corporate culture concept is put into practice. The company advocates the values of honesty, integrity and win-win, and builds up the business philosophy of "Centering all work on customers, employees and creating

values"; we highly praise the pragmatic, democratic, innovative and open work style, and establish a transparent mutual trust mechanism and atmosphere. With the corporate vision of making DFE a reliable and reputable supplier of green energy system solutions, we undertake the corporate mission of "Creating value for customers and bringing employees with a sense of accomplishment, pride and happiness" and practice the corporate culture of "Customer orientation, value creation, encouraging innovation and simplicity".

5.2 Demand creation and transformation of business scope

According to the company's strategic positioning, the product-centered profit model shall be replaced by the model of system solutions; the focus shall be on customer orientation, and the value of the enterprise shall be defined by the customers; their demands shall be identified from their process. Meanwhile, DFE shall find customer needs by reducing the complexity of the customer process, develop proper products, to help customers achieve their goals with high quality, and free customers from internal and external management and coordination, so as to provide supports for the whole process, solve practical business problems, and promote the company's transformation from "supplying products" to " providing services and solutions".

6. Development Strategy Choice of DFE

6.1 Corporate-level strategy

On the whole, the strategic goal of DFE is to follow the new norms and standards of State Grid and China Southern Power Grid and the new technologies and new products of leading manufacturers, create the competitive advantages of whole business in the industry, and build the core competitiveness of "Customer-oriented, all-round innovation and moderately leading technology"; rely on energy to deepen the power grid business, and adjust the structure to transform to solutions and services, continuously improving the competitiveness and customer satisfaction.

6.2 Business-level strategy

6.2.1 Three major businesses and three auxiliary businesses.

Three major businesses: smart grid solutions, internet of things solutions, and integration services of environmental protection and energy-saving systems; Three auxiliary businesses: software service outsourcing, manufacturing center contract manufacturing, first aid kit and supporting consumer goods for other industrial products.

6.2.2 Development model of three-line matrix. Industry line

Promote the cross-industry popularization and application of old technologies and products, especially the breakthrough in the market of major electricity consumers in petrochemical and other industries; **Regional line:** Expand business from the three major regions of State Grid, China Southern Power Grid and overseas; **Product line:** Regard new technologies, new products and new businesses as the key research and development objects.

6.3 Functional-level strategy

6.3.1 Construction of PDCA mechanism of development strategy.

DFE set up a strategic decision-making group in 2014, to formulate and issue the "Strategic Planning and Management Mechanism of DongFang Electronics Co., Ltd.", enabling the company to follow rules during the overall strategic planning and form the overall plan. Besides, the document helps guiding and reviewing the strategic planning, interpretation and goals of various business units and departments, regularly tracking and directing the implementation of the company's strategy, thus allowing to make strategic adjustments or decisions with changes in environmental conditions and other factors.

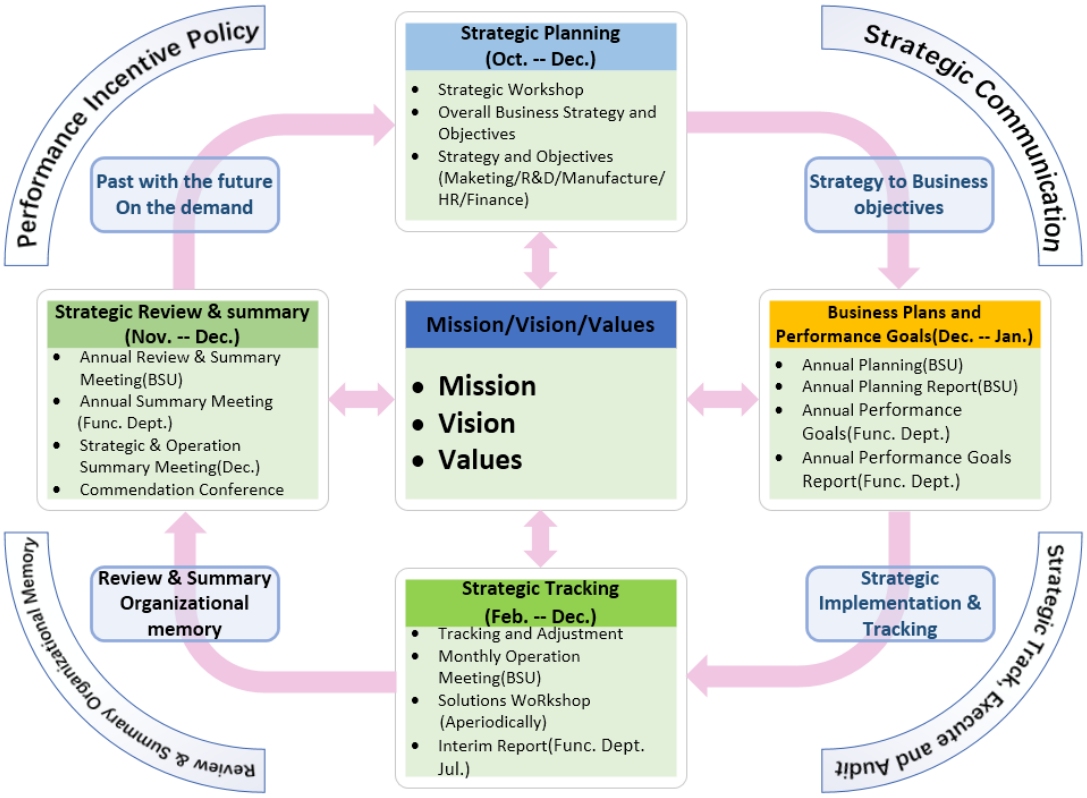

Fig.3 DFE schematic diagram of strategic management

6.3.2 Brief introduction to functional strategies.

(1) Supply chain strategy -- The leadership strategy of total cost in supply chain; (2) Manufacturing strategy -- Build a manufacturing center, transform from the cost center to the profit center, and develop the electronic manufacturing OEM business into an important cash flow business; (3) Quality strategy -- Make quality assurance of software and hardware reliability become the differentiated competitive advantages, achieving the leadership of total quality cost; (4) Financial strategy -- the total cost leadership strategy based on comprehensive budget management; (5) Human resources strategy - Meet requirements of human resources for the company development, and set up a learning organization; establish a sustainable performance appraisal system, and incorporate the learning and growth of enterprises and employees into the core competitiveness of the company; (6) Informatization strategy - Realize the transformation of process reengineering to drive informatization and demands driving informatization construction.

7. Guarantee of DFE Development Strategy

7.1 Timely adjustment of organizational structure

Any kind of organizational structure shall serve the strategic goals of the enterprise. DFE follows the principle of customer orientation to reconstructs its organizational structure, and reorganizes its business modules, architectures and business processes for research and development, design, production and delivery, marketing and sales, procurement and manufacturing, after-sales and operation and maintenance, to meet new strategic requirements of customer orientation.

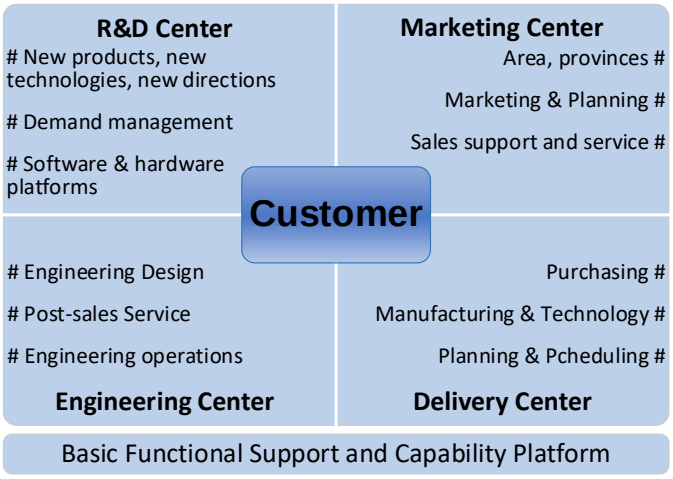

Fig.4 DFE organizational structure planning

7.2 Human resources

7.2.1 Active promotion of PCMM system construction.

Based on the PCMM system, we prepare a capacity improvement route map, and establish an agile personnel management system responding to demands, to provide guidance for the sustainable development of human resources, improve measures such as staff training, performance and motivation, and personnel allocation; we combine the human resources management activities with the improvement of the business processes, to establish norms and improve the staff ability, so as to effectively promote the overall performance of the company.

7.2.2 Performance system planning.

Additionally, the company implements the performance contract management for all employees, namely, staff at all levels, from top management team to each employee, signs performance contracts based on goal management, and the contracts are linked to the company's performance. Through the performance contracts, the equalitarianism of performance distribution will be broken, the gap will be widened, and employees who really strive for the enterprise will obtain more respect and incomes.

7.2.3 Focusing on personal development and team cooperation and building a learning organization.

The company strengthens employees' self-management and control, and fully authorize employees to participate in decision-making within the range of their business expertise, bringing them with a sense of participation and achievement in their work, thus giving full play to the independent thinking ability and innovation potential of knowledge-based personnel. Taking into account their diversity of growth and work, the company formulate personal career development paths according to personal abilities, personality preferences and promotion opportunities, so as to systematically arrange internal career development plans for them, form a mechanism of mobility between posts, and consciously identify and train research and development backbones in the work. Aiming at building a learning organization, it is critical to enhance the professional ability of employees.

7.3 Technology and R & D

Deepening quantitative management. The company promotes R & D quantitative management in terms of depth and breadth, carries out quantitative analysis of project management, and combine with the currently-used quantitative workload database, to popularize the quantitative management, so as to substantially apply the results to the performance appraisal of personnel; Strengthening demand management: The requirement management process can be applied to not only the project life cycle but also the entire product life cycle, therefore, it shall be undertaken by a

specially-assigned person; Promoting technology reuse: In order to avoid the duplication of labor, the company establishes corresponding systems and norms for technology reuse, to summarize and refine the achievements in product research and development, and facilitate the improvement of R&D efficiency and quality.

7.4 System

Under the guidance of corporate culture, the enterprise management system covers all business processes. The management system aims to meet the demands of customers in a profitable way, is formulated on the basis of business processes, the judging criteria of judging criteria and applicability, the bottom-up process and the democratic centralism. The enterprise system is the criterion and guiding principle for the continuous and effective operation of various businesses, and the system shall be based on the dynamic principle and revised in due course, to ensure its suitability and accuracy.

7.5 Enterprise culture

The company establish an organizational system incorporating the enterprise culture and the work principle of customer orientation, and carry out all the business activities according to customer demands, integrating the reform of corporate culture into the business process of management and technological innovation, and spreading it out from point to point, so that the corporate culture is truly used for the implementation of the strategy. All organizational and individual behaviors shall be measured by the fulfillment of customer demands.

The company will continue to carry out special activities of corporate culture and fuse every item into specific work. With specific actions, practical practices, the things around us and small things, the company improves the service quality through micro-improvement and micro-innovation. The key implementation action shall be specific, operable and achievable, and it starts from the formulation of rules; the concept, requirements and ideas of customer orientation shall be specified, and the attention shall be also paid to small things and, so as to gradually solidifying the cultural concept of customer orientation in the ideological consciousness of each employee.

8. Effectiveness of Strategy Implementation

In the three years of implementing the customer-oriented development strategy, DFE, under the guidance of the values of "Honesty, integrity and win-win", has made significant breakthroughs in the strategic direction of power grid, industry and internationalization with the continuous change, common view, justice and openness, honesty and mutual trust. The concept and executive force have been changed and improved, and the win-win ecosystem, consisting of our employees, customers, society and government, suppliers, business competitors and shareholders, has achieved initial success.

8.1 Customer-oriented innovation and practice.

The principles of following the culture is established. First, the priority is given to the customer-centered principle. Customer demands are the starting point and stance of all business activities of our enterprise, therefore, all organizational behavior and individual behavior shall be measured by the fulfillment of their demands. Second, the principle of innovation shall be followed. The corporate culture is formed under different circumstances and conditions, and it needs to be improved and developed constantly, to keep pace with the times; we can provide customers with low-cost and efficient services only through the innovation. For DFE, the innovation is to shape the modern enterprise personality of intelligence, humility, friendliness, honesty and integrity. Third, the principles of value and efficiency shall be built up. Value and efficiency are the necessary for the survival and development of an enterprise, and are the necessary ways to improve and create the profits and ensure and meet the growing material and spiritual needs of employees. In principle, each employee is both a decision maker and a manager, and the basic criteria for decision making and management are: whether the value is created, and whether it is conducive to work efficiency,

and the criteria is also an important part of our enterprise culture.

8.2 Business performance continues to improve.

Through the strategy, the company has clarified the direction and tactics for the development. In the past three years, with the implementation and landing of PDCA, the breakthrough has been made in the profitability, and the strategic layout (6-3-1) of new customers, new businesses and new areas has achieved initial results. At the same time, the company has promoted and implemented the LTC model and order-wining and cost-control model, and established provincial sales offices, making sales personnel consider more for customers, and the average number of customer visits per month has increased by 50%. As shown in the figure, the company has maintained double-digit growth in operation revenues and profits for three consecutive years, and customer satisfaction has increased for the third consecutive year from month to month, which are 88.75%, 89.63% and 90.64% respectively.

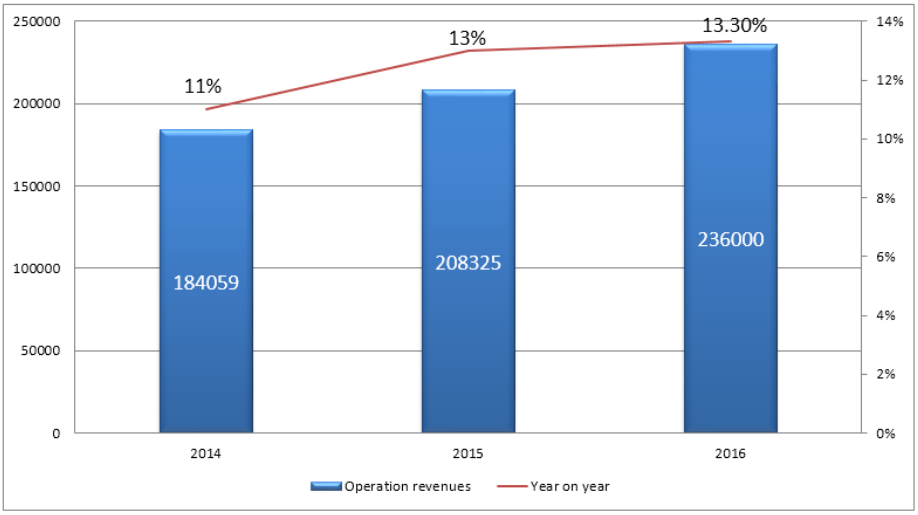

Fig.5 Comparison of Operation Revenues from 2014-2016 (Unit: RMB 10,000)

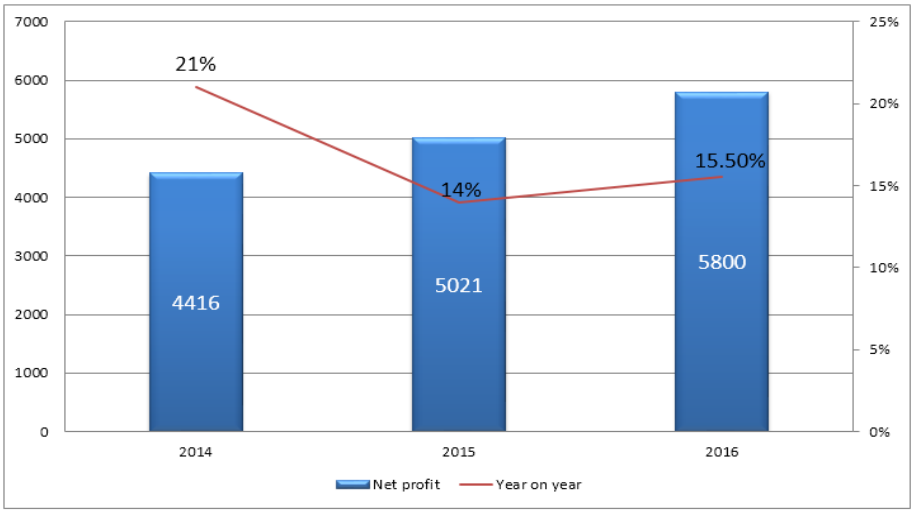

Fig.6 Comparison of Net Profits from 2014-2016 (Unit: RMB 10,000)

8.3 Intensive cultivation for technical research and development.

The company passed the CMMI5 certification evaluation in March 2015, starting from which it continuously promoted the quantitative management of R&D in depth and breadth, and focused on R&D practices to strengthen the implementation of product R&D and relevant project management, thus improving the R&D level and product innovation. In the past two years, the company has successively set up more than 40 R&D projects, all of which, during their implementation, were quantified and analyzed in terms of project baseline and workload in accordance with the

requirements of CMMI system, making data the primary indicator of project effectiveness.

Demand management. As an important input item in R&D, it affects the entire product life cycle. Given that, "Measures for Demand Management is issued, which requires to specially assign personnel, to be in charge of demand management of each product line, and to prepare monthly reports on demand management. Since the issuance, more than 120 demands have been received from product lines, sales companies, engineering centers and various departments. After screening and classifying these demands, the R&D department has continuously tracked and transformed them, to form the R&D projects until they are transformed into design plans and final products creating revenues.

R&D review. In combined with the project concerned, the company carries out the R&D review activities, and requires to summarize the progress of the project under the leadership of the project manager every month, summing up the experience and lessons in technology, management and other aspects, promoting the excellent experience summarized by the project team, and combining it with the audit improvement of the company's processes and systems. We have reviewed a total of 20 projects in the past two years, which has promoted the level of project management and improved the success rate and implementation efficiency of the project.

8.4 The value of human resources.

The ultimate goal of an enterprise is to continuously improve the sense of pride and accomplishment of its employees. In the past three years, the company has recruited more than 300 new employees, and implemented the "dual-channel" strategy of "technology & management", to promote employees' career development, and further stimulate their enthusiasm. As of 2015, the company has promoted and signed performance contracts based on goal management level by level, involving each employee from the top to the bottom; all of them have signed the performance contracts centering the company's and departments' goals. Additionally, the company has established and implemented an all-around evaluation method of "employees + immediate supervisors + internal and external customers" based on BSC; The company has promoted the system of leader rejuvenation, "Prepared for both promotion and demotion" and rotation; more than 30 leaders have been rotated over the past three years, and nearly 300 employees have been rotated; 50 employees have been promoted and 20 employees demoted in the past three years. By the first half of 2017, the proportion of leaders under the age of 35 has increased from 9% in 2014 to 22.1%, effectively combining talent planning and talent growth with the company's strategy.

8.5 Noteworthy honors

In the past three years, with the advancement and implementation of the strategic planning route, the company has also won many honors, including the 15th National Quality Encouragement Award, the Top Ten Excellent Cases of Intelligent Energy Industry in 2015 and 2016, the Top Ten Honest Enterprises in the Power Industry, the Excellent Enterprises in Electronic Information Industry, the Famous Brands in Distribution Field for 2016 Users, the “Honor Credit and Promise” Enterprises in Electrical Industry, the Shandong Outsourcing Service Brand Enterprises in 2015 and 2016, the Excellent Innovation Achievement Organization Award of the First "Pan Gu Award" for Electronic Information Industry, the titles of "Leading Enterprise in Electronic Information Industry in Shandong Province" (for three consecutive years), Excellent Economic-contribution Enterprise in Yantai (for three consecutive years), Yantai Top 100 Enterprises in Tax Payment, etc. Moreover, the company has been identified as the export base for special services in Shandong Province and Yantai City, and has won the First Prize for Scientific and Technological Progress on E8320 Whole Network Intelligent Voltage Control System, and the company’s "whole-network intelligent voltage control system based on new energy access and cooperative control technology" won the 2017 Innovation Product Award of "Pan Gu Award" in Electronic Information Industry. At the same time, the company has also successfully completed the power supply tasks for "2015 China V-Day Parade", "2015 Athletics World Championship", "G20 Summit", the National Day and the Two Sessions.

9. Conclusion

This paper starts from the analysis of the customer-oriented corporate culture pattern of DongFang Electronics (DFE), to determine the planning and implementation of the company's development strategy, solve the key problems confronted by the company in the development process, and specify the measures concerned and key actions. Through the analysis of the development path and management mode of DFE in the past three years, and using PEST analysis, five-force model, SWOT model and other methods, this paper conducts an open study on the planning, formulation, execution, monitoring and review of DFE development strategy on the basis of its practical operation mode, and tries to work out an operable and measurable development strategy model under the current situation and environment, adapting to the environment and characteristics of the power industry and enabling the enterprise to develop.

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