

The research of the second venturing strategy of the W Enterprise

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Abstract

This thesis firstly analyzed the weak development and operations problem status quo of the W enterprise's first venturing in the WLAN market, and based on the Enterprise Life Cycle Theory and Transform Theory, then get the pressure and necessary of second venturing and explains the goal and content of the second venturing. Secondly, based on many kinds of problems of second venturing, this thesis used the strategic environment analysis, industry analysis, the external and internal environment analysis of the company to get the feasible strategic solution. Finally, this thesis concluded the second venturing strategy by further estimate and filtration.

According to the theory of core competence, based on the method of fixing quality and quantity analysis and tools of PEST model and SWOT matrix and the five competitive forces, through analyzing the external and internal environment of W enterprise's second venturing, this research makes expanding strategy basing upon the shanghai market and facing the whole country which include the marketing expanding strategy for company, difference, focusing competitive strategy for business, branding, development and innovation, human resource strategy for function strategy.

The thesis's research combines the facts of the W enterprises to the second venturing, and strive to get a clear and reference strategy, and should be useful for the company's growth.

Key words: Wireless LAN, Individuation, Information service, strategy.

Research objectives

With the acceleration of the process of global economic integration, the management environment faced by Chinese enterprises is also changing quietly. Many enterprises face a crisis after 4-5 years of operation, such as market contraction, new technology innovation, and sizeable foreign capital cannibalizing the market. When

such problems occur, enterprises face difficult choices, such as fighting against the wall, surrendering, or finding A new path. This paper selects the segment of "W" enterprise's second entrepreneurship when it has difficulties and challenges in sustaining the business in the competitive markets. It mainly hopes to use some strategic management methods and means. A combination of quantitative and qualitative analysis of all kinds of data provides some help for W enterprise to enter into the new market and establish a strategic plan for sustainable development in its second venture.

The first chapter of this paper summarizes the enterprise life cycle theory and metamorphosis theory related to the second venture studied. It introduces the second venture's definition, essential characteristics, and entrepreneurial conditions. The second chapter introduces the topic of the second venture through the development difficulties faced by Enterprise W in the first venture. However, for the original business of Enterprise W, there are still many new challenges and problems facing the industry to be entered. In the early stage of entrepreneurship, the company needs to rapidly expand the market, develop several new customer groups, and address the shortage of funds. What development strategy does Enterprise W need to deal with these problems and guide Enterprise W to quickly enter the new market and embark on the road of sustainable development become the main issues discussed in the following paper.

The third chapter of this paper focuses on a large amount of information and data. It analyzes the internal and external strategic environment of the personalized information service industry according to the theory of competitive strategy, including the "five forces competition model" analysis method, PEST model, and SWOT matrix analysis method of strategic evaluation. The ST, SO, WT, and WO strategic plans that Enterprise W may adopt when entering the new market in the second venture are given to determine the final entrepreneurial strategy of Enterprise W and to provide more alternative strategic plans for comparative analysis in many aspects.

In the fourth chapter, combined with the goal of W enterprise's second entrepreneurship, this paper provides the concrete steps of strategy implementation. Also, it puts forward some good suggestions on specific tactics.

The study is only based on A historical episode of the entrepreneurial development of W enterprise, which has many limitations. There is still a lot worth studying for the sustainable development of W enterprise. According to what I have learned, I will always pay attention to it and provide limited strength for the development of the Enterprise.

Objectives of the study

Starting from the enterprise life cycle theory, this section elaborates on the growth theory of enterprises in different stages. Based on these theories, it obtains the definition, characteristics and requirements of second entrepreneurship. In the following chapter, we will start from the actual situation of Enterprise W to understand the development problems faced by Enterprise Win, its first start-up. Analyze the enterprise life cycle of Enterprise W, and make A comprehensive analysis of the inevitability and feasibility of Enterprise W's second venture.

Enterprise W's second venture plan

In order to achieve Enterprise W's goal of becoming the largest on-site personalized information service provider in China in the next few years, the specific business strategy was developed in the following steps:

From 2007 to 2008, it became Shanghai's largest personalized, on-site information service provider. During this period, it actively attracted various kinds of investment. It covers significant business districts such as Xujiahui, Huaihai Road, Nanjing Road, Lujiazui, and Pudong Times Square. At the same time, it also covers areas with compact film and television entertainment and catering services. It has set up 3,000 intelligent sensing service points and developed more than 800,000 users.

From 2008 to 2009, W Enterprize expanded the national market and established roaming services between commercial cities across the country to expand VELO business to the whole country. First, set up branch service centers in commercial and economic centers of various provinces across the country, copied the successful model of Shanghai, and strive to reach 3 million users nationwide.

After 2010, W Enterprize continued to explore various secondary markets, increase the development of value-added services, and add electronic payment and other emerging services to VELO platform, thus endowing VELO with more robust vitality. Here are some of VLEO's sub-goals and initiatives under the overall goal:

1) Individual user development plan

VELO's target group is young and fashionable people between 20 and 40. In 2007, VELO targeted 800,000 individual users (Shanghai), and the target was to develop 3 million users nationwide in 2008. The target was achieved through the following marketing efforts:

a) Marketing campaigns and online registration

By enhancing VELO's brand appeal, creating fashion trends, attracting users' attention, and joining VELO business, Movies, office buildings, and shopping malls have achieved good results, continuing to strengthen the update of information and supporting value-added services.

b) Establish a convenience store service network.

The establishment of a chain supermarket service network can be closer

and more convenient for users and can make the brand publicity long-term, the user's service routine; Hagoode is already building partnerships, as is Rosen's, to put VELO's smart sensors in stores and provide information services to users;

c) Expand business partners

Co-issue of co-branded cards with large/well-known social organizations to jointly serve end-users; The cooperation of Yonghua Cinema, KFC, Hong Kong New World Department Store, Qucheng's, and other merchants was being promoted; VELO's smart sensors target major commercial areas, transportation hubs, and tourist hotspots. The main occasions include shopping malls, subways, business buildings, well-known brand chain stores, and modern living quarters. With these VELO smart sensors, consumers can quickly access surrounding business information:

Department stores and shopping centers: shopping mall entrance, floor guide, escalator entrance, Lobby of business building/hotel lobby: tourist and business information request area. Chain brand stores/leisure and entertainment places: entrances and exits, moving line nodes, rest buffer zones.

2) Business user development plan

VELO vigorously develop commercial users and gradually enrich the content of various merchant information base. VELO plans to develop various types of "real name users," thereby creating core values; The number of merchants (including brands) VELO plans to develop is to develop more than 5,000 commercial users in Shanghai and more than 20,000 nationwide within three years; At present, VELO has established cooperation with well-known theaters such as Yonghua Cinema, Gudu Mommy Catering service, Shanghai Book Mart, Hong Kong New World

Department Store.

The initial cooperation intention has been established, including Bailian Group, Pacific Department Store, Longmont Shopping Center, Sports 100, Kuchen supermarket, Rosen Convenience, Haode Convenience, Kendrige, McDonald's, and other brands and merchants. The services the company provide to merchants include real-time business situation management, peripheral information release, in-store information service, electronic commodity information release, carry-on discount service, regular customer service, and store visit report.

3) *Revenue from users of VELO business*

VELO uses the concept of user credits (V\$) to form an interactive environment for user applications. Users have various opportunities to obtain V\$(virtual income). At the same time, users must spend V\$ to use VELO value-added businesses, such as Velo Tellme business and Vel O. Coupon business. At the same time, users can purchase V\$ through online payment, and other means to obtain VELO value-added services. There are many ways to obtain V\$, such as user registration, user personal data submission, user recommendation, and system gift.

By using the Velo Sensor service and sending SMS to the Velo system, one can also obtain V\$rewards of different amounts. When users have enough V\$, they can consume, such as exchanging gifts and participating in lucky VELO activities. Users can also pay with VELO's value-added services, such as exhibition Tellme, and coupon printing. Using these flexible V\$ makes the revenue model of the VELO business richer.

4) *Business income from commercial users*

Each of VELO's value-added businesses will become a source of revenue for VELO. Msg business information consultation push service: The charge is based on the amount of information pushed (or monthly subscription). This service features precise information push, targeting nearby users.

VELO.Tellme product information delivery service: the fee is based on the user's usage (or monthly subscription). Business features: save data printing, send data, and obtain real-name user data, easy to track services; Coupon carry-on coupon service: according to the user's usage (or monthly payment). Business features: convenient for users to obtain consumption coupons to attract customers to consume.

5) *Financial data forecast of VELO*

VELO makes forecasts based on the expenses and revenues of each business under the operation of the above business. VELO's goal is to become China's largest mobile site information service provider in the next three years. Under the guidance of this goal, all the company's employees will work together to make VELO a big success.

4.2 *Selection of specific tactics*

Under the guidance of the goal of the second entrepreneurship of Enterprise W, according to the formulated strategic planning of the second entrepreneurship, Enterprise W actively faces many uncertain factors in the process of strategy implementation, making full use of various effective tactics, internal policies, and other methods to ensure the correct implementation of the strategy and strive to achieve the established development goals.

According to the different development periods of VELO, the following chapter focuses on implementing some specific help the company's second venture smoothly into the high-speed development stage to another peak.

4.2.1 Marketing Tactics

a) Use government support to build intelligent information-sensing points.

Take advantage of the good opportunity of Shanghai community informatization construction to promote the development of VELO business. VELO is also a member of the Shanghai Community Informatization Application and Promotion Working Committee and played a pioneering role in supporting the informatization construction of Shanghai by providing new service platforms and equipment for the informatization construction of various communities.

Meanwhile, the government supports the implementation of various projects utilizing funds. In this way, VELO makes good use of government funding to expand VELO's market coverage and save many equipment installation costs. Moreover, with the help of a community information construction channel, VELO also excludes the possibility of other competitors entering. In the future, when new value-added services are developed on top of these systems, VELO will also have the advantage of being close to the water.

b) Constantly launch various market VELO personality cards.

The development of VELO users should grasp the consumer psychology of various users and be flexible. VELO cards dedicated for lovers should be launched for various festivals, such as Valentine's Day, and for the cooperation with a merchant, such as the cooperation with Yonghua Film Cheng, launched Yonghua special film VELO card. Through various changes, VELO constantly meets the fashion requirements of young consumers and their demands in this respect. It also continuously strengthens Velo's brand image in users' eyes and strengthens users' adhesion.

4.2.2 Tactics in operation

In terms of operation, reducing the cost and rapidly expanding the VELO user base are the core operation tactics of the enterprise's second venture. In the initial stage of VELO, in addition to cooperating with more merchants to build VELO smart sensing devices in crucial business areas, the company should also minimize the production cost of VELO cards and distribute VELO cards to target customers aged 20 to 40 in large numbers, so that they can understand VELO's novel and fashionable functions by encouraging to participate in various promotional activities. As long as the consumer truly experiences the consumption feeling of VELO participation, it will be hard to forget VELO. In the future, consumers will always consider whether they can get more valuable information through VELO, promotional activities, and so on.

The company tries to set up VELO card distribution centers in chain convenience stores and other places. As long as one can buy certain goods, or as long they can buy goods, one can get VELO cards, and at the same time, you can send coupons to a nearby merchant so that consumers can immediately enjoy VELO benefits. Through these means, VELO's user base can be expanded quickly, VELO users' adhesion can be strengthened, and more favorable areas, such as prosperous business areas, can be occupied. All these are good ways to expand the brand awareness of VELO and increase customers in the early stage of the second venture.

The maintenance of a large number of intelligent sensor equipment scattered in various city business districts is a relatively heavy workload. The company should adopt the outsourcing method, and carry out competitive bidding, select W enterprise with certain qualifications and a more favorable price to do this work to minimize the company's internal operating costs.

4.2.2 Tactics in human resources

Economic globalization, the new economic wave, and the WTO will challenge the Chinese economy and all private enterprises. Talent competition is the key to the

challenge or competition with multinational companies. It is hard for us to imagine that college students and business cadres trained by us will "make wedding clothes for others." This urgency will force us to re-examine and adjust personnel policies.

- a) Establish an internal incentive system and implement a share reward system. In addition to the fixed monthly salary for excellent employees, Enterprise also distributes a certain percentage of shares, promising that the company will grow or go public in the future to achieve the commitment of shares to employees. Such a policy enables the company's employees to treat the cause of Enterprise as their cause and to give full play to the maximum potential of the employees.
- b) Cultivate elites and set up benchmarks. The power of the example is infinite. This sentence can be used as A wise management saying in most enterprises nowadays, especially for the second entrepreneurial enterprises like W enterprise, which requires great enthusiasm and enthusiasm of employees. In order to achieve this effect, it is not enough to rely on wages, shares, and other material attraction, but also needs to have a group of elites in various positions for the entire company's employees to set a model image, become everyone's goal, to each employee in the process of self-realization, learning model, beyond the self, for the company's entrepreneurial development to give full play to the maximum efficiency.
- c) Scientific management of recruitment, training, and promotion system, in the early stage of entrepreneurship, recruitment activities should be actively carried out given the shortage of personnel in the market and customer service in the process of enterprise operation, and excellent personnel should be absorbed into the enterprise. The development goals of the enterprise should be made clear to the employees from the beginning of entering the enterprise, and how to realize the self-value of each person in the process of realizing the enterprise's market value.

For the training of new employees and the retraining of old employees, a complete training mechanism should be established to enable employees to create value for the company while improving their own ability and competitiveness. At the same time, the company's promotion system should also be relatively transparent so that employees clearly understand their standards of struggle within the company to create a fair and just internal competition environment, avoid internal competition, and affect the company's internal communication and work efficiency.

4.2.4 Financial tactics

a) Take the opportunity of the World Expo and strive for project funds.

Expo information system construction is the central theme of Shanghai's information industry in the next three years. This event combines various advanced urban information technologies to enhance the Expo concept of "Better City, Better Life." VELO should take advantage of such an excellent opportunity to use the location information service application fully. To supplement resources for VELO's development, it can also promote the VELO concept and better carry out market expansion and brand publicity.

b) Attract external investment.

Enterprise W has contacted many angel investors and venture capitalists in its second start-up. They are very interested in our emerging business and keep paying close attention. The company should make use of this reality, make use of the highlights in its business model, make corresponding achievements, win other trust of investors, and start and increase the investment in VELO so that the company can obtain sufficient funds for development and meet the large demand for funds from users for development and network laying at the present stage.

4.2.5 Tactics in Terms of the corporate culture

In order to further improve the quality of enterprises, the construction of enterprise culture needs to be institutionalized and persistent.

a) Cultivate the team spirit of the enterprise

In the era of increasingly equal knowledge and capital, the role of talent in the competitiveness of enterprises is no doubt, and enterprises pay more and more attention to talent. However, we pay too much attention to cultivating, exploring, and utilizing individual talents but not enough to cultivate employees' values and enterprise spirit. The core competitiveness of the enterprise does not depend on a specific talent but on a team. The overall competitive advantage can be formed only through the organic integration of the team's talents. In order to achieve the consolidation and improvement of the core competitiveness of the enterprise, which requires the enterprise staff with one heart, love, and dedication, and share weal and woe with the enterprise, the cultivation of enterprise teamwork spirit is the focus of our future work.

b) Shaping enterprise innovation work philosophy

Innovation is the internal requirement and necessary form of an enterprise's survival and development, and also an inevitable process for an enterprise to constantly adapt to the environment and achieve self-transcendence. Due to the increasingly fierce market competition, innovation has penetrated every link and every corner of management. The essence of the knowledge economy is the innovative economy, the foundation of entrepreneurship is innovative spirit, the source of enterprise management thinking is innovative thinking, the essence of enterprise competition strategy is an innovative strategy, and the key to enterprise competitiveness is innovative ability. Through the innovation of the management mode of the enterprise, the management characteristics of the enterprise are created. Through the

differentiation strategy and personalized management, our enterprise stands out in the competitive environment of the strong hand like the forest.

In addition, the construction of corporate culture is not lifelong unchanged. It should be linked with the development of the enterprise, and the external environment, keep pace with The Times and constantly build and improve. Only in this way can we give full play to the positive role of enterprise spirit in enterprise development.

Conclusions

Based on the introduction of the development of W enterprise's first venture and the theory of enterprise life cycle and transformation, this paper proposes the inevitability and urgency of the second venture. The introduction of the contents of the second entrepreneurship and other aspects leads to many problems faced in entrepreneurship. Then, on the basis of a complete analysis of the strategic environment of entrepreneurship, this paper gives the basic strategic choice of the company's second entrepreneurship to answer how to solve many problems in entrepreneurship.

Revenue	2006 Q4	2007	2008
1.1	360,000	3,600,000	7,200,000
1.2 Tellme	270,000	5,760,000	17,280,000
1.3 InterVIF	360,000	4,800,000	12,000,000
1.4	129,000	1,512,000	5,388,000
1.5 Onsite Coupon	900,000	4,536,000	15,360,000
1.6 Veloca	540,000	2,160,000	3,600,000
Revenue Summary	2,559,000	22,368,000	60,828,000
Cost	2006 Q4	2007	2008
2.1	516,600	2,554,650	3,858,750
2.2 Veloca	750,000	1,440,000	2,400,000
2.3	72,000	391,500	972,000
2.4	315,000	2,467,500	5,040,000
2.5	501,000	4,320,000	9,600,000
2.6	127,950	1,342,080	4,866,240
2.7	900,000	7,200,000	9,600,000
2.8	450,000	2,400,000	3,600,000
Cost Summary	3,632,550	22,115,730	39,936,990
Profit Summary	-1,073,550	252,270	20,891,010

5.2 Limitations

As the personalized information service industry is relatively new, this paper's research is limited to qualitative research without very detailed quantitative analysis. In addition, the development of the whole industry is in a complex dynamic environment, so the strategic analysis in this paper, including some analysis methods used, must have its time limitations. These are the limitations of this article.

5.3 Recommendation/ further research

The study of this paper is only A small starting point for the strategic research of the second entrepreneurship of Enterprise W. Author focuses on the strategic problems in a special period in the development process of the enterprise, and there will be endless strategic problems in the future. I will always pay attention to the development of the enterprise and continue to study new management problems in the development process.

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