

## CHAPTER 5

### THE IMPLEMENTATION OF THE DEVELOPMENT STRATEGY OF WUXI AGRICULTURAL AND COMMERCIAL COMPANY

#### **5.1 Uphold the inclusive financial concept, serve the residents of the community**

##### **5.1.1 Serving agriculture, rural areas to help them grow and grow**

As a regional rural financial institution, it is the main force to promote the development of "agriculture, countryside and farmers" in Wuxi, bearing the important task of basing on urban and rural areas, supporting agriculture, countryside and farmers, and serving small and medium-sized enterprises. We must have a deep understanding of our social responsibility and enterprise mission. On the one hand, we must vigorously support farmers and agriculture-related enterprises in developing modern new agriculture in Wuxi in terms of promoting the development of the cause of "agriculture, rural areas and farmers"; and we must also take into account the new characteristics of Wuxi's "three rural areas, rural areas, and farmers". New requirements of social transformation, multi-level capital requirements of customers, regional economic development status and their own management level, make different credit marketing focus and implement different credit strategies each year. On the other hand, in the aspect of constructing an environment-friendly society in Liwu, we should constantly improve the green credit mechanism, expand the green financing channels, and develop green financial products and services that meet the market needs.

##### **5.1.2 Adhering to the concept of inclusive financial development**

Wuxi agricultural firm bears the responsibility of serving more than 3.5 million Wuxi citizen cards. It is necessary to carry out the functions of inclusive finance and provide close and convenient financial services to local residents. In order to provide rich, safe and convenient financial services to the public, we should actively build up the financial services supported by the counter network, the internet bank, the telephone bank, the mobile phone bank, the self-help bank and the WeChat bank, so as to realize the development goal of inclusive finance.

## **5.2 Strengthen the financial business of the company**

### **5.2.1 Continue to grow corporate financial operations**

We should take the listing as an opportunity, consolidate the existing advantage market, provide comprehensive financial services for the core enterprises, and do a good job in the batch development and marketing of the supporting upstream and downstream enterprises of the core enterprises. To continue to expand the company's business customer base, and support Wuxi's new energy, new materials, new medicine, energy conservation and environmental protection, as well as the development prospects of the strategic emerging industries. Strongly support modern service industries with stable cash flow, such as education, health care, media, culture and creativity, communication and information services, and actively support good development potential and strong profitability, with independent intellectual property rights and brand technology innovation industry key enterprises and key projects.

In the retail market, NRCB should adopt differentiation strategy, to design, package, integrate and optimize specialized products and services for target specific customers, and to build the volume expansion mode of retail banking platform. It should reinforce the market positioning of "community bank and benefiting-all finance" and confirm the marketing strategy of "deep localization and smart marketing" and enhance its capability to market to and serve high value clients. With the Internet financial services, it should lay the foundation for the derivative and innovation of precision marketing and a series of financial services, in the era of big data.

### **5.2.2 Key retail business development**

The advantages of the business lie in its low investment, low risk, wide customer base and good profitability, which help to maintain the sustainable development of the bank and keep the steady growth of bank profits. Commercial banks should shift their profit model from the absolute advantage of deposit and loan spreads to the track of paying equal attention to deposit and loan interest rates and intermediate business. By vigorously expanding the retail business market, the commercial banks should cultivate new profit growth points.

In recent years, the material level of the people in Wuxi has been rising, and the consumption view has also changed. The demand for personal financial services has gradually become more and more private, customized and differentiated. Retail banking business has gradually become a new profit growth point of commercial banks. Housing

loans, bank cards, financial products and so on are becoming the main business of commercial banks, and will further promote the rapid development of commercial banks retail banking business in the future. Retail banking and private banking target middle-income families, gradually forming a core customer base. The Bank defines wealth management and consumer finance as the core business of retail finance. Our bank will further expand its business Business scope, gradually transition to high-return financial products, pension and fashion as the main direction of the financial products, and further enhance the ability to expand channels, go deep into the grass-roots network and Internet platform, The marketing channels that cover the community and the network in an all-round way, so that they can develop into the core competence, at the same time, they should be branded, established the developmental strategic direction, and rely on the superior products. We should constantly strengthen the construction of high quality customer groups in retail business, adopt flexible and efficient customer relationship management system, and adopt customer relationship management through customer relationship management. System, according to the financial contribution of different individual customers, as a whole to do a good job of mass customer and quality customer stratified services. Through the accurate positioning of the target customers and the provision of appropriate products and services to different customers, customer loyalty can be cultivated while satisfying the diversified financial needs of individual customers.

Wuxi Agricultural Commercial Bank is the only cooperative financial institution of Wuxi Citizen Card, which has brought the bank a huge, stable and high-quality customer base. Wuxi Agricultural Commercial Bank should strengthen its ability to analyze the data of citizen card financial transactions. Understand the age structure of customers, consumption capacity, and financial preferences. According to the different financial needs and value orientation of different customer groups, the specific target marketing strategy is put forward. For example: for young customers, WeChat bank, mobile banking and other convenient channels to cooperate with credit card discount activities to regularly carry out all kinds of consumption Discounts, shopping rebates, bonus repayments activities to increase this part of the customer dependence on our bank, to increase the proportion of young financial customers in Wuxi agricultural firm customers. For the middle-aged and elderly customer group, we should provide warmth to their homes through high-quality and warm counter service, close the distance between them and the middle-aged and elderly customers, and recommend to them financial services and products that meet their risk appetite. Give advice on how to maintain and increase their wealth. For Wuxi Agricultural Company, it is of great significance to cooperate with Wuxi's all-covered network, to serve well and to market this customer group of 3.5

million citizen cards.

### **5.2.3 Deepening the development of financial market operations**

On the basis of drawing lessons from the financial market business development experience of advanced commercial banks at home and abroad, and synthetically considering the relevant macro policies of the country, the general trend of the development of financial market business, and so on, on the basis of traditional bond investment, Continue to optimize the portfolio structure, increase investment in high-yield corporate bonds, securities firms targeted asset management plans, improve portfolio returns, and strengthen forward-looking research on the market, under the premise of controllable risk. Actively participate in bond trading and derivatives and other emerging fund trading business, improve trading profits; gradually supplement the lack of business qualifications, further enrich the product system, constantly improve market activity And influence.

## **5.3 Based on Wuxi, radiation Jiangsu, face to the whole country**

### **5.3.1 Self-sufficiency Wuxi, do not forget the original ideals and aspirations**

Wuxi Agricultural and Commercial Company were born in Wuxi, grew up in Wuxi and flourished in Wuxi. It is necessary to make full use of the local geographical and human relationship advantages in Wuxi, as well as a profound understanding of the local regional economy, and mobilize all the forces that can be mobilized. Using all available resources, the original mind does not forget to cultivate the native land of Wuxi. On the one hand, it is necessary to make full use of the influence of major shareholders in various local industries and strive for more high quality business resources and customer resources for banks. On the other hand, it is necessary to strengthen cooperation with governments and institutions at all levels in Wuxi, seize the business expansion opportunities brought about by the transformation of the 13th Five-Year Plan in Wuxi, and strive to devote themselves to strategic emerging enterprises and intelligent science and technology enterprises. Eco-agricultural enterprises, green environmental protection enterprises; strive to meet the local residents of Wuxi personalized financial investment needs to work.

### **5.3.2 Radiation in Jiangsu**

At present, the local banking industry in Wuxi has become increasingly saturated and the degree of competition has become increasingly intense. The economic situation of Wuxi is affected by many factors, such as subjective and objective factors, the downward pressure of the economy is great, and the growth of real industry is slow. As a leading local joint-stock rural commercial bank, Wuxi Agricultural Commercial Bank should, while consolidating the local market in Wuxi, boldly go out of the new way of cross-regional development, actively and prudently distribute branches in different places and expand the space for operation and profit.

In corporation banking, WuXi has to face the situation of going down the spreads. It should encourage the use of more new financial tools by combining the traditional banking business with investment banking business, such as the short-term financing securities and financial derivatives. In this way, the Bank can increase its profit while cut the cost for the customer; reliance and loyalty of the enterprises towards the Bank can also be strengthened by providing professional services. American scholars Frederick F. Reichheld and Earl Sasser Jr concluded from their research that a 5% improvement in customer retention can cause an increase in profitability of 25%. (Guo, 2012)

In order to expand the area of northern Jiangsu and occupy it ahead of schedule, the four banks and the national joint-stock banks in northern Jiangsu have not yet expanded deeply to establish the local competitive advantage as soon as possible. However, in the process of scale expansion, the contradiction between speed and quality should be grasped. At the same time, we should do a good job in the support and support of financial institutions to the local "three rural areas", and provide extensive, comprehensive, multi-functional and all-round financial services for the construction and development of new rural areas in the central and northern parts of Jiangsu Province. In 2001, we set up a good brand image and got the approval of the local people and government while devoting ourselves to the construction of the new socialist countryside.

By optimizing the governance mechanism and operation mode of the branches in different places, the paper explores the cross-regional management mode with its own characteristics under the new normal state of economic development. First, it is necessary to further clarify the market position of foreign organizations, select the appropriate entry points, launch valuable products and make our own characteristics; and strictly supervise and urge them to ensure that their business content conforms to the "three rural areas" of the Bank's services. To fill the needs of small and micro-customer groups, to create a

grassroots economy of the people's banks, community banks. At the same time, it will continue to assist foreign organizations in developing some unique credit and intermediate business varieties that are suitable for the actual local conditions, and will support them to increase their publicity efforts. Second, aiming at the credit environment, industrial structure, and level of economic development in the areas where branch offices in different places are located, we should strengthen the differentiated assessment of the institutions in other places, improve and optimize the assessment methods and systems of the institutions in other places. Promote the development of branches, make bright spots, form characteristics.

### **5.3.3 A new model for cross-regional innovation and development**

In 2010, China's Banking Regulatory Commission issued the "guidelines on merger and reorganization of high-risk rural credit cooperatives" (No. 71) to encourage eligible M & A parties to carry out mergers and acquisitions in underdeveloped areas in the central and western regions. As a result, we balance the risk crisis, reorganize rural credit cooperatives, redeploy their tasks, set new targets for development, comprehensively reform the internal system of rural credit cooperatives through mergers and acquisitions, and strengthen the construction of organized management. The capability of internal risk assessment and early warning has been improved, and the flow of business management has been established. The channels of capital financing have been further expanded, and the capital financing channels have been enriched. Product types improve service quality, improve customer satisfaction and experience. Wuxi Agricultural and Commercial Bank should seize the opportunity of structural adjustment of China's financial market and small rural financial institutions, non-bank financial institutions to increase capital and expand shares, and merger and acquisition and reorganization of the same sector, to seek opportunities for foreign equity investment and to hold shares through equity participation and holding. While exporting capital, talents and management experience, we should permeate our prudent management concept and compliance culture into the financial institutions under merger and reorganization, promote their healthy and rapid development, and enhance their ability to support local economic development. In addition, as a listed company The Company, through the nationwide merger and reorganization of high-risk financial institutions, can further enhance the brand awareness and public image of Wuxi agribusiness in the capital market and fulfill its social responsibility.

Wuxi Agricultural Commercial Bank is the only cooperative financial institution of Wuxi Citizen Card, which has brought the bank a huge, stable and high-quality customer base. Wuxi Agricultural Commercial Bank should strengthen its ability to analyze the data of citizen card financial transactions. Understand the age structure of customers, consumption capacity, and financial preferences. According to the different financial needs and value orientation of different customer groups, the specific target marketing strategy is put forward. For example: for young customers, WeChat bank, mobile banking and other convenient channels to cooperate with credit card discount activities to regularly carry out all kinds of consumption Discounts, shopping rebates, bonus repayments activities to increase this part of the customer dependence on our bank, to increase the proportion of young financial customers in Wuxi agricultural firm customers. For the middle-aged and elderly customer group, we should provide warmth to their homes through high-quality and warm counter service, close the distance between them and the middle-aged and elderly customers, and recommend to them financial services and products that meet their risk appetite. Give advice on how to maintain and increase their wealth. For Wuxi Agricultural Company, it is of great significance to cooperate with Wuxi's all-covered network, to serve well and to market this customer group of 3.5 million citizen cards.

#### **5.4 Perfect talent reserve and training mechanism**

Strengthen the construction of the contingent, implement the strategy of talent development in an all-round way, adhere to the strategy of talent reserve mainly brought in internally and appropriately imported from outside, and gradually build up a contingent of professional talents suitable for financial reform and the Bank's business, For the rapid development of the bank to provide talent protection. Improve the hierarchical training mechanism, formulate and implement reserve cadre training plan, provide system guarantee for talent reserve and talent stability.

First, it is necessary to improve the technical and scientific training of professional personnel. In particular, it is necessary to strengthen the training of staff in some important positions, such as those at the technical level and at the managerial level, on the basis of strengthening their basic skills. Constantly inculcate a full range of knowledge and culture, such as financial knowledge, legal knowledge, marketing skills and so on. China will continue to do its best to organize the training of AFP (China registered financial analyst) and MBA (Master of Business Administration), so as to increase the

training of talents. With the combination of internal and external training, we should not only strengthen the training of internal talents, but also hire foreign highly qualified personnel from time to time to train, strengthen the quality training of team members, build a team with high efficiency and unity, so that they can give full play to their strengths and develop their skills. Promote the development of enterprises in a higher direction.

The implementation of the file system, that is, each employee with file development, at any time in accordance with the assessment results in order to promote. At the same time, in the light of the actual situation, we should formulate and implement plans for the training of reserve cadres, do a good job of regular inspection and dynamic management, and set up audit and inspection visits to reserve cadres. Comprehensive examination of various aspects of reserve cadres' abilities, such as professional competence, moral water Level, clean government consciousness, business level, etc., at the same time, record the results of each year and save them to see the progress in real time.

In order to establish a performance appraisal system based on cost - benefit, capital - consumption and risk - covering based on the appraisal system, an effective assessment mechanism, risk management mechanism, benefit evaluation and estimation mechanism, compensation mechanism, etc. The payment method of performance appraisal is changed to realize the deferred payment. In view of the actual situation of the branch of the site, the corresponding policy support is given.

## **5.5 Strengthen the construction of internal control system**

We should further improve the construction of the internal control system of the bank, promote the organic combination of compliance management and internal control management, cultivate a good compliance culture, step up the construction of compliance and set up the standard, establish the consciousness of "full compliance and compliance". Through the warning education, strengthen the implementation of the relevant regulations of integrity and self-discipline, and manage the company to live. The personal activities of the employees of the company and the company are considered as a whole, which will guide the employees to find their own career orientation, establish professional thinking, and improve their personal ability and quality. In addition, we should strengthen the training of compliance managers and strengthen the professional level and performance of the part-time management staff.

The main method in integrating the middle ground framework is to transform the Accounting and Settlement Dept. into the Operation and Management Dept. by including into the new Dept. the tellers at the grassroots level--both tellers at the front desks and tellers extending authorization, accountants, and accountant supervisor. Such a change will help them focus more on delivering service, and link their performance appraisal with their service quality, transaction number and accounting quality. But as they are directly approached by customers, when they recommend businesses to customers, they should be well rewarded.

The only truly unexpected finding in our data is the notably poor performance of Finnish students on the mathematics test. Two explanations of poor Finnish results are plausible. First, that the sample included in our study was of lower ability than a representative sample of Finnish students. This is unlikely given the strong emphasis on equity in the Finnish school system and historical evidence that differences between Finnish schools tend to be small. A second, more plausible interpretation is that the Finnish students were poorly motivated. This could be a consequence of collecting data very close to the end of the school year. Korean students also did not perform as well as expected, which may reflect a sampling issue – almost 40% of the sample was drawn from vocational schools, which cater to less academically capable students. This statistic is representative at a school level – approximately 40% of Korean high schools are vocational – but at a student level around 30% of students are enrolled in vocational schools.