

**Case Analysis of Frosista from the
Perspective of International Business**
基于国际商务视角对润兆渔业有限公司(Frosista)
对外投资的案例分析

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摘要：“一带一路”是新时期中国构建对外开放新格局的重要战略，它的实施不仅将加强中国与沿线国家的多方合作，也将为中国企业“走出去”带来更多的机会和更强劲的动力。我们选取了一家从事鱼子酱生产和出口的中小型企业——润兆渔业有限公司(Frosista)，通过实地考察和深入访谈，撰写了该企业的案例分析报告。

按照国际商务理论——企业现状分析——企业面临的问题——解决措施或建议的研究思路，我们从企业国际化、对外投资、全球战略、全球运营管理、国际营销、财务分析六个维度对企业进行了分析报告。

首先，企业国际化是国际商务研究的逻辑起点，我们主要依据国际新企业模型对 Frosista 的国际化进行分析，发现非关税壁垒是企业国际化主要面临的困境并总结了企业的应对方法。接着，在国际生产折衷理论的基础上，我们分析了企业的跨国经营方式，并为企业如何从出口贸易转到对外投资上提出建议。其次，我们考察了企业的全球战略，对其所处的宏观环境和微观环境进行战略分析，同时结合国际企业战略选择模式分析企业的全球战略，并简要说明 Frosista 未来尝试国际化战略新模式——战略联盟的可能性。第四，我们重点关注了企业国际运营中的供应链管理，梳理了企业的供应链，深入分析企业面临的问题并提出了对应解决措施。我们还关注了企业国际营销，主要运用 STP 理论分析企业面临的市场和定位。最后，我们简单整理了企业的财务状况，对其面临的财务风险进行分析并提出对应的规避措施。

在本文的最末，我们对以上出现的能够代表行业的典型问题进行了整合，并提供了对应的解决措施或建议，希望对同行业企业走出去有借鉴意义。

关键词： 一带一路;案例分析;国际商务;润兆渔业(Frosista)

Case Analysis of Frosista from the Perspective of International Business

Abstract: *The Belt and Road Strategy* is one of the most important strategies for China to open up to the outside world in the new period. Its complementation will not only strengthen the multi-cooperation among China and countries located along the belt, but also bring more opportunities and stronger driving force for Chinese enterprises *going out*. In this article, we select Frosista, one Chinese medium-sized MNC engaged in the production and export of *caviar*, and write this case analysis after taking field research and interview with top managers.

In order to analyze Frosista completely from the perspective of international business, we chose 6 dimensions consisted of internationalization, foreign investment, global strategy, global operations management, global marketing and financial analysis. And our main approaches are as follows.

First of all, since internationalization of MNCs is one logical starting point of international business research, we mainly analyze the internationalization of Frosista based on the *theory of international new ventures*. We find that non-tariff barriers are the main dilemma faced by Frosista and summarize the coping methods executed by Frosista. Then, according to the *theory of OLI*, we analyze the cross-national operation modes of Frosista and suggest how the firm change from export to foreign investment. Third, we examine the global strategy of Frosista through the analysis on micro and macro environment, and attempt to analyze whether it's possible for Frosista to form a *strategic alliance*, a new mode in international strategy. Moreover, we focus on *supply chain management* when it comes to operations management. An in-depth analysis of supply chain is done, many problems are diagnosed and corresponding measures are put forward. Fifth, we use *STP theory* to analyze Frosista's marketing. Last but not least, we simply sort out the financial situation of Frosista, analyze its potential financial risk and propose corresponding avoidance measures.

At the end of this article, we integrate the above typical problems which can represent the industry situation and provide corresponding solutions or suggestions, hoping to draw lessons for other MNCs in the industry.

Keywords: The Belt and Road; Frosista; case analysis; international business

Content

Part I Introduction -----	1 -
1. Politics Background, Industry, Firm and Research Design -----	1 -
1.1 Background of the Belt and Road-----	1 -
1.2 The Actuality of the Industry -----	2 -
1.2.1 The Yield of Sturgeon Caviar in the World -----	2 -
1.2.2 The Development of Chinese Caviar-production Enterprises -----	3 -
1.2.3 The Trade Volume and Demand of World Sturgeon Caviar -----	4 -
1.3 Company Profile -----	4 -
1.4 Research Design-----	5 -
Part II Case Analysis Based On International Business Theories -----	6 -
2. Internationalization -----	6 -
2.1 Theory of Internationalization-----	6 -
2.2 Frosista's Current Situation-----	7 -
2.3 Problems in the Internationalization of Frosista -----	8 -
2.4 Solutions-----	9 -
3. Foreign Investment -----	9 -
3.1 The Eclectic Theory of International Production -----	9 -
3.2 Frosista's Current Situation-----	10 -
3.3 Suggestions on Future Development -----	11 -
4. Global Strategy -----	12 -
4.1 Strategy Analysis -----	12 -
4.1.1 PEST Model -----	12 -
4.1.2 Poter Five Forces Model-----	15 -
4.2 Strategy Choose - Corporate Globalization Strategy -----	17 -
4.3 New Model of Internationalization Strategy - Strategic Alliance -----	18 -
5. Supply Chain -----	19 -
5.1 The Content of Supply Chain Management -----	19 -
5.2 The Status Quo of Enterprise Supply Chain-----	20 -
5.3 Problems in Frosista's Supply Chain Management -----	22 -
5.4 Countermeasures and Suggestions-----	23 -
6. Marketing -----	25 -
6.1 Brief Introduction to STP Strategy -----	26 -
6.2 Frosista's STP Strategic Analysis -----	26 -
6.3 Suggestion on Marketing Method -----	28 -
7. Finance Analysis -----	28 -
7.1 Current Situation of Frosista's Finance -----	28 -
7.2 Financial Risk Analysis -----	29 -
7.3 Avoidance Measures of Financial Risk -----	29 -
Part III Summary -----	31 -
Reference -----	32 -

Part I Introduction

1. Politics background, industry, firm and research design

1.1 Background of *the Belt and Road*

In 1877, Richthofen, a German geographer, called one thoroughfare which was used to trade silk among China, Central Asia and India as *The Silk Road* in his book *China*. Afterwards, The Silk Road became the primary road used to communicate between the east and the west in the economics, politics, culture and other aspects.

After the founding of China in 1949, with the reform and going out policy, China gained the rapid development in economics. In particular, China's accession to the WTO in 2001 made it possible for Chinese enterprise to break through domestic market restriction and go abroad, seeking the optimal and effective allocation of resources under the global context. There is no doubt that in the wave of globalization, China's outward internationalization continues to increase, and it's the same with the trade dependence.

In recent years, China's international status has been continuously improved and Chinese economy performs highly related to the world economy. In the case of China entering into a new normal state and reform again, China not only has always adhered to the basic national policy of opening up, but also give a new definition to the ancient Silk Road.

In 2013, President Xi proposed the major initiative---build the Silk Road Economic Belt and the 21st-Century Maritime Silk Road, which is abbreviated as the Belt and Road (B&R). Since then, the Belt and Road, Chinese new diplomatic strategy, has attracted a wide spread attention across the world. B&R is dedicated to link the development strategies of the countries located along the belt. Exploring the potential of the regions' markets, promoting investment and consumption, creating demand and employment, B&R will enhance the relationship among people living around the belt so that mutual respects and sharing harmony can be built.

Up to now, more than 3 years have passed by, and more than 100 countries and international organizations have participated in the construction of B&R. China also signed cooperation agreement with over 30 countries and carried out the international capacity cooperation with over 20 countries. The Asian Infrastructure Investment Bank (AIIB) and Silk Road Fund run well. And a number of influential landmark projects gradually implement. Connecting with Asia-Pacific economic circle in the east and

bordering on the European economic circle in the west, B&R is gradually building the world's most magnificent economic corridor.

1.2 The Actuality of the Industry

1.2.1 The Yield of Sturgeon Caviar in the World

IUCN start to limit wild sturgeon fishing in 1997, the world yield of artificial breeding sturgeon increased year by year, which is shown in Figure 1.

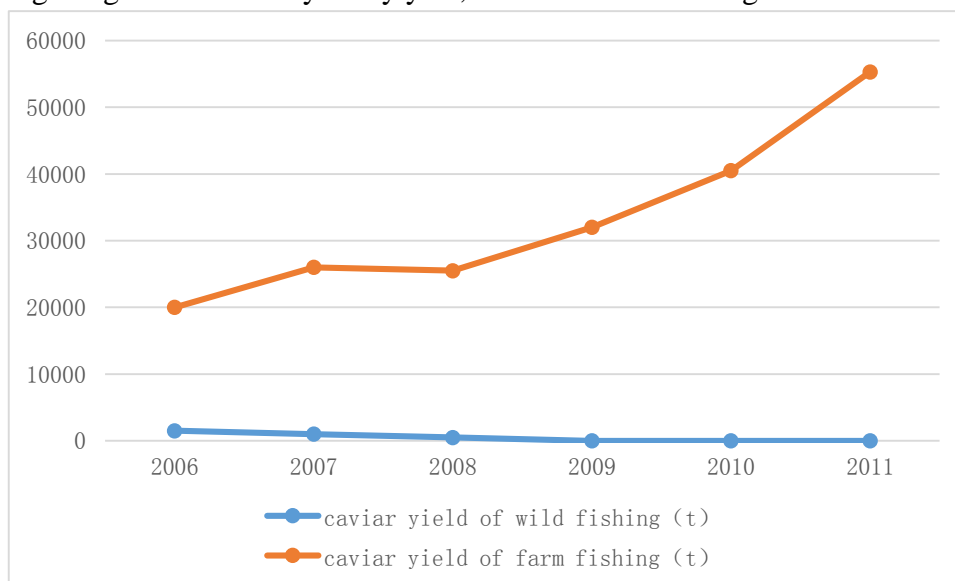


Figure 1 World sturgeon capture and aquaculture production(t) from 2006 to 2011 (Source: FAO)
The main world sturgeon caviar producing countries include five countries: Italy, France, the United States, Germany and China.

Seen from figure 2, the wild caviar production decreased year by year, the production of artificial breeding caviar gradually increased which can replace the wild caviar.

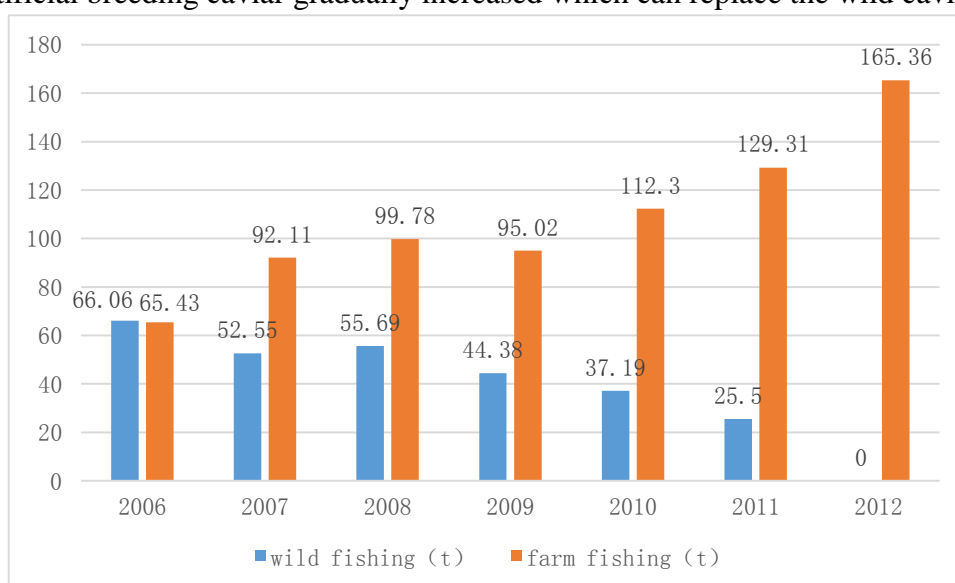


Figure 2 World sturgeon caviar production from capture and aquaculture during the 2006-2012

Table 1 shows that the yield of Chinese artificial breeding caviar is in a rapid growth, but the industry is still in its infancy stage in China.

Table 1 World sturgeon caviar production(t)(from CITES)

Countries	2006	2007	2008	2009	2010	2011
Italy	13.36	11.93	25.34	34.85	24.11	30.12
American	16.11	24.71	27.74	18.45	10.32	21.13
France	10.74	10.43	8.27	15.23	21.02	20.09
Germany	2.05	19.21	13.65	11.67	12.21	13.41
China	0.70	2.65	4.58	7.43	15.63	14.49
Others	22.48	23.18	17.36	3.34	29.01	30.07
Sum	65.43	92.11	96.94	90.97	112.30	129.31

1.2.2 The Development of Chinese Caviar-production Enterprises

Table 2 The main domestic enterprises in caviar production

Name of the company	producing countries	breed	aquaculture model	the annual output of caviar
Hangzhou Qiandaohu Xunlong Sci-tech Co., Ltd.	China	Acipenser Baerii, Acipenser Schrenckii, bester, Huso Dauricus	culture in net cage + Land water aquaculture	40t
Yunnan Amuer sturgeon Co., Ltd	China	Acipenser Baerii, Amur sturgeon, bester, Huso Dauricus	Land water aquaculture	1t
Frosista	China	Acipenser Baerii, bester	culture in net cage + Land water aquaculture	5t

In China, there are three companies who own perfect caviar production processing system currently, Hangzhou Qiandaohu Xunlong Sci-tech Co., Ltd is regard as the industry leading enterprises, occupying the total sales volume of more than 70%. The industry shows the characteristics of oligopoly competition market. Comparing the great demand of caviar, product prices has less competitive pressure, the increase of caviar yield is the focus of the development of the industry(Tab.3) .

Table 3 caviar yield from CITES

Countries	2006	2007	2008	2009	2010	2011	Sum
American	29.41	32.12	37.44	37.86	14.89	6.44	158.16
Germany	29.64	31.87	32.64	33.75	6.49	6.1	14.49
France	15.54	19.91	20.85	22.36	9.72	10.37	98.75
Switch	8.86	10.83	11.88	12.56	7.21	2.76	54.1
Japan	4.96	5.88	6.6	7.6	11.71	2.52	39.27
UAE	6.56	8.39	8.42	8.85	17.37	4.81	54.4
Singapore	4.58	4.98	5.26	5.85	1.12	26.23	48.02
China	3.36	3.85	3.88	3.92	0.7	4.66	20.37
Belgium	3.27	4.71	5.35	5.98	1.6	3.54	24.45
HK	3.77	3.99	4.25	4.56	4.69	0.07	21.33
Others	16.45	19.26	21.69	23.11	21.54	18.74	120.79
Sum	126.4	145.79	158.26	166.4	97.04	86.24	780.13

1.2.3 The Trade Volume and Demand in World Sturgeon Caviar

Because the sturgeon growing period is very long, sturgeon caviar production enterprises need to spend long fish-farming time in order to supply caviar production, so the industry supply growth is relatively gentle. The wild caviar trade is limited by international organizations, however, the artificial breeding sturgeon caviar production growth is slower. according to the international market, there still is a larger caviar demand gap. The sixth world Congress of sturgeon conservation statistics showed that the world caviar annual market gap was about 900 tons.

Because the CITES developed a sturgeon caviar trade limit, the volume of international trade in wild sturgeon caviar from 290t in 1998 to 1.85t in 2011, the total trade volume of the world's caviar and therefore presents a short-term downward trend.,

1.3 Company Profile

Caviar aquaculture industry is an emerging industry with high value-added, it has few competitors, high industry access threshold, high value-added products production and processing stage. the enterprises have higher ROA ROE rate and the growth rate in the industry.

Frosista occupied the domestic small market share, which belonged to follower of the industry. The company has essential technology of the whole production chain in artificial breeding and machining sturgeon caviar, which is still in the stage of start and innovation. This paper based on the field research, horizontal comparison of similar enterprises, in order to explore the effective development path of the Frosista.

1.4 Research Design

In order to analyze Frosista completely from the perspective of international business, we chose 6 dimensions consisted of internationalization, foreign investment, global strategy, global operations management, global marketing and financial analysis. In each dimension, we follow a specific research approach: first, introduce related international business theories or tools; and then, apply these theories or tools to explain the status quo of Frosista; third, conclude the problems faced by Frosista; finally, give solutions or suggestions.

Part II Case Analysis Based On International Business Theories

2. Internationalization

All companies, regardless of size, are affected by the international competition. With the wave of globalization, many Chinese enterprises are gradually moving towards internationalization. Internationalization begins when companies' business activities have some kind of contact with the international economy. Therefore, the internationalization of enterprises is not only the logical starting point of international business study, but also one of the strategies chosen. Hence, it's of vital importance to choose how to begin internationalization when domestic enterprises make up their minds to go out.

2.1 Theory of Internationalization

Internationalization refers to the process of enterprises participating in the international division of labor and developing from domestic enterprises to multinational enterprises (MNEs). When enterprises begin internationalization, they gradually recognize the influence of international economic activities, and then establish or conduct transactions with enterprises in other countries. The most representative theory of internationalization can be divided into continuous and discontinuous modes.

The continuous mode of enterprises' internationalization mainly explains that MNCs will choose target markets in accordance with the environmental (geography, culture, economic, politics, etc.) distance from near to far order and entry into the target markets from easy to difficult order. The main theory of continuous mode is the UPPSALA Model [1] (Johanson & Vahlne, 1990), which believes that internationalization is a gradual process of accumulating knowledge, increasing investment and developing slowly. The process has the following two typical characteristics:

(1) in the way of entry, the sequence is indirect export, direct export, setting up overseas sales department and producing abroad;

(2) in the choice of target market, the sequence is from the neighboring countries' markets to the countries' markets further located.

However, the internationalization of enterprises does not necessarily follow the traditional mode above. They can take a flexible, or even hop development to achieve the purpose of fast internationalization. This is the discontinuous mode of

internationalization, the main theory of which is the theory of international new ventures [2] (Oviatt, McDougall, 1994). This theory contains 4 elements:

- (1) organizational formation through internalization of some transactions;
- (2) strong reliance on alternative governance structures to access resources;
- (3) establishment of foreign location advantages;
- (4) control over unique resources.

According to the model, they concluded that small enterprises that rely on knowledge to create value are struggling to survive and succeed in the domestic market due to the lack of resources. Therefore, in order to survive and develop, these small enterprises are born to face to the international market and carry on international business; so they are absolutely MNCs. Besides, according to the number of companies involved and the degree of coordination in cross-border value, MNCs can also be divided into the following four categories:

Table 4 Classification of MNCs

		The number of companies involved	
		Little	Many
The degree of coordination in cross-border value	Little	Export/Import Start-up	Multinational Trader
	Many	Geographically Focused Start-up	Global Start-up

2.2 Frosista’s Current Situation

Compared with the slowly developing traditional MNCs, Frosista is undoubtedly an international new venture and the theory of international new ventures is more suitable for Frosista.

First of all, since the main markets of caviar lies in some developed countries from Europe and the United States, so from the beginning of the establishment, Frosista focus on the international market. After gradually opening the international market and accumulating some experience, Frosista began to make preparation to open the domestic market. Secondly, due to the lack of experience in aquaculture and processing, Frosista went through the "bring in and go out" process in the international road. "Bring in" is an internal international perspective, which means that enterprises seek resources from abroad. In order to obtain advanced technology, Frosista cooperated with some Iranian companies with advanced aquaculture and processing technology to seek technical resources. Besides, Frosista depended on Chinese geographical location, soil and water conditions to develop their own technology, and gain a large number of

patents. “Going out” is an outward internationalized perspective, reflecting in the growing number of international business. After the success of caviar research and development, Frosista cooperated with market dealers in Europe and the United States through the form of B2B to sale their caviar to the international market.

In addition, according to the four elements of the theory of international new ventures, Frosista’s internationalization can be described as follows: at the beginning of firm establishing, Frosista lacked adequate resources, especially technical resources. However, through the export-oriented and inward-oriented internationalization and their own R&D, Frosista accumulated a certain amount of resources. And then, Frosista carried on the process of vertical integration of the industrial chain to achieve marketing internalization, reducing transaction costs and improving economic efficiency, and gradually going into the international market.

Finally, based on the classification criteria of new international ventures, Frosista mainly developed its business in Europe and the United States. And the number of companies involved is quite less. Besides, as the enterprise developed a vertical integration, the degree of coordination in cross-border value is small. So Frosista belongs to Export/Import Start-up from the theory analysis, which is consistent with its real business condition.

2.3 Problems in the Internationalization of Frosista

In terms of its size, Frosista belongs to Chinese small-and-medium enterprises. And according to the industry classification, Frosista is engaged in the food processing export. Therefore, in the process of internationalization, Frosista is mainly affected by the host country's trade policy on its exports.

The foreign trade policy of each country is realized by concrete measures. The main trade measures include tariff barriers, non-tariff barriers and other foreign trade barriers. To encourage Chinese enterprises to go out, government has implemented some trade incentives such as export tax rebate for those who wants to go out. Frosista also benefited from the policy, so tariff barriers did not have much impact on Frosista. Nevertheless, some non-tariff barriers, especially technical barriers to trade(TBT), do have impact on the internationalities of Frosista.

For example, as technical standards are regulations or rules made by the host countries to ensure the quality of diverse imported products, only getting in line with the general technical requirements can these commodities enter the host countries’

markets, and further international markets. What Frosista operates is the export of caviar, one of the most expensive food in the world. Except for meeting the relevant technical standards, Frosista's caviar must satisfy the health and sanitary regulation of host countries, which seems to be difficult for a start-up cross-national enterprises.

2.4 Solutions

Faced with the plights of poor technology and non-standard products, Frosista took 2 steps to solve these problems.

First, learn advanced technology at home and abroad. With the assignment of technical team to Iran, the origin of caviar, Frosista has learnt some advanced technology and accumulated a lot of experience. After cooperating with couples of domestic research institutions, Frosista developed its own patents to make its products conform with the markets standards.

Second, in the case of standard technology and good quality, Frosista began to acquire some international qualification certification. Frosista is strictly in accordance with the HACCP quality management system and FDA health registration requirement in the EU and the United States. Besides, Frosista has passed ISO9001, one of the quality management system certification, and ISO22000, one of the food safety management system certification, which ensures that every step of production is under strict detection and control so that Frosista can provide excellent and required products for the international markets.

3. Foreign Investment

Since the reform and opening up, Chinese enterprises began internationalization through lots of modes such as export, investment, and non-equity financing. Big enterprises, often owing huge capital and high brand value, usually choose FDI (foreign direct investment) like greenfield investment and M&A to go abroad. As for middle and small-sized enterprises, especially for those who are engaged in food production and processing, they often choose export to go abroad, and it's the same with Frosista. Through the research, we found that Frosista just works on the caviar export in the traditional form of B2B. But now, firm takes the transition to B2C into consideration. Next, we will introduce the Dunning's Eclectic Theory of International Production and analyze the possibility of such transaction from export to trade investment for Frosista.

3.1 The Eclectic Theory of International Production

The Eclectic Theory of International Production [3] was proposed by John H. Dunning in 1977, also is known as OLI-Model or OLI-Framework. Dunning thought that the sum of commodity trade, resource transfer and international direct investment within a country constitutes its international economic activities. For Dunning, not only the structure of organization is important. He added 3 more factors to the theory:

(1) Ownership advantages (entrepreneurial skills, trademark, production technique, returns to scale) refer to the competitive advantages of the enterprises seeking to engage in Foreign direct investment (FDI). The greater the competitive advantages of the investing firms, the more they are likely to engage in their foreign production.

(2) Location advantages (existence of raw materials, low wages, special taxes or tariffs) refer to the alternative countries or regions, for undertaking the value adding activities of MNEs. The more the immobile, natural or created resources, which firms need to use jointly with their own competitive advantages, favor a presence in a foreign location, the more firms will choose to augment or exploit their O specific advantages by engaging in FDI.

(3) Internalization advantages (advantages by own production rather than producing through a partnership arrangement such as licensing or a joint venture). Firms may organize the creation and exploitation of their core competencies. The greater the net benefits of internalizing cross-border intermediate product markets, the more likely a firm will prefer to engage in foreign production itself rather than license the right to do so.

Besides, the different combination of ownership advantage, internalization advantage and location advantages determines what international business an enterprise does and their form of entry.

Figure 5 Market entry and Advantages Combination

Form of market entry	Categories of advantages		
	Ownership advantages	Location advantages	Internalization advantages
FDI	Yes	Yes	Yes
Export	Yes	Yes	No
License	Yes	No	No

3.2 Frosista's Current Situation

We analyze the current situation of Frosista in OLI theory.

From the perspective of ownership advantages, as China has a special kind of sturgeon with high quality---big sturgeon roe, pleasant color and can be produced in a

large scale, Frosista relies on such unique natural resources to produce caviar and promise the products quality and yield, which occupy an absolute competitive advantage in the market. Besides, as said above, Frosista applied for plenty of patents, which are also as a kind of ownership advantages.

From the perspective of internationalization advantages, Frosista is in the process of the vertical integration, which means firms integrates aquaculture, processing, transportation, sales in its own hands in avoidance of a series of transaction costs. Meanwhile, by absorbing foreign technology constantly, Frosista makes its allocation of resource stable.

From the perspective of location advantages, we don't think Frosista has a location advantage. This is because firm cooperate directly with the dealers in target markets when doing overseas sales. In other words, what Frosista carries on is the traditional form of business to business (B2B). From our investigation, we found that the lack of localization advantages of Frosista also brings headache for top managers. The reasons are as follows. First is the low bargaining power of Frosista with the dealer, causing the phenomenon of pushback from dealers on pricing. Second, Frosista face up with a huge operation and sales risk if dealers suddenly break the contact and don't cooperate with the firm. Under the occasion, the products will be backlog and the cost will rise. Third, it's not an easy thing for firms to build the brand if they always stand behind the dealers.

In summary, Frosista has the internationalization advantages and ownership advantages but lack of location advantages. At present, Frosista are actively build its own location advantages through the transaction from export to FDI, hoping to gain greater market share and build a better brand.

3.3 Suggestions on Future Development

According to the analysis above, we think Frosista needs to establish the location advantages and it is what the firm wants to change and do at present. Hence, after knowing the situation of Frosista, we give 2 suggestions about frims' transition to investment.

The first path is that Frosista could change from B2B to B2C; establish its own overseas sales department in other words. Firm can try cross-border e-commence, build warehouses overseas and take some effective marketing strategies (the following section will mention) into account to build brands, which could help Frosista bypass dealers, and gradually open the sales market. This path is more recognized by the firm

and it is willing to try. At the moment, Frosista has operated their own shops in Taobao in the purpose of accumulating a certain amount of e-commerce experience for to prepare for the cross-border e-commerce in the future.

Second, instead of directly exporting and establishing overseas sales divisions, Frosista can establish overseas production base, which means that firms carry on FDI directly. According to the target market conditions, firms can maintain the horizontal division relationship from the production of caviar to production design and sales. But this path is relatively difficult to achieve; it is a good time until the firm matures and gets more familiar with the target market. And most importantly, firms must have enough capital such as unique technology, cross-cultural human resources management skills and fund to support overseas business.

4. Global Strategy

Driven by the globalization of economy and information, the pace of globalization of the food industry is gradually accelerated under the influence of the factors such as the saturation of the market, the driving force of technological innovation and the investment of foreign capital. As high-end products of the food industry, the main sales market focus on Russia, Israel, France and Italy which have the traditions of caviar consumption. But with the rise of emerging market factors and promotion of high-end consumer class, the development of caviar industry in emerging markets such as China, East South Asia and other regions or countries is also very important. China caviar enterprises rely on the policies of “The Belt and Road”, to produce various caviars to cater for different preference. Also, these enterprises further excavate the product sales market through green investment, combining with other producing factories or other popular ways.

4.1 Strategy Analysis

4.1.1 PEST Analysis

(1) Political factors

Recent years, with the processing globalization, the export of Chinese food has brought great impact to the world food industry trade pattern. Greenfield investment, export, mergers, acquisitions and other ways have become the most important ways to open up the market. Countries considering the domestic food prices, expanding employment opportunities and other considerations, are gradually improving the level of barriers. But trade protectionism is widespread, Imports countries put forward strict

requirements on the number of price and qualification of food, making Chinese food export trade behavior of nationhood, even "dumping" and plundering "employment". what is more, for political purposes, these countries treated China as a currency manipulator, which is a major obstacle to the development of China's foreign trade industry, and food industry is in the rankings. In view of this situation, Chinese has promoted "The Belt and Road" system since 2013, China benefits its companies from the national level through tax relief, foreign trade qualification examination and approval of overseas investment. This, to some extent, alleviated the pressure of the export trade policy Chinese enterprises are taken on. "With the way" policy is put forward, Chinese food industry has been strongly supported, agricultural products, seafood farming, meat processing and other industries have invested in overseas factories, and actively increase exports. For China, the caviar industry is relatively unfamiliar, for its scarcity, high industry threshold and high-end positioning, when compared to other food exports Plate, the caviar industry's barriers and policy pressures are relatively small.

Because caviar can bring a supplement for fishing, processing and manufacturing, so the local government is willing to play a very key role: Chinese government plays an important guiding role for enterprises in tax subsidies, land approval, product certification and other aspects. The government's trade protection measures will cause enormous pressure on enterprises. Policy negotiations related to "The Belt and Road" "effectively break down trade barriers, to sparkle enterprises to dig needs in the future market, these policies also enable the enterprises to realize the extension of value chain.

(2) Economic factors

Caviar industry, because of its long business cycle, the amount of money required, the production of high technical requirements, coupled with a relatively fixed consumer groups. General traditional countries will be Russia, Italy, France, Iran and Philippines. At present, domestic caviar enterprises take the formula of domestic farming processing, go through the dealer and then put on the market. But in recent years, with the development of economic level and the improvement of life, more and more countries including China, have an increasing taste for caviar and other high-end food demands. At the same time, with the popularity of caviar consumption concept and the development of Internet electricity, the domestic market demand has shown great potential: Shanghai, Beijing, Shenzhen, Guangzhou, Chengdu and other first-tier cities are desperate for caviar and other high-end food, which also stimulated the rapid

development of domestic caviar industry. High-level food, desserts and other food is the main consumption of caviar carrier with rich cuisine and in the same time, high-end consumer groups is in the rapid growth. However, due to the past few decades in the sea, the black sea sturgeon is overfished, so the number of wild sturgeon sharply decline, wild sturgeon caviar has been unable to meet market demand. Therefore, in recent years, a set of aquaculture - processing – sale chains of caviar production enterprises came into being. Considering the high added value of caviar, high cost and longer operating cycles are likely to bright a potential huge benefit.

(3) Social factors

The cognitive level of the different consumer groups is increasing, the consumption of caviar titled the status of the top class. However, this behavior gradually transferred to the standing of status of both top-class and medium class. But with a fixed demand for the brand and the dealer's dependence on a larger degree, China's caviar export enterprises can only take a simple export underwriting model, failed to explore the majority of the market in depth.

(4) Technical factors

The caviar production is mainly focused on the consumption of traditional country, but with the sharp decline in the number of wild caviar, and consumer groups has changed from the original fixed high population to the majority of the middle and upper classes. So the expansion for caviar is increasing sharply. Most coastal countries already have the natural conditions and social conditions for the production of caviar, but so far only a few countries including China, have a caviar-producing enterprise with the pattern of farming-processing-sales, most of them are in a state of secrecy. The high-tech threshold allows only a small number of practitioners to enter, and the high-tech risks they face are also prohibitive for many traditional seafood processing companies. In addition, in the process of exporting the products, it is necessary to face a number of quarantine, so the technical requirements for the sterilization treatment, epidemic prevention, transportation and transportation are high. And the support technology Industries related to caviar industry are as follows: seafood farming technology, food processing technology, storage technology, cold chain logistics technology. Seafood farming has always been part of China's traditional agricultural system, and Sichuan has a congenital highlight of the natural environment and employment labor advantage. Thanks to the excellent technical team has fully absorbed the caviar industry farming, processing, transportation and advanced experience, Frosista company succeeded in

overcoming the technical problems in the caviar industry chain to ensure that the processing and transport links patency.

4.1.2 Porter Five Forces Model

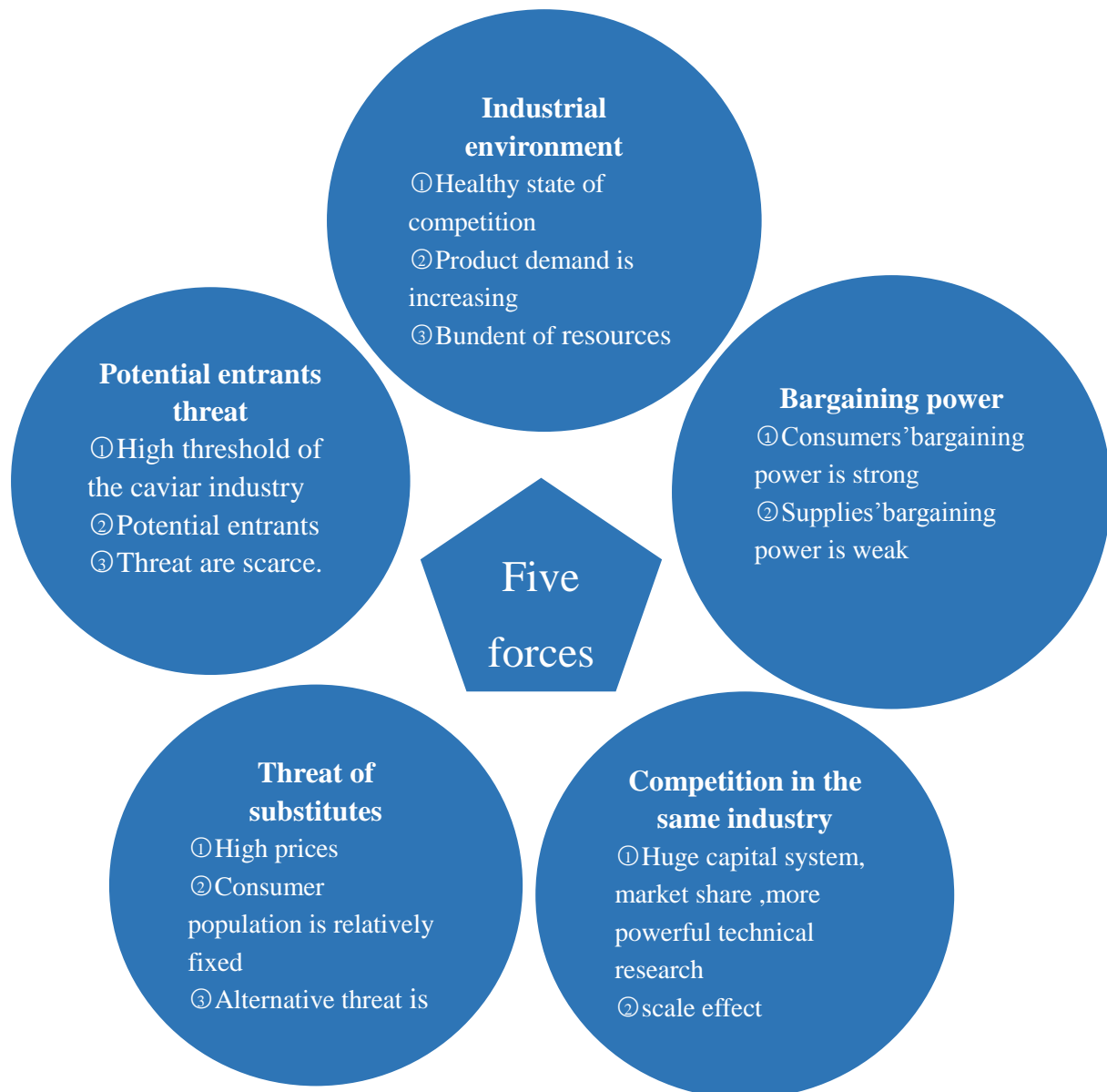


Figure 3 Porter Five Forces Model of Frosista

(1) Industrial environment

Caviar industry threshold is higher, but because customers rely more on dealers and brands, coupled with the scarcity of products and differences, making the industry in a healthy state of competition. For the difference in human resources, capital, technology and other aspects, the enterprise designed with different positioning products, have effectively enriched the connotation of the caviar industry. At the same time, caviar product demand is increasing, and it just coincides with China's "one silk

and road" policy, enterprises tried to achieve the internationalization. Moreover, as the technical team matures, barriers and protectionism is expected to cut back to a certain extent, the international development of caviar enterprises will touch unprecedented opportunities. Sichuan, due to its abundant labor and wet warm climate, is likely to bring a lot of convenience sturgeon breeding. And it is expected to have more room for the development of caviar industry in the future.

(2) Bargaining power of suppliers and consumers

Because caviar products are expensive, consumers have a greater demand for elasticity, so the price is less sensitive. And suppliers are to grasp the market and channels, the Chinese caviar enterprises take the sales model (supplier agent) for a higher degree of dependence on suppliers, so dealers and consumers 'bargaining power is strong. Caviar production industry is a serious dependence on some of the major distributors, which depend on the bargaining power of the enterprise. Dealers in assisting enterprises are promoting the product at the same time, reducing the profitability of enterprise products. This sales model makes the business very dependent on the dealer's operating conditions, the less the number of dealers is, the higher the channel risk is. In the after-sales service, product market information feedback through the dealer to arrive at the manufacturer, so its consumer information acquisition ability is low.

(3) Potential entrants threat

Because of the high threshold of the caviar industry, including adequate funding, professional team, sales channels, etc., the potential entrants to the caviar industry is relatively scarce.

(4) Threat of substitutes

Caviar consumption since ancient times is the identity of the logo. What's more, caviar, truffles and saffron are called the three most precious food. Because the consumption scale is small, the consumer population is relatively fixed, so the alternatives have the characteristics of high prices, there is so fewer alternatives, alternative threat is weak.

(5) Competition from companies in the same industry

The number of main competitors now in the domestic is namely Qiandao Lake Xunlong Co., the company has issued a prospectus to be listed, relative to the Frosista, Qiandao Lake Xunlong company has a huge capital system, market share ,more

powerful technical research , development capabilities and production capacity, But because the current caviar industry is still in blue ocean, Frosista designed characteristic brands according to the position, and it is combined with Qiandao Lake Xunlong Co.to form competitors scale effect and competitors scale effect effectively to promote the international development of Chinese caviar industry.

4.2 Strategy Choose - Corporate Globalization Strategy

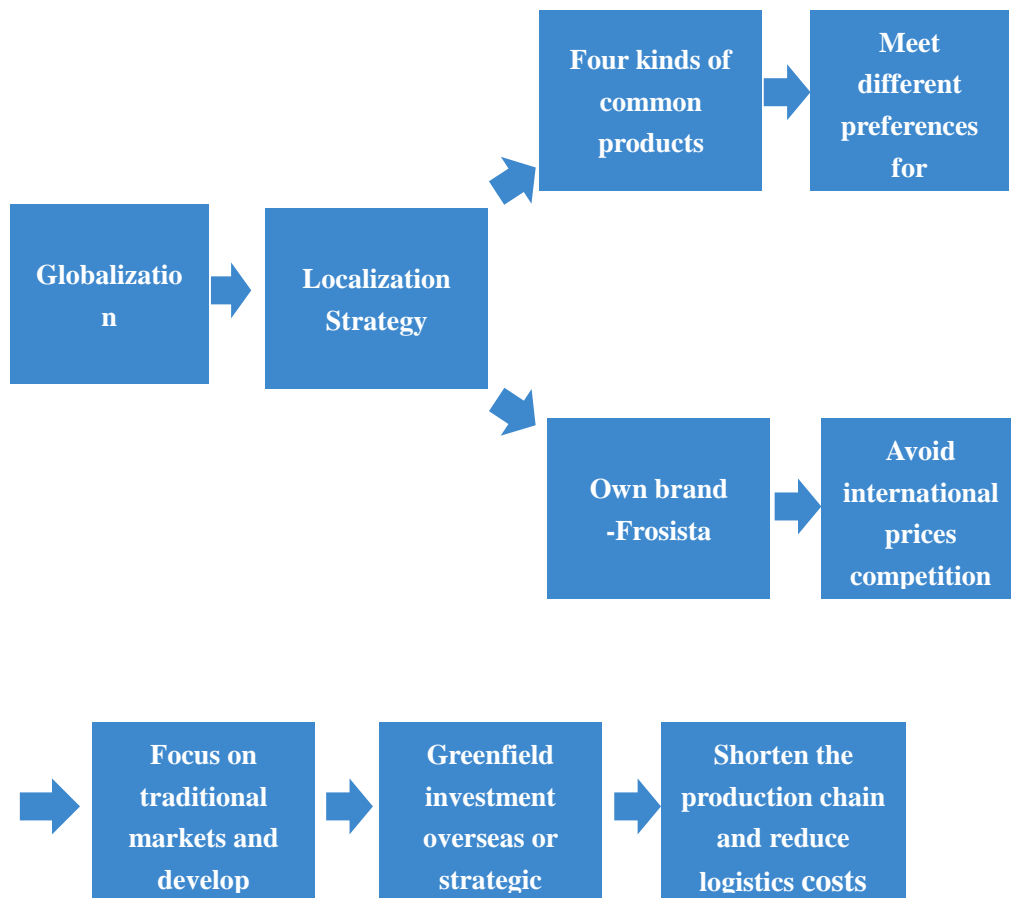


Figure 4 The Process of Strategy Choose

Because caviar enterprises have high-yield, high-risk industry characteristics, so consumers are low sensitivity to the price, and because of traditions and customers in different regions, the domestic caviar enterprises tend to take the localization Strategy, and moreover, Frosista features in strong adaptability, it can meet people in a wide scale.

In the early years of the establishment of the enterprise, the development strategy of the localization strategy was formulated, and the international sales channels were established to ensure the timeliness and effectiveness of the products sales in different countries. In order to solve the difference for caviar product preferences of different

groups of people, Frosista develop four kinds of products, respectively according to the four species of sturgeon: Siberia sturgeon, *Acipenser schrenckii*, Kaluga sturgeon, *Acipenser gueldenstaedti*. In addition, in order to avoid international prices competition, Frosista pays special attention to the improvement of the product, to create their own Frosista. Chinese special high-quality sturgeon species - huso sturgeon is the main raw materials of Frosista. Also, because the huso sturgeon eggs has the characteristics of large size, bright color, and mass production, it is popular with caviar lovers.

At present, in addition to the traditional market (Russia, France, Israel, Italy, Philippines), the focus of enterprise development mainly concentrated in the American market and the East Asian market, mining potential consumer groups, realizing the global sales network. What's more, in order to facilitate the realization of the strategy of marketing across the country, the company is also engaged in the export of international trade and investment advisers, and relies on the relevant qualification agencies to ensure the effectiveness of marketing. Frosista mainly takes large distributors mode for product sales, because the varieties of strong pertinence, it is characteristic of fast operation and effectiveness. But when the demand gradually increased, it is necessary to enhance the production capacity and facilitate sales model innovation. It can effectively shorten the production chain and reduce logistics costs through overseas factories or overseas production in other ways.

Frosista's main competitor - Qiandao Lake Sturgeon Dragon Co., Ltd., has been listed. In the future, Qiandao Lake Sturgeon Dragon Co., Ltd. will advance the process of international development by combining with a number of overseas OEM business strategic alliance to shorten the distance of the industrial chain. Also, it can effectively reduce production costs and transportation risks. Caviar business main focus on the depth of the excavation of overseas markets. Such kind of industrial model can effectively meet the needs of different consumers, target marketing and achieve the maximization of overall revenue. Due to the size of enterprise funds, the number of brand management staff and other reasons, Frosista is still in the domestic production - large dealer's agent industry model, its bargaining power is weak, market share is small and it is faced with some other restrictions. So only when it is in the next stage, enterprise development will take the form of overseas green investment or strategic alliance initiatives.

4.3 New Model of Internationalization Strategy - Strategic Alliance

In the future, an important goal of enterprises is to further explore foreign markets. But taking into account the protection of some countries, the cost of capital operation and other reasons, green investment is not the first major barriers to reduce measures. And combining with the local qualified import processing enterprises or foreign trade enterprises is an important way to enter the international market. With the help of trade qualification and production capacity of alliance enterprises, domestic enterprises provide technical and personnel guidance, this industry chain model not only ensures the unity of domestic and foreign products, but also has a significant role in the improvement of marketing cycle, logistics costs, production capacity etc. Frosista' main competitors - Qiandao Lake Xunlong Co. Ltd., has begun to build the overseas investment alliance. The goal is to promote the development of the overseas business of the enterprise through the joint operation with the high-quality seafood production and processing enterprises, and with the relevant investors to create a new brand. Because of a short establishing period and limited resources of marketing and financing, Frosista is expected to develop overseas market in the next stage.

5. Supply Chain

In the current context of globalization, for the multinational enterprises the question how to plan, organize, implement, control the business process effectively, integrate the global resources, use the information technology network and build the global competitiveness through the supply chain management, have become a major issue that the enterprise management facing. Because Frosista is mainly engaged in the breeding, processing and food exports, so in this part, we will focus on the supply chain management of Frosista, and make specific analysis on it.

5.1 The Content of Supply Chain Management

Harrison defined the supply chain as: "the supply chain is a functional network that performs the procurement of raw materials, converts them into intermediate products, finish products and sells them to the user." Stevens of the United States said: "the supply chain, which controls the flow from the supplier to the user through the value-added process and the distribution channel, begins at the source of the supply and ends at the end of the consumption." Therefore, the supply chain is a kind of Interface between the customer and the supplier through the Plan, Obtain, Store, Distribute, Serve and so on, which enables the enterprise to meet the needs of internal and external customers. Supply chain management is the coordination of internal and external

resources to meet the needs of consumers. When we put the enterprise in the supply chain as a Virtual Company (Kenneth Preiss, Steven. L. Goldman, Roger. N. Nagel, 1991), and put any enterprise as a department of the Virtual Company alliance, the internal management of alliance is supply chain management. But the composition of the alliance is dynamic, according to the market needs change at any time. Supply chain management involves four main areas of supply, schedule plan, logistics and demand.

5.2 The Status Quo of Enterprise Supply Chain

Frosista adopts the vertical integration mode of production management, in accordance with the order of the supply chain include: fry rearing, juvenile sturgeon breeding, adult sturgeon culturing, sturgeon caviar production, frozen sturgeon meat production, domestic and overseas marketing. The company runs an one-stop production management. The advantages of this mode of operation are as follows: one-stop production and operation can ensure that the sturgeon growth all controlled by the enterprise, and can ensure the quality of sturgeon caviar products. In addition, the vertical integration mode of production can make the enterprises obtain the largest profit of sturgeon caviar production and sales, accounting for all the value-added part of the supply chain.

The disadvantages of this mode of operation are as follows: the vertical integration mode of production makes the supply chain of enterprise bloated. The enterprise has to deal with all the problems of sturgeon breeding at each age stage, so that companies can not only focus on the highest value-added stage of sturgeon caviar production. This production model is not suitable to the expansion of enterprise projects. The Fig.5a) and Fig.5b) shows the improvement model of enterprise supply chain which is

designed by our suggestions.

Note: RunFisheries Co., Ltd is the Chinese translation of Frosista's name

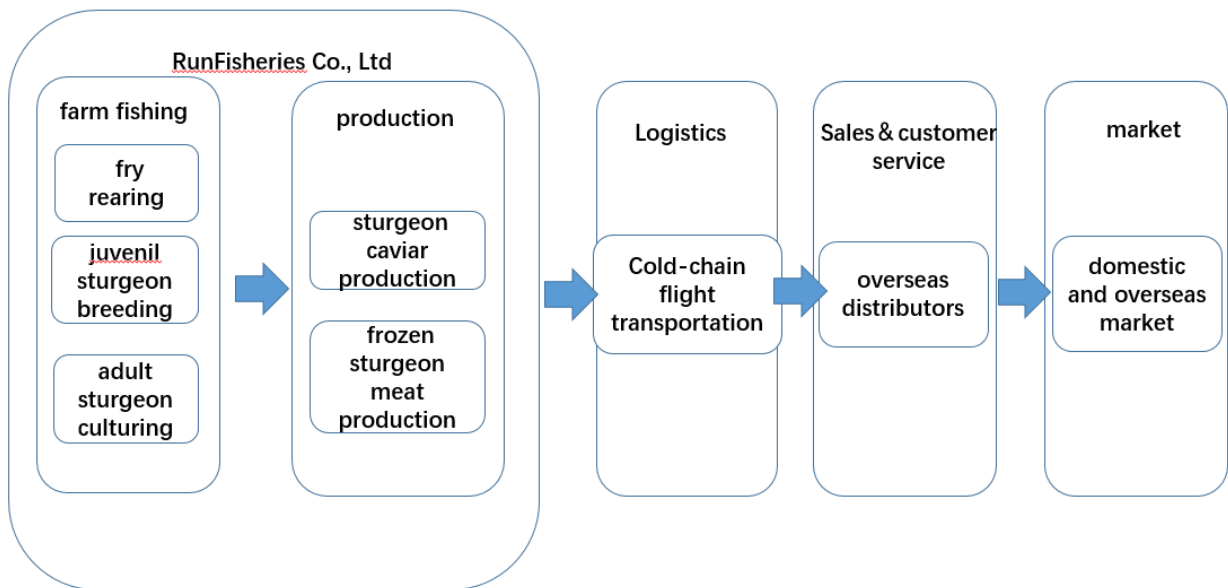
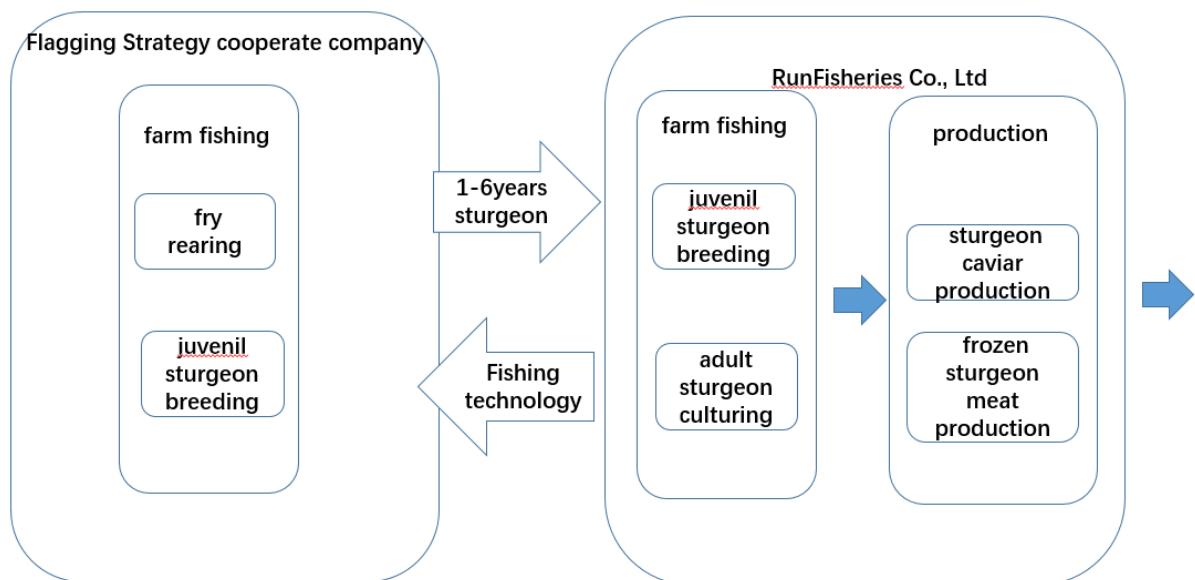


Figure 5a) The Status Quo of Enterprise Supply Chain



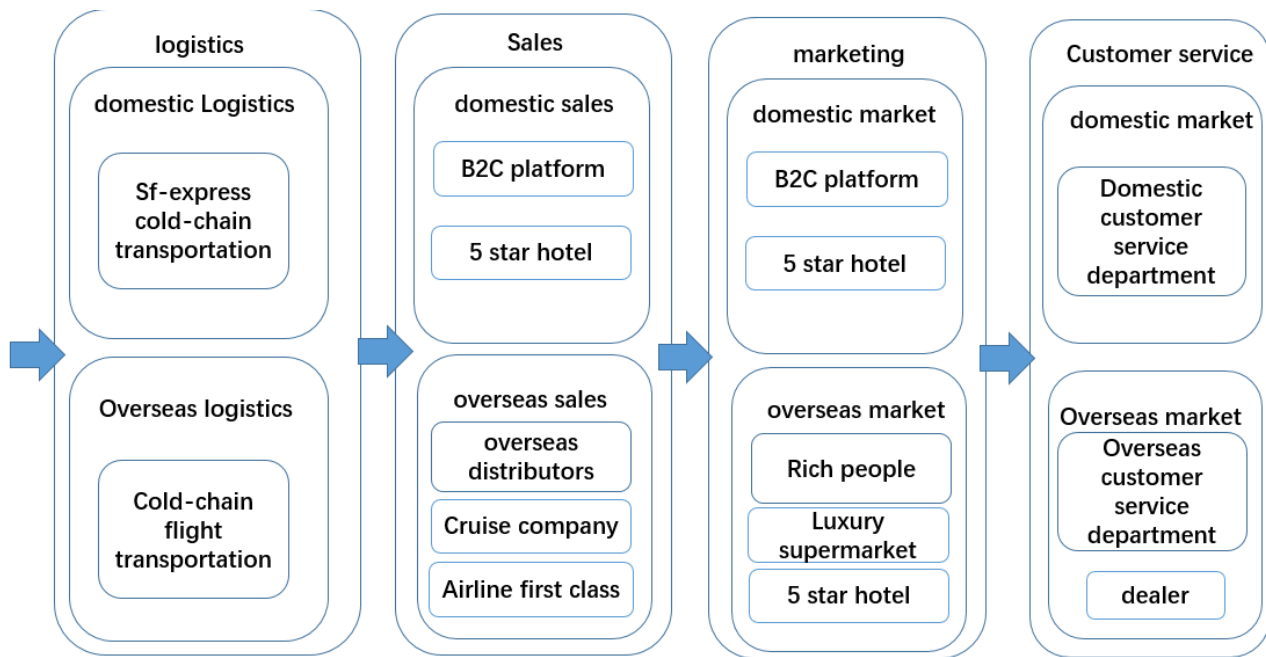


Figure 5b) The Improvement Model of Enterprise Supply Chain

5.3 Problems in Enterprise Supply Chain Management

5.3.1 Artificial breeding

(1) Gender distinguishing technology of young sturgeon

Sturgeons grow slowly and the production cycle is very long. So if we culture sturgeons regardless of gender, the culture cost of male sturgeons with low economic value will go up. However, gender features of young sturgeons are not obvious, so gender distinguish technology of young sturgeon will help to reduce production cost and improve production efficiency.

(2) Problems caused by different requirement in different growth stages.

Sturgeons' growth process can be divided into two stages. The first stage, which is the young stage, is mainly about body growth. so broad activity space is needed. While at the later stage, the maturity stage and also the gonadal maturity stage, sturgeons' growth environment decides the quality of Sturgeon eggs. Appropriate water temperature, water with high oxygen content and nutritious fish feed are needed for sturgeons. Therefore, sturgeons need different living condition at different growth stages.

(3) Problem that sturgeons get through the summer in Sichuan

Sturgeons will stop growing or even die at high temperature environment, while

the survival rate of sturgeons will influence enterprise's production cost. Though the period when the temperature is suitable for sturgeons to grow is very long in Sichuan, the high temperature there in summer is a deadly threat for sturgeons, so how to help sturgeons get through summer is a key problem for enterprise to solve in culture process.

5.3.2 Processing

This chapter talks about problems of caviar processing technic. Caviar is one of three most expensive ingredients in the world. Costumers have strict requirement on taste, diameter, grain plumpness and texture of caviar. At the same time, United States Food and Drug Administration (FDA) and Fish and Wildlife Administration (FWA) have relevant requirement on caviar production. Food and hygiene recommend organizations in EU countries specifically draft food safety regulations consistent with their situation and supervise the implementation according to provisions under the framework of EU health food safety regulations. As caviar export enterprises, all these regulations have various requirements on caviar quality. And they can't export caviar products as long as any products quality requirement or hygiene standard is not satisfied.

5.3.3 Logistics

Large cans package of 1kg or 1.8 kg is the main form when caviar is exported to the international market. Caviar is fragile and might break up under too much pressure, so there are not bigger packages. International aviation cold chain logistics is the main transport pathway. Cold-chain flight transportation bag is used when packing and meanwhile large chunks of ice are used to keep the temperature around 0 degrees Celsius inside the package. Large chunks of ice put in the transportation bags bring up higher air transport fee and increase logistics cost, which bothers enterprises a lot.

5.3.4 Sales

There are too few overseas distributors with abutment in sales of Frosista at present stage. Dependence on distributors will result in reduction of enterprise profit space and the decrease of bargaining power. Frosista only has two most important cooperative distributors. Having too few cooperative distributors can't provide bigger market platform and there are a lot of countries and markets to be developed in the international market. Cooperating with famous distributors is the main sales model of caviar production enterprises. There are about 200 caviar distributors now around the world. Cooperation with more distributors will help develop the market efficiently.

5.4 Countermeasures and Suggestions

5.4.1 Aquaculture Suggestion

(1) Aquaculture Model Suggestion

Compared to the sturgeon caviar industry, this paper suggested the “Flagging Strategy” as the aquaculture model of cooperative production. The farmer could set up the rural cooperative in each of sturgeon aquaculture zone in order to supply the standardized baits and cultivation technique. For 1-3years of low age sturgeons, it should be marched the breeding outsourcing and shorted the supply chain of relevant enterprises. The company concentrated on breeding sturgeons of 4-6 years of echelon breeding and 6 years of well gonad development which decreased the added-value of aquaculture in order to shorting the culture-cycle.

(2) Sex Determination Technology Suggestion for the Low-age Sturgeon

The sturgeon sex determination technology includes minimally invasive surgery, ultrasonic determination and endoscopy. By the experimental tests, some advanced manufacturing enterprises with the highest sturgeon sex detectability, because they used the ultrasonic determination methods which could improve the resolving time for 2-3 years. This technology may choose the females at the first time which cost the breeding reduction and in high efficiency.

(3) Phased Aquaculture

It is necessary for low-age sturgeon to culture in reservoir cage, for this purpose, sturgeon will growth quickly on account of the great living space. After 6 years old, the pond culture is needed, because the pond with clear water and in well oxygen content which could improve the spawns' quality. Finally, water temperature would also control in the best condition.

(4) Some Resulting Measures for Sturgeons during summer

By some experimental tests, the Russia sturgeon could live in high temperature while in low-age moment, and spend the whole summer in cage under in shadow conditions. However, for some opposite species, it must stay in over-summer pond and draw the reservoir's low-temperature-water. During in land culture section, there's no need to use those methods because the water is pureed and cooling and more suitable for sturgeon living.

5.4.2 Processing Suggestion

In caviar processing technology, Frosista has been explored the key technic for sturgeon culture on the basis of Iran traditional handicraft, European advanced

technology and self-features of Chinese sturgeon. Therefore, it keeps the high quality and has more power for further development.

5.4.3 Logistics Suggestion

In the same caviar production industry, based on experimental tests, the engine room temperature could match the fresh requirements and enclose in air parcel without any large ice block. Frosista may try to use it to reduce logistics cost.

5.4.4 Industry Expansion Mode Suggestion

There're still existing undeveloped markets in international worldwide beyond Frosista. In offline market, the caviar fans always favorites in the international boutique food store and supermarket. The high bid price caviars in these supermarkets also needed the high-quality and variety species while it's fulfilled some enterprise caviar products. Besides, for aviation and cruise market, especially the first-class and advanced passengers, the caviar foods needed steadily and always purchase in advance. Therefore, they are the main clients for caviar enterprises. Moreover, many famous caviar distributors spread all over France, Germany, Belgium, Switzerland, Luxemburg, America, Singapore and Japan in international scope. The company should adapt to "One Belt and One Road" development tendency, enlarge their distributor amount and generalize their brand influence. At the same time, they should build the e-commerce platform to apply the face-to-face consumer direct selling channel as well as explore the domestic market and attract consumer's attention.

There are still have steady high-end consumer group in some first-tier cities of domestic market, such as Beijing, Shanghai, Guizhou and Shenzhen. They are spending their time in five-star hotel, restaurant and boutique import-type supermarket. Therefore, Frosista may mainly focus on domestic consumer group.

From the promotion model of production field, Frosista was still in the primary stage of establishment and lower caviar output. The key point to achieve efficient development is to improve caviar production in high-speed way. The main competitor for Frosista is Qiandaohu Company. The company has measured the "Company + Base + Standardization" and "Flagging Strategy" as the promotion model. Parent company controlled the caviar production technology and 3 years' sturgeon aquaculture. It can short culture time, enhance core competence and improve industry's efficiency.

6. Marketing

Assessment of potential market to entry is the first step in the international

marketing planning process. In this section, we will use STP marketing to analyze global market segmentation, target market identification and market positioning.

6.1 Brief Introduction to STP Strategy

STP theory market segmentation has been proposed by the US marketing expert Wendell Smith firstly. When the enterprise faces the different consumers in the broad market, the consumer groups have different consumption characteristics because of their income level, consumption habits and cultural environment. This theory helps enterprises to divide the company's product market into a number of different consumer groups according to the consumer's consumption habits, needs and company's product characteristics. This market segmentation helps enterprises to target the target market, customize marketing strategy, improve the economic efficiency and business efficiency of enterprises.

Among them, the market segmentation is the process to determine the market variables and segment market, describe the outline of segment market. Enterprises should choose the market they going to enter firstly. Prior to this, it is necessary to carry out market segmentation, that is, dividing the market into several parts in accordance with the established criteria, and then selecting the market they are going to enter according to their own conditions.

The target market selection is the process to select specific market segments and evaluate the attractiveness of each segment.

The market positioning is the process of shaping, selecting, describing and spreading concept of market orientation in the minds of consumers, which is based on the position of the competitor's existing product in the marketplace and sticking to the degree of importance of the user to a particular feature or attribute of the product.

6.2 Frosista's STP Strategic Analysis

6.2.1 Market Segmentation

Firstly, we carry out the market segmentation by geographical location. Based on the geographical location of the world's leading distributors of caviar, it will divide the consumer market into the European market, the Middle East market, the U.S. Market and Chinese market according to geographical factors.

Secondly, we carry out the market segmentation by consumer spending power. Sturgeon products are mainly divided into high-end caviar products, as well as the mid-

ranged frozen sturgeon meat and its finished products.

Finally, we carry out the market segmentation by consumer behavior factor. Because the prices of caviar are higher, customers are mainly the fixed demander with high consumption ability, mainly divided into internationally renowned dealers, high-end five-star hotel, individual consumer with a fixed consuming demand.

6.2.2 Target Market Strategy

In the international market, caviar and frozen sturgeon meat are the main products of Frosista, supplying caviar for high-level consumer market, supplying frozen sturgeon meat to the mid-ranged consumer groups. There is a long tradition of eating caviar in the Middle East and Europe. As a traditional market for caviar sales, the two countries should still be developed as important markets. But this year, Europe suffered European debt crisis and the financial crisis, the growth of market consumption capacity is very slow and the market size tends to be stable. while, the U.S. has big total market and more high-income consumers. At the same time, US economic growth is stable. Consumer spending power and consumer willingness meet the requirements of caviar sales most. Therefore, the United States should be set as a new sales growth point.

In the selection of products in the market, caviar as the main profit products and company's main business, should be continually taken as the main product. Caviar has the advantages of high profitability production, strict technical requirements, higher technical barriers, which could continue to bring huge profits for the enterprise. Deep processed products in frozen fish, sturgeon meat, enterprises are still faced with the challenge of consumer education and the gross margin is too low and other issues, but the frozen sturgeon meat can fill the blank of enterprises' supplement in the mid-market products, and also take use of the residual value of fish egg shell after the product is an important link in the chain extension.

6.2.3 Market positioning strategy

Positioning from the consumer type, caviar has higher price. The final product sales price is about 10 thousand to 18 thousand yuan per kilogram. As food, caviar is a luxury food ingredient, its consumers are high-level groups that possess high taste. The supply market price of deep processed products of frozen sturgeon meat is about one hundred to two hundred yuan per kilogram, frozen sturgeon meat prices are moderate, it can be accepted by most consumers, consumers of such products pay attention to meat quality and taste, taste value, but also has the quality of life needs, so the end consumer groups of the products are mainly oriented in.

Positioning from competitors, among all kinds of high-end food material, sturgeon caviar, truffle and goose liver are the most expensive. Of the same kind food materials, Hangzhou Qiandaohu Xunlong Sci-tech Co., Ltd. as the main competitor to Frosista, its deep processing of fish, promotion model to farmers and patent production technology also gains Frosista's respect and appreciation.

6.3 Suggestion on Marketing Method

In order to reduce dependence on well-known distributors, caviar production industry should attach importance to the marketing of consumers, while establishing a long-term cooperative relationship with more well-known dealers. To build their own marketing team, establishing a stable relationship with foreign consumer groups, such as the stable consumers who has high consumption ability, high-end hotels and well-known chefs, then build their own overseas direct sales team. In addition, through eBay, Amazon and other foreign trade business platform, establish its own B2C channels to achieve directly selling products to customers through the cold chain air transportation.

The caviar does not contain additives, so it has higher demand on storage, usually around 30g can pack caviar only has 3 months' shelf-life, while the 1kg packaging tank caviar can be extended to 1 year, and because the price of caviar is high, the terminal consumers usually buy small cans packaging products, so it has higher requirements on the direct selling' ability of cold chain transportation and small inventory distribution delivery system.

7. Finance Analysis

7.1 Current Situation of Corporate Finance

In the production, the most important production cost of Sichuan Run Fisheries Co., Ltd is the cost of sturgeon farming. Annual output of Sichuan Run Fisheries Co., Ltd. is 7 tons of sturgeon caviar at present, compared with competitors whose 30 tons of annual caviar output in the same industry, it has big gap, its competitor Hangzhou Qiandaohu Xunlong Sci-tech Co., Ltd. has developed in Pre-ipo stage, the high amount of capital from listing and financing is conducive to develop more projects. Throughout its history, Hangzhou Qiandaohu Xunlong Sci-tech Co., Ltd. has experienced nine times of financing 05.4,05.7,06.7,08.1,09.7,09.11,10.7,10.12,14.2, it changed from limited liability company., with registered capital 6.6 million Yuan. to Co., Ltd with registered capital 61.55 million Yuan. Its first time of prospectus plan needs to rise more than 200

million Yuan, the company in continues financing expanded its company and project scale.

Cash flow pressure faced by Frosista is relative high, and current financing channel of the company is mainly bank loans, financing channels are relative simple. So, the company continues to expand financing channels in capital market and obtain funds for sustainable development of the company. External capital entry not only can bring financial support, but also bring advanced management experience, support of production technology and expansion of marketing channels.

7.2 Financial Risk Analysis

Frosista (hereinafter referred to as company) mainly faces financial pressure caused by sturgeon disease, seasonal imbalance of cash flow brings high pressure in day-to-day operation and foreign exchange risk due to export.

Sturgeon in 1-6 stage is grown in natural waters in net cage, so abnormal high temperature or low temperature of natural water due to climate change will affect growth of sturgeon and reduce sturgeon caviar yield. So, the company's caviar yield is uncertain. In addition, if natural water quality changes adversely, it will also affect the quality of caviar, resulting in low product prices or slow sales and other issues. Therefore, enterprises will face financial risks due to uncertainties such as climate, environment and ecological water quality. Resolution need to be recommended

In sturgeon farming, sturgeon growth time is longer, if sturgeon shows disease or death of group due to diseases, and it will affect the production, management and profitability of enterprise.

The best season of sturgeon ovulation is in spring and autumn each year, caviar demand usually concentrates in winter in Europe and America. So, cash flow of the company usually is in winter. While sturgeon farming requires continuous cash flow to buy feed, manpower and other resources, companies often face unbalanced business income pressure. Company needs to deal with the returned money management in winter as well as expenditure budget of daily production and operation.

In addition, European and American markets are main export markets, the company usually uses foreign currency for settlement in daily business, and international exchange rate fluctuation will bring foreign exchange risk to enterprises and reduce corporate net profit margins.

7.3 Avoidance Measures of Financial Risk

In sturgeon epidemic control, Sichuan Run Fisheries Co., Ltd. has established a complete set of sturgeon disease prevention and control system to vaccinate sturgeon in advance, these methods have reduced the incidence of various diseases of sturgeon effectively.

In order to prevent pressure of operating funds of the company from seasonal changes of cash flow, in the beginning of each year, companies calculate total demand to sign pre-order contracts, after estimate sale volume in retail market this year, they can calculate total amount of funds for aquaculture within one year, and make financing plan to reduce the quarterly financial pressure rationally.

In face of foreign exchange risk, companies can try to use long-term foreign exchange financial products to do hedging, or take RMB as money of account to avoid foreign exchange risk.

Part III Summary

Here we integrate the above typical problems which can represent the industry situation and provide corresponding solutions or suggestions, hoping to draw lessons for other MNCs in the same industry.

The first is about internationalization of the enterprises. There are variable ways to go out, and enterprises should take their won advantages to choose how to begin their internationalization. The biggest problem in the process of internationalization is different kinds of barriers. As for food export enterprises, TBT (technical barriers to trade) sets a high threshold for enterprises entering the target markets. To take the “bring in and go out” approach may be a good choice for absorbing foreign advanced technology and going out by integrating all the resources.

The next is about foreign investment. We found that many small and medium-sized domestic enterprises always choose export commodities to go out, and it has some disadvantages of lacking bargaining power and branch building. Under this condition, firms could attempt to try cross-border e-commerce, build warehouses overseas and take some effective marketing strategies to gradually open the sales market if the firm is willing to expand business across the world.

According to the supply chain process, this paper putted forward some difficulties of caviar industry at fifth part and provided relevant suggestions. In allusion to the difficulties in aquaculture model, this paper suggested to generalize the advanced “Flagging Strategy”, at the same time, other technology was also included, such as identifying sturgeon sex by ultrasonic, grading caviar breeding and building aestivate pond. In logistics, the enterprise should not use the ice cooling technology.

In market developing, this article emphasized the importance of detailing international market and domestic market construction. On sixth part, this paper used the STP strategy to research the caviar manufacturing enterprise’s marketing operation. Furthermore, on seventh part, it also analyzed the financial crisis faced by sturgeon caviar industry to provide suggestions in prevent and control caviar disease, money flow annual plan and keep away foreign exchange crisis.

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