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Successful Year With a Redefined Business Model

June 23, 2015 | Analysis | By BioSpectrum Bureau

Successful Year With a Redefined Business Model



Singapore:Ã?Â

SINOPHARM Group, China
Chairman: Mr Wei Yulin
Revenue: $31299.8 mn
Business: R&D, manufacturing, distribution of healthcare products, value added supply chain, service provider

China's pharmaceutical industry is undergoing a shift in policies in regards to drug tendering, medical insurance fee control, medical investment, medical e-commerce activities and anti-commercial bribery that has created an air of uncertainties for the industry. The environment led Sinopharm to revise its business model so as to evolve and succeed as per the trends and policies.

In 2014, Sinopharm pursued innovation in business models based on modern pharmaceutical logistics and internet technology to further optimize the development mode of pharmaceutical distribution industry.

The company is exploring new frontiers in strategic planning and execution and shifted from a scale-oriented model to efficiency-oriented model for deepened platform and resources integration. The efforts resulted faster growth rate in profit than in sales and recorded a net profit of $734 million, representing an increase of 27.15 percent as compared with the corresponding period of last year.

In the year 2014, Sinopharm focused on penetration into lower tier cities and by the end of the year, the distribution network under of the company covered 31 provinces, municipalities and autonomous regions.

The company continued to establish a standardized system in four dimensions namely logistics technology, management, service and operations. They launched Sinopharm Logistics Standard and Technology Management Committee to build a regulated, centralized and standardized logistics service brand. Strengthening its assets, Sinopharm plans to acquire 66 percent equity interest in Sichuan Medicine Group at $76 million.