



Factors Affecting the Core Competitiveness of Enterprises

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Abstract. It was Prahalad and Hamer who first put forward the concept of core competence and defined it. Since then, a research upsurge on core competitiveness can rise. Different researchers have studied it from different perspectives, such as technology view, knowledge view, resource view, organization view and system view, and formed different schools. A study of Chinese companies through a literature review research method. This paper summarizes relevant theoretical knowledge and research literature, mainly discusses the factors that affecting the core competitiveness of enterprises, and draws the following conclusions that the core competencies of the company are divided into three dimensions: product technology capability, understanding of user needs, distribution channel capability enterprise product innovation ability. This paper may offer some references for enterprises to improve their core competitiveness.

Keywords: Product technology capability · Understanding of user needs · Distribution channel capability · Enterprise product innovation ability

1 Introduction

Since the reform and opening up, China's enterprises have been developing, enterprises in the economic development has played an important role, the survival and development of enterprises more and more attention, its status is more and more recognized by people. The future era belongs to the era of enterprises, dynamic enterprises will continue to give full play to their flexible operation, fast and convenient sales, flexible capital turnover and other advantages, in the fierce competition in the market economy to obtain their own foothold, and inject new vitality for economic development. However, they also face a series of problems. One of the most prominent problems at present is the lack of competitiveness, especially the general lack of core competitiveness, which is reflected in the following aspects: Companies are uneven in their production techniques. The growth of the enterprise is determined by its own distinctive resources. Enterprises need to build their own production system around these resources to realize their core competitive advantages.

This paper mainly discusses the factors that affecting the core competitiveness of enterprises, and hoping to offer some references for enterprises to improve their core competitiveness.

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2 Analysis of the Enterprises

2.1 Existing Problems

At present, enterprises generally rely on experience to make decisions. Due to the lack of a clear understanding of consumer demand, many small and medium-sized enterprises have lost their business direction, fuzzy business field, and prominent characteristics of blindness, speculation and randomness. In view of this problem, enterprises should do regular research and judgment, and control the needs of customer groups in an all-round way.

And the distribution channel of the enterprise. In China, the distribution channel is inefficient, the overall quality of dealers needs to be improved, the serious conflict to professional enterprises to the development of the lack of stability and other important problems, become the bottleneck restricting the development of Chinese enterprises. Enterprises should establish their own marketing channel system, do not rely too much on intermediate distributors, and improve distribution efficiency. If an enterprise wants to improve its market competitiveness, it must constantly improve its level of distribution channel management, which has a very important impact [1] on the operation and development of an enterprise. Distribution management present situation carries on the analysis of an enterprise, found many problems, channel management present situation is not optimistic, mainly manifested in the following aspects: first, an enterprise by scale, capital, technology and other restrictions lead to lack of core competitiveness, in the macroscopic distribution in the environment benefit is not very ideal. Secondly, an enterprise has not kept pace with the times, resulting in a rising trend of unnecessary expenditures and cooperation costs, increasing the financial pressure of the enterprise. Due to the rising cost of cooperation, the relationship between enterprises and cooperative dealers is also tense, which is not conducive to the smooth development of cooperation between the two and has a great impact on the operation effect of distribution channels. Finally, an enterprise lack of brand promotion of enterprise products, innovation and development of enterprise technology level, it is difficult to meet the needs of the market, leading to the lack of market competitiveness, the enterprise has the development status quo of not advancing but retreating [2].

Last, insufficient investment in research and development and poor innovation capacity. According to the survey, the average proportion of R&D expenditure in sales revenue of China's small and medium-sized enterprises is less than 0.4%, while the international business community generally believes that r&d expenditure accounts for more than 5% of sales, enterprises can be competitive; 2% is barely sustainable; less than 1% struggle to survive. The driving force of technological innovation lies in the research and development ability of enterprises. For Small and medium-sized enterprises in China, the serious lack of investment in research and development hinders their technological improvement and innovation, seriously weakens their sustainable, competitiveness and restricts their further development and expansion.

2.2 Characteristics of the Core Competitive Enterprises

Core competitiveness is still effective when enterprises are diversified. Extensibility is the fundamental reason for enterprises to maintain sustainable competitive advantage,

and can maximize the economic effect of scope. According to the tree theory, the core competitiveness is the root, the core product is the trunk, and the leaves and flowers are the final product. Core competitiveness is extended along the core competitiveness—core products—business units—final products [3]. A diversified company is like a big tree. The core competitiveness of the company provides nutrients for the tree, plays a supporting and stabilizing role, organically integrates existing businesses and drives the development of new businesses. It is not a few core technologies at all that support the success of corporate diversification, but core competencies. In the process of forming the core competitiveness, it reflects the ductility.

Dynamics. Core competitiveness is highly correlated with the internal and external environment of an enterprise, and its dynamic development is also inevitable [4, 5]. Core competitiveness is strategically flexible and dynamic in nature [6]. After the formation of core competitiveness, as time goes by and the environment changes, or the competitiveness of competitors increases, the competitive advantage of enterprises may be lost, and enterprises will face the problem of maintaining and re-cultivating core competitiveness.

3 Improving the Core Competitiveness of Enterprises

3.1 Adopt Advanced Production Plan Control Method, Strengthen Material Purchase Management

First of all, it is necessary to establish the rules and regulations of material procurement and relevant documents to improve the control consciousness and quality of material procurement and related personnel. Relevant rules and regulations mainly include those formulated by materials, equipment, tools, transportation, administration, production, finance, quality inspection, physics and chemistry and other departments related to material procurement and management.

Secondly, it is necessary to establish the material procurement planning, procurement, warehousing, storage, accounting settlement and processing business procedures. All departments should handle matters strictly in accordance with regulations.

The material procurement process includes: Production planning department prepares material procurement plan; the purchasing department and the supplier determine the purchase price of materials; the leader in charge of material purchase reviews and approves the purchase plan; the purchasing department signs supply contracts with the supply department; the transportation department will be transported to the enterprise; the quality inspection department shall conduct quality inspection on the purchased materials; the warehouse management department shall check the quantity of incoming materials; the accounting department pays according to the system. Thirdly, order and purchase control system should be established. Strengthen the internal control system of ordering by establishing strict purchasing system, supplier file and access system, price file and price evaluation system.

The choice of advanced manufacturing means and appropriate production scale depends on a variety of factors, but technology is a decisive factor, only leading technology can occupy the market. The emergence of various advanced manufacturing means is the inevitable outcome of people's pursuit of high efficiency, high quality and low cost of manufacturing products [7], such as Computer Integrated Manufacturing System

(CIMS), parallel engineering (CE), agile manufacturing (AM) and so on. Enterprises adopt these advanced manufacturing mode, will improve product quality, prolong service life, shorten product production cycle and improve production efficiency to provide a strong guarantee, promote enterprise products toward knowledge intensive technology and high-end development. At the same time, innovative products of small and medium-sized enterprises have the characteristics of large variety and small batch, so the selection of production scale should take into account both economies of scale and flexibility. If the production scale is too small, it cannot adapt to the fierce competition, and if the production scale is too large, it lacks flexibility. Therefore, in order to meet the needs of the market competition, it is suggested that small and medium-sized enterprises in accordance with the internal requirement of economies of scale and production of innovative products according to the standardization, specialization, functionality, technology and management principle of high efficiency and low consumption, low pollution concentration and integration, forming can concentrate advantage, realize scale economic benefit of products production base, on the one hand, to improve the quality of our products Production cost, on the other hand, is also conducive to the centralized treatment of pollutants in production [8].

3.2 The Ability of Enterprises to Innovate Products

With the trend of “protecting the environment and advocating nature”, green production process and green products will be the mainstream and fashion in the future. As a latecomer in the green tide of the world, facing the rise of green product consumption in the international market and serious environmental pollution in China, enterprises should seize the favorable market opportunities and take effective countermeasures to develop and produce green products to reduce environmental pollution. This not only helps enterprises to occupy the market and expand market share, but also helps enterprises to establish a good green image. The management of enterprises should give consideration to both economic benefits and environmental benefits so as to achieve harmonious development between enterprises and the environment. In product design and development, attention should be paid to increasing the development and utilization of renewable resources, reducing the development and utilization of non-renewable resources, designing products that save raw materials and energy and can be easily recycled, and adopting processes and technical equipment that can reduce various dangers and wastes in the production process. Design and produce all cleaning products, including low-pollution or pollution-free products that meet human health and safety; For industries that have no choice but to pollute the environment, the amount of pollution discharged must also be determined within the environmental purification capacity. When manufacturing green products, enterprises should pay attention to: use less or no harmful materials as far as possible, and use low-pollution materials that are easy to recycle; strengthen the treatment of the generated waste and reduce sewage discharge [9].

Utilize the resources owned by the partner. Through the effective form of network organization can put the enterprise product innovation required related scientific manpower, technology, information resources effectively organized, with the help of information network for information exchange, through developing different development,

concurrent engineering and Shared database will jointly develop new products to market quickly, make the enterprise in new product development competition advantage [10].

4 Conclusion

The core competitiveness of enterprises is very important for the long-term sustainable development of enterprises, which provides continuous power for the development of enterprises. At present, many people in the industry and even many experts and scholars have given their own views on the theory of core competitiveness of enterprises, but the core competitiveness of enterprises should be summarized from all aspects of enterprise development. The essence of enterprise core competitiveness is the product of the combination of enterprise culture, enterprise learning power and creativity. Any theory of core competitiveness that emphasizes a certain aspect in the process of enterprise operation and development is one-sided.

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