

Theory Of Group Enterprise Strategy

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Abstract - In this paper, from the different characteristics of group enterprise, formed by the value of the group enterprise, analysis of group enterprise competitive advantages and core competitiveness factors, discusses the group the formation of the core competitiveness of the enterprise and enterprise strategy.

Index Terms - Enterprise Strategic, Value, Competitive Advantage, Core Competitiveness

I. Introduction

Group enterprise property right structure presents obvious diversity of unique corporate governance structure. Group enterprise governance structure is the old model, the general meeting of shareholders, board of directors and board of supervisors of checks and balances relationship become enterprise important internal control mechanism, in particular, the role of the board of directors in corporate governance especially prominent, unique management mode. Group enterprise has a set management mode suited to the characteristics of the technology itself. Attaches great importance to enterprise management strategy, the strategy concept is the enterprise important guarantee for long-term survival. Companies to adopt diversification strategy, specialization strategy, price strategy, product quality strategy, capital operation strategy. Group companies are not only good at short-term tactical operations, and in relating to the enterprise long-term development strategy. Distinctive enterprise culture. Group formation of enterprise culture is different, emphasize the nationality of the enterprise, the development of enterprises, win honor for our country as the highest goal of enterprises, make it become important cultural concept. Group attaches great importance to talent, respect for talent, formed a cultural atmosphere of advocating science and technology.

II. The Core Issue Of Group Companies

A. Group companies can do

Full implementation of enterprise autonomy. Group enterprise cannot be detached clearly defined and the separation of ownership and management in, clear enterprise property right relations, establish and improve the system of the investor. Create a good business environment. Group enterprises are an important force in driving the development of industry and regional economic. Supporting the institutionalization, regularization and reduce artificial and randomness. Government to group the development of the enterprise to make a long term strategy arrangement.

B. What group enterprise enhance competitive advantage

National competitiveness is the ability to attract resources, the competitiveness of the enterprises is the ability to make money. Foreign enterprises in capital, technology and brand three tips to our basic advantages to rob the past. Enterprises only rob talents resources, technical resources, to build brand value maximization to form the unique competitive advantage. Fuzzy state asset management system makes the defect of the market, competition is distorted, backward to be protected. Lost international competition opportunities for exercise. Enterprise to the government produced dependence, clothing can cultivate core competitiveness?

C. Business model is simply a way to make money

The enterprise the mode, European mode difference factors do not apply to China. No matter where they take a way of mergers and acquisitions, diversification expansion strategy can bring enterprise competitive advantage? Blind expansion, probably into diversification trap. There will be several trends: enterprise size miniaturization, property rights, clear analysis of integration of the industrial division.

Group the influence of the enterprise value creation activities mainly through the way such as organization, strategy, business and finance.

D. A country's economic development to a certain level will appear a number of big enterprise, big group

Group enterprise *raison etre* is to can produce higher by group headquarters is value creation function. Many instead of a group enterprise to create more value, instead of damage and erosion of the overall value, the giant group and Monkey King group, etc. The collapse of the enterprise group is one of the typical cases.

E. Group enterprise why destroy value creation

Value of the most serious damage is decision-making errors. Management out of control, the group organization structure is not standard. "Set and not group" phenomenon often lead to enterprise groups, scattered resources, and then cut the value of the group. Advantages, resources and industry characteristics do not match, in a diverse business enterprise group of the most prominent. Governance structure is not sound, the value of the group and subsidiary not effectively curb erosion behavior. In the long run, information failure and increase the cost control of the organization. Formed the group internal multi-stage investment center and distort the interests of the main body structure, damage the company's organizational resources, make the group loses focus

configuration the authority of the resources and capabilities. Enterprise evaluation misleading business unit activities. Group subordinate business unit performance pay attention to the annual return on investment and profit, etc, which are the indices of utilitarianism, for market share, sales and other long-term indicators turn a blind eye to the survival of enterprises, weaken the subordinate enterprise competitiveness in the market, and damage the enterprise long-term value.

F. Group enterprise to create value

Group enterprise's influence on the value creation activities mainly through the way such as organization, strategy, business and finance. Take appropriate organizational structure. By changing the allocation of corporate power structure, company organization relationship, function of organization setting and equipped with powerful functions of human resources leadership, through the output management to influence and control of the operation and management of subordinate business unit. The first is a holding company structure, In the second is centralized, according to the functional departments of a yuan structure, Three is more department or branch unit structure. The form itself is no, or the key lies in whether or not in conformity with the group's business development enterprise itself. Look from the development trend, the enterprise organization is from the vertical structure of the pyramid to parallel network structure, management procedure from the order is changed to parallel transition, organic, flat organizational structure, management "bandwidth" to increase. Chunlan group, Haier, Changhong, Made take department all has obtained the good effect.

Set up excellent group's overall strategy. Enterprise group make subordinate business units become an organic part of the group's overall strategy, to create greater overall strategic guidance enterprise value and the overall competitive advantage often is the important foundation of success. Excellence group's overall strategy should be clear how companies in different industries, different departments for resource allocation and portfolio, strengthen the core business, develop core competitiveness and implement strategy to what organization form.

III. Group Enterprise Innovation

One's ability to share knowledge within the organization and its members or hide, determines a company or an industry or a country competition ability, Is rooted in the company staff in the heart of the implicit knowledge has become the cornerstone of a company a competitive advantage. Lack of exclusive technology and technological innovation ability of enterprises, are likely to do in the market, but is very difficult in a strong position in the industry division of labor, it is hard to develop and expand, more can't get lasting competitive advantage. Some exit from the world top 500 enterprises, South Korea is one example.

A. Management innovation is an important means of strengthening enterprise core competitive ability

Technology and management is the modern enterprise development of the two wheels. The real source of the enterprise core competitive ability lies in management skills. Management of technology and production skills can be transformed into enterprise's ability to adapt to change quickly. Man is the decisive factor in the development of social productive forces, is the enterprise core competitive ability to the creators and maintainers.

B. System innovation is the enterprise core competitive ability important guarantee

Of development of the enterprise core competitive ability and technological innovation and management innovation, system by influencing the availability of information, resources, shaping the power, and establishing trading rules to influence development of enterprise and industry. The influence of different institutional environment to the enterprise core competitive ability is different. System related to financial, employment, etc, making the Japanese companies have different management and organizational characteristics. Germany, leading in the field of chemical industry and the United States on the computer, the success of the software industry has a great connection with their education system. Venture capital market, is the emerging industry, such as biological industry, the main reasons for the rapid development of this system promotes the rapid growth of small businesses, expand the market. In this respect, Europe, Japan enterprises cannot be compared with the United States.

C. Through market segmentation, resource restructuring and process reengineering, etc way to update the management strategy

Establishing the learning organization, actively absorb modern management thinking, forming the advocacy innovation enterprise culture, promote the management innovation, to strengthen the enterprise core competitive ability. Perfect financial market, to promote science and technology, industry, capital - market linkage, and development of risk investment mechanism, financing channels, expanding industry will directly affect the enterprise technology innovation, restricts the promotion enterprise's core competitive ability.

IV. Group Enterprise Strategy

Group enterprises to accumulate a large amount of capital reserves, enterprise labor management and technical quality is higher and higher. As the market increasingly competitive, many industry demand for high value-added products is more and more big. In the past ten years, foreign direct investment is a one-way flow into China. Over the next decade, there will be two road: foreign direct investment to China from foreign countries, and from China to foreign countries, reflects the Chinese thus gained by the resources advantage, technological advantage, product advantage, brand advantage, channels and investment advantages.

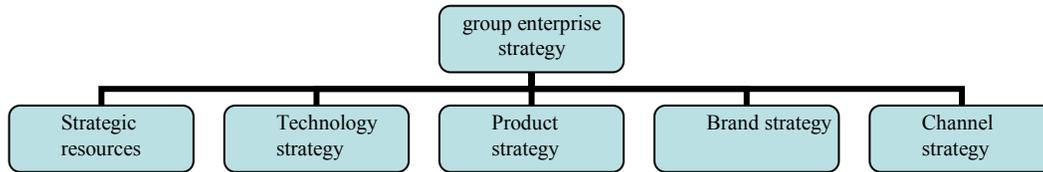


Figure 1. Group Enterprise Strategy Types

A. Strategic resources

In strategic resource reserve rich regions, at home and abroad to build their own production base, the development of relevant industries, relying on domestic resources to reduce costs, stable supply of important resources.

B. Technology strategy

Using investment to drive sales, vertically integrated high-tech parts and spare parts, product technology acquisition of world-class research and development institutions, acquisitions of foreign high-tech brand, use it to domestic market, set up r&d institutions abroad, the purpose is to launch products around the world.

C. Product strategy

In some of the key foreign markets buy small company bankruptcy or mismanagement, occupied by local production regional markets, acquisition of a manufacturing base, as the foothold, support China's further acquisitions in other countries.

V. To Improve The Competitive Ability Of The Group Enterprise

A. Improve group enterprise competitive strategy

Group enterprise development strategy is the Total strategy of enterprise development, it determines the overall direction of the development of the enterprise, in recent years, the strategic form has the following contents:

Table 1. Group Enterprise Development Strategy

Name of strategy	Group enterprise development strategy content
"fast half" way	From advanced areas to the relatively backward areas in the trade or industry transfer, and some chance, make a lot of money possibility. "fast half " is the product can easily catch up with and replace. Markets mature system, the enterprise mostly just earn the average profit.
"do get home" way	Monopoly industry and market, monopoly industries is the best to earn money. Monopoly which limits the development of the market, is an obstacle for technology.
"flat-fell seam opportunely" way	Capital flat-fell seam can't do other flat-fell seam, can try. Do the seam first condition and the key is to master information.
"to pick a peach" way	Copy to make money. Of enterprises in china, many are using generic similar methods to complete the primitive accumulation, the force of example is endless, people as yet.
"sauna" way	Gold from the social hot spot. Society in constant development, the social hot spots are constantly emerging. Every time the emergence of the hot spots, is a great business opportunity.
" Borrow from the eas " way	Risk investment and cooperation partners. One is to have the core competitiveness of enterprises do famous brand components, quickly open the market. One is for large enterprises supporting production. Low risk investment, quick effect, has a stable income.
"empty set of the white wolf" way	Compensation trade is a kind of common practices of international trade, the introduction of foreign equipment, with product as collateral in the domestic production of products, will buy back the foreign party, within a certain period of time to some or all of the income stage cooperation projects of money (capital). Capital operation is a basket, what all can be filled.

B. Domestic enterprise started reform

Chinese companies in a group enterprise brand strategy, "suddenly turn hostile" in the group enterprise brand strategy.

1) *Forced To "Suddenly Turn Hostile"*

Original brand differentiation is not strong, frequent complaints on the international market, has already been registered the same or similar Logo.

2) *Internationalization Is Not Strong*

The original brand is Chinese pinyin or abbreviations in

English, only Chinese people understand, the applicable scope is too narrow.

3) *The Brand Logo More In Line With The Brand's Spirit*

The development, to adapt to the enterprise brand development strategy, is generally the brand extends, to diversify or repositioning.

4) *The Brand (Or Packages) To Keep A Certain Variability*

Creating fresh, reflect the progress of the brand.

C. The development trend of c. Group enterprise brand strategy

- 1) the name of the more and more simplified
- 2) the name of the need to have both extensive adaptability and a certain uniqueness, especially for the terminal consumer brands
- 3) to weaken or remove logo, logo and English standard words together
- 4) logo more and more abstract, concise

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