Effective Strategy to Improve Enterprise Management Ability

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ABSTRACT

The ability of business management is the guarantee of the survival and development of enterprises. Only by improving the ability of management, can we adapt ourselves to the fierce market competition and give play to its advantages. This article introduces the problems existing in the business management and discusses how to improve the business management ability.

Keywords: enterprise; management ability; effective strategy

1. INTRODUCTION

Business management, including internal conditions, strategic decision-making, planning and all the production and business activities, business management capabilities is the ability of business leaders must have, with the social development and market changes, only by improving business management capabilities, to increase business Competitive advantage, adapt to changing economic situation, promote the continuous development of enterprises and bring more benefits to enterprises and society

2. PROBLEMS IN THE BUSINESS

2.1 Management philosophy and system are backward

Outdated management philosophy so that enterprises cannot well adapt to changes in the market under the new era, many companies are still using the previous management system, old thinking, rigid system, there is no long-term strategic goals. Many companies copy other companies operating management and rules and regulations, and the actual situations of enterprises do not match, limiting the development of enterprises.

2.2 Unreasonable human resources management

Talents are the guarantee of enterprise management. Many enterprises have instable human resources and frequent brain drain, which causes continuous impact on management. There is no regular training mechanism and the quality of personnel is not improved. The performance and incentive mechanisms are not perfect, and the personnel are lacking enthusiasm, lack of innovation and corporate motivation.

2.3 Lack of capacity of managers

Many managers of enterprises with low professional competence, just by experience management, in the face of market and internal changes lack of good
adaptability; Organizational coordination and poor sales management, ideological conservative easily meet the status quo; lack of awareness of information technology and digital technology, cannot play a good technical superiority.

3. TO ENHANCE THE EFFECTIVE MANAGEMENT OF BUSINESS STRATEGY

3.1 Update management philosophy

The concept of guiding action, philosophy as a business management activity of the guiding ideology, business management is to enhance the fundamental management. The advanced management concept can make the production, operation and management of enterprises more scientific and effective, and enable enterprises to take fewer detours and create a good internal environment for enterprises. The update of corporate philosophy needs to be carried out by all employees. In particular, top management needs to clarify problems that arise within the enterprise, keep an eye on social and market dynamics, learn and introduce the most appropriate management concepts, and improve crisis management and strategic awareness, with a strategic vision to examine the overall market issues, encourage enterprises to innovate and maintain their market competitiveness. For example, business leaders can determine the business philosophy based on the following two formulas:

\[ \text{Selling price} = \text{Cost} + \text{Profit} \]  
(1)

\[ \text{Selling Price} - \text{Cost} = \text{Profit} \]  
(2)

Formula (1) is the cost of the business plus the expected profit to determine the price, in order to ensure corporate profits, the unreasonable part of the production and operation of enterprises so that consumers pay, and the interests of consumers there is a conflict, the company does not pay attention to control and reduce costs, to obtain adequate profits, only by increasing the price, that is not easy to get the price advantage, under the market economy is not conducive to competition in the enterprise; formula (2) refers to the profit of the enterprise market-determined sale. The price and the cost of their own decisions, this philosophy is to give top priority to the market and consumers, companies must find ways to reduce costs, reduce costs is also the most direct and effective way for businesses to profit, while reducing costs will increase Capital utilization and turnover rate are conducive to the further development of enterprises. The enterprise manager has made clear the difference between the two ideas, and can make the development strategy of the enterprise and determine the direction of management and control. It is noteworthy that the update management philosophy does not mean to adopt the latest ideas, not to copy, but to consider their own circumstances and characteristics, choose the most suitable for the introduction, and continue to improve, out of business management features.

3.2 Improve the management system

Scientific and reasonable system is the guarantee for the operation and management activities of the enterprise, which not only restrains the employees, but also guides and diverts them. All acts of enterprises must have a clear basis and core service targets, the work carried out to have a basis for follow-up, so that employee behavior within the system, so that the operation of enterprises in an orderly state. A sound
system should be comprehensively considered in terms of safety, quality, attendance, attitudes, benefits and other aspects, in line with the future development of the enterprise and the overall image. First of all, we must improve the responsibility system, the business management of all aspects of the responsibility to the individual, when problems arise, managers must immediately deal with, to prevent more serious losses, and the problems reported, analyze the reasons for strict implementation, from the responsibility to track and disposal caused by the staff of the production and business activities of the attention, increase responsibility and enthusiasm. Second, to improve the supervision system, strict supervision will encourage employees to develop a good working attitude, strengthen the management and control over the production and operation of enterprises, eliminate the chances of employees and promptly discover acts that harm the interests of enterprises. Finally, it is necessary to establish and improve the incentive system, to give some reward for employees who perform well in their work, and to inspire their enthusiasm and sense of innovation.

3.3 Improve the management mode

Advanced scientific management model can greatly improve work efficiency. For example, the common method of Taylor management improves the scientific management and standardization, realizes the improvement of efficiency, implements the piece-rate system so as to make the employees work more and improve the enthusiasm of the employees. The mode of production in Toyota divides the waste in the process of enterprise management into Overproduction Waste, Waste Manufacturing, Waiting, Waste, Waste Handling, Waste of Action, Waste of Processes, and Waste of Stocks to improve efficiency, reduce costs, and punctualize by eliminating wasteful waste and 5S Management. Balanced operations and even stock-free operations. Among them, the Toyota model through the management of board, the potential of information to show the problems found and solved the process of visual and effective demonstration of the staff as soon as possible to clearly operational tasks and find out whether the links are normal, easy to compare information at a glance to facilitate management personnel supervision.

3.4 Strengthen the overall budget management

Total budget management refers to the scientific method of business management, investment, finance and other activities to predict and arrange according to enterprise development goals for the internal operation of the resources needed to predict, and optimize the deployment, to ensure the development of enterprises comprehensive, full-time, full-time and timeliness to promote business risk prevention and control. First of all, the formulation of comprehensive budget management is based on the development strategy and operating conditions of the enterprise, in which it not only manages the assets management of the enterprise, but also is responsible for supervising the working conditions of the employees, conducting overall budget management in the internal control of the enterprise, supervise and motivate, motivate staff enthusiasm, and create a good internal environment for the enterprise. Second, companies need to integrate their business strategy and plans into overall budget management to conduct a comprehensive investigation of the investment market and make a scientific budget for economic activities by the finance and budgeting department. In the process of budget preparation, we can find problems in the internal control of enterprises, such as lax control of fund activities and excessive investment risk, and then formulate preventive measures to strengthen risk assessment and
prevention in internal control of enterprises. Finally, the enterprise's overall budgetary work requires not only the financial and budget department to analyze and formulate, but also need other departments to provide information such as data support to jointly complete the budget. Through comprehensive budget management, information exchange within enterprises can be strengthened and the dissemination and implementation of strategic objectives and work plans in the enterprise can be enhanced, which helps enterprises to enhance their centripetal efforts. To improve the enterprise's overall budget management, it is necessary to improve the overall budget management system and ensure the rigor of budget preparation based on rigorous data investigation and analysis. The budget management system is related to the decomposition and implementation of the objectives and provides the insiders with definite indicators, to ensure the efficiency of enterprises; enterprises should establish a dynamic budget monitoring system, real-time monitoring of product and raw materials market changes, improve budget stability.

3.5 Strengthen the prevention and control of financial risks

In the course of business operation, facing the risks of fund-raising, investment, capital recovery and profit distribution, and enterprises need to prevent and control financial risks if they want to achieve sustainable development and increase profits. First of all, according to their own needs and the actual business conditions, enterprises should design a financial risk early warning system and adopt appropriate warning indicators and methods to set up a financial risk early warning agency to take charge of the analysis of financial early warning so as to realize the daily warning of financial risks. Second, Internal and external risk early warning indicators to analyze the internal solvency, profitability, operational capacity and development capabilities, as well as external industrial investment in the country structure and size changes, changes in economic policy, the international and domestic markets, the increasingly fierce competition in the industry market risk caused by cyclical industry development in enterprises and provide data support for early warning. Thirdly, enterprises need to increase their financing management and establish stable cooperation with financial institutions to borrow money from formal financial institutions to prevent illegal fund-raising The risk of this life, the process of dynamic control of the financing, reduce costs; Finally, early warning system for routine maintenance to ensure timely feedback of data, according to business conditions and market changes, timely adjustment of the system and indicators.

3.6 Strengthen cost management

The purpose of business is to obtain profits, the cost of the size of the enterprise profits, resource utilization and market competitiveness. Business costs include material costs and labor costs, as well as water, electricity and so on. Many companies in the material cost management, the procurement process is not standardized, procurement staff false price, false invoices, wasted procurement expenses, and even covet with the suppliers, charge a high rebate, deliberately raise the material prices; improper storage of materials, there is a loss or damaged, the awareness of the staff on the cost of the material is weak, free to use and discard materials, resulting in a large number of defective products; do not attach importance to the recycling of materials, resulting in the availability of recycled materials need to purchase new materials. In terms of labor costs, the enterprises do not pay attention to analyzing the employment situation according to the demand. For example, the workers in construction
enterprises are generally migrant workers and are labor-intensive. When the
construction industry is in a downturn, the labor cost should decrease according to
market rules, but the wages of workers have not dropped. Enterprises are difficult to
make profits in terms of employment. Therefore, the enterprise should regulate the
material procurement process, adopt the method of open bidding, select the
appropriate supplier, ensure the quality and cost of the material, strictly supervise the
whole procurement process and prevent the enterprise staff from undermining the
interests of the enterprise in purchasing; improve the materials use of management
system to reduce material waste and improve material utilization; strict control of the
number of employees and create high-quality workforce.

3.7 To promote information management

The development of information technology has added a new impetus to enterprises
and promoted the reform and innovation of business management mode, which
brought great opportunities and challenges and created a series of new-born
enterprises. The informationization of enterprise management can enable enterprises
to respond to changes in the market in a timely manner, with a large number of
channels to collect data and information to improve the sharing and efficiency of
internal information transmission, make the business management more stable and
achieve the systematic management, resource optimization and agility. In the outside
of enterprises, the competition in the market is becoming fiercer and fiercer. It is
imperative to establish a new profit channel and establish a modernized logistics
system. In the enterprise, the improvement of management efficiency and the
optimization of organizational structure cannot be achieved without information
technology. Enterprises use information management systems. For example, many
enterprises have installed ERP systems to integrate their value chain systems such as
human resources, information assets and financial management, and connect the
entire supply chain with manufacturers, suppliers, enterprises and customers, to
achieve sales automation, e-commerce and other aspects of the function, and
integrated management; network technology to reform the trading model, online
transactions become more and more customers choice. First, the leadership should
strengthen learning and training, improve the understanding of information
technology, hire relevant people for internal training, the basic logic and principles of
management learning information management, front-line staff to learn the
application and operation method; Secondly, evaluate and diagnose the enterprise,
make clear the requirements of enterprise application information management,
whether there is sufficient fund support, supporting ability and information
foundation, discover the deficiencies in the application of information management
and improve; Finally, the information and digitization of business management should
be given sufficient attention. It cannot be regarded as merely a management and
management tool, but as a new management thought.

3.8 Improve the quality of personnel and innovative corporate culture

The survival and development of enterprises cannot be separated from high-quality
management team, high-quality personnel is the guarantee of sustained and healthy
development of enterprises. Enterprises should introduce and train a group of
professionals with management skills to inject new blood into their business activities
and maintain the vitality of their businesses, bringing about new management
concepts and methods; improving the salary system and providing the same value to
management personnel material security, stabilize the people and strengthen the emphasis on personnel; regular management and training of personnel to improve the level of personnel skills; innovative corporate culture, a positive and harmonious working environment, to achieve effective integration of business personnel and culture, so that employees feel their own value, enhance the business community.

4. CONCLUSION

In short, with the continuous development of science and technology and the massive emergence of new things, the increasingly fierce market competition has brought new opportunities and challenges to enterprises. It is imperative to enhance the management ability of enterprises. The improvement of management ability is not achieved in a single step. It requires enterprises to constantly innovate their management concepts, contact new ideas and methods, carry out long-term reforms and innovations in concepts, systems and management methods, and strengthen budget and cost management and risk prevention control. Advanced information technology, the introduction of professionals, improve staff quality, so as to achieve sustained and healthy development of enterprises.

5. REFERENCES