

Research on Innovation of Strategic Management Path of SMEs

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Abstract: Currently, the characteristics of small and medium-sized enterprises in China are small scale, short capital chain and weak technical background. These characteristics often put Chinese small and medium-sized enterprises at a disadvantage in market competition. In today's constantly changing market economy, a key and challenging issue for the management of small and medium-sized enterprises in China is how they can grow healthily and survive in the long term. Exploring how small and medium-sized enterprises in China can strengthen strategic management is of great significance, and this article discusses the effectiveness and innovation of this path.

Keywords: SMEs, Strategic management, Innovative path.

1. Introduction

According to official data, by the end of 2019, China's small and medium-sized enterprises accounted for 99.3% of the total number of enterprises in the country, accounting for 55.6% of China's GDP. Small and medium-sized enterprises are the main force of China's real economy. However, with the development of science and technology, the traditional strategic management model of small and medium-sized enterprises can no longer adapt to the current development situation, because with the development of market economy and economic globalization, small and medium-sized enterprises are facing more and more foreign enterprises to integrate into the Chinese market. So if small and medium-sized enterprises want to continue moving forward, they must keep pace with the development of this era and achieve innovation in strategic management. Otherwise, in this market environment, small and medium-sized enterprises are easily eliminated by the market.

2. The Economic Status of SMEs in China

In fact, the list of the best companies in the world not only includes internationally renowned companies and conglomerates, but also includes less well-known small and medium-sized companies. These less well-known companies provide a continuous source of energy and vitality to the global economy, accounting for more than half of the market in their respective fields and playing an important role in the international market. There are also a large number of small and medium-sized enterprises in China. Although they are small in scale and unknown in daily operations, the economic benefits they bring to the market economy are no less than the contributions of large and well-known enterprises. For example, some handicraft enterprises in Shenzhen, small commodity enterprises in Yiwu, and many urban enterprises in Guangdong all play a supportive role in the national economy in their respective industries[1].

Many of these enterprises have played a supportive role in the national economy within less than a decade of establishment, occupying over 60% of China's market share in their professional fields, and achieving annual sales of

hundreds of millions of yuan. [2] They use their wisdom and hard work to transform ordinary products into world leading products. They not only revitalized the domestic market, but also expanded the international market, attracting a large number of international customers, providing new impetus for China's economic rise. At the same time, these small and medium-sized enterprises bear the responsibility of using a large amount of our human resources. Many companies have hundreds of employees, providing them with a good life and contributing to social harmony and stability.

3. Analysis of the Significance of Strategic Management for Small and Medium-sized Enterprises

Enterprise strategic management is based on the macro level, focusing on the analysis of the overall form of the enterprise, aiming to achieve profitability through the rational use of company resources. In the process of implementing strategic management, employee cohesion, departmental efficiency, resource allocation, and innovation will all be improved.

4. Basic Principles of Innovation Management of SMEs in the Context of Strategic Management

4.1. Basic principles of legality

When analyzing Innovation management from the perspective of strategic management, SMEs should ensure that the content of Innovation management meets the requirements of relevant Chinese laws and regulations, and there are no contradictions and conflicts with relevant Chinese laws and regulations. When implementing management, they should avoid violating the law. From the perspective of strategic management, the first principle that SMEs should follow in the process of Innovation management is the principle of legitimacy.

4.2. Basic principles of integrity

When analyzing Innovation management from the perspective of strategic management, one of the principles that SMEs should follow is the principle of integrity. In order

to ensure the integrity of Innovation management, SMEs should implement internal control in the whole process of Innovation management, and adjust the internal control system according to its current situation and market environment. In addition, when investigating Innovation management, SMEs should balance the long run and short-term interests of enterprises, so that the overall development interests of enterprises can be strengthened simultaneously with Innovation management, so as to achieve the short-term and long-term goals of enterprise management.

4.3. Targeted basic principles

When looking at Innovation management from the perspective of strategic management, SMEs should also follow the targeted principle. On the one hand, in the process of operation and development, small and medium-sized enterprises should recognize their own shortcomings and determine innovative management methods and systems to compensate for these shortcomings and deficiencies, in order to improve the overall management level [3]. On the other hand, in terms of strategic management, small and medium-sized enterprises not only need to understand the problems they have already faced, but also predict the problems they will face in their future activities and development, and determine innovative management content based on the expected results.

5. Effective Strategies and Suggestions for Strategic Management Model Innovation in SMEs

5.1. Emphasis on strengthening innovation in management thinking

According to the view of strategic management, if SMEs want to achieve fundamental reform through Innovation management, they must first of all think of Innovation management. The management ideas created should not only conform to the current development of the times, but also have a certain predictability to balance the relationship between the Long run and short run and short-term development goals of the enterprise. First of all, SMEs should do a good job in market research, understand the basic situation of the current market and prediction market development trend. Secondly, maintaining a positive attitude is important. Although the scale of small and medium-sized enterprises is not very large, it is also necessary to eliminate the constraints of previous single management models and traditional awareness of small production management, let alone focus on improving economic efficiency in management. They need to have a long-term development vision. Finally, the company must assume and fulfill its social responsibility to establish a good corporate image. In addition, it is necessary to transform the previous quantitative management thinking into qualitative management thinking. In addition to ensuring product quality, we should also provide better services to consumers. Only in this way can we gain more consumers and recognition, and the competitive strength of enterprises will also greatly increase.

5.2. Develop long-term development strategies for the enterprise

At the beginning of its establishment, enterprises should clarify their strategic management and formulate detailed

long-term development strategies. The mission of the enterprise needs to be clear. In the initial stage of the enterprise, it is necessary to understand the significance of its existence, formulate clear plans for the long-term development of the enterprise, and with the development plan of the enterprise, employees will understand what to do and how to do it. The strategic goal of a company is its development status, which is the standard for measuring the achievements of the company at a certain stage. It can clearly display the company's positioning, business model and scope, management standards, etc. The strategic management of the enterprise as we speak creates an invisible tension of the enterprise. With its help, we can improve the efficiency of the enterprise and produce products that are popular in the market.

5.3. Understanding the current development status of enterprises

In the process of strategic management, small and medium-sized enterprises should fully combine their own reality, conduct a comprehensive analysis of their own situation before strategic analysis, and clarify their areas of expertise and development weaknesses. SWOT analysis includes the company's strengths, weaknesses, opportunities, and threats. By analyzing the advantages and disadvantages, the company will be able to determine the Management style it needs; By analyzing opportunities and threats, the company will be able to develop appropriate growth strategies. For example, the internal positioning, target audience, sales and financial situation of the company's products, as well as the overall situation of the company's external environment, industry competition, and internal and external resources. This information is needed for company transformation, innovation, or new strategic management. Only when the company itself recognizes its current position and growth status can it better implement new strategic management and business innovation.

5.4. Improve enterprise strategic system

Enterprise strategy can be divided into several types, such as enterprise brand strategy, cost strategy, price strategy, competitive strategy, market strategy, business strategy, etc. Enterprises need to distinguish each strategy well, improve its content, and then organize it into a complete system. When there are changes in the production or business environment, senior management can directly search for strategies that are suitable for the company, and then make improvements and adjustments based on actual changes, refine innovation, and implement corresponding strategic plans according to the actual situation. Improving the enterprise strategic system can help enterprises quickly adapt to the changes in the external development environment, and when carrying out strategic management innovation, it can be more targeted and effective to modify and innovate a specific content of strategic management, which saves time and costs and improves the economic benefits of enterprises.

5.5. Focus on emerging industries

The emergence of new industries is often accompanied by new Economic restructuring, and the changes in industrial structure accompanied by the emergence of new technologies can provide excellent development opportunities for SMEs. A small and medium-sized enterprise can invest its limited capital into an emerging industry, quickly benefit from the development of the industry, and then grow into an "industry

leader" to survive and develop in the industry for the long term. This will enable them to survive and develop in the industry for the long term. On the other hand, if a small and medium-sized enterprise enters a mature industry that is in short supply, fierce competition in the market economy will push the enterprise to the brink of extinction and close it down.

There are also practical examples to prove that small and medium-sized enterprises are suitable for emerging industries. For example, Lenovo was founded by the Chinese Academy of Sciences with an investment of 200000 yuan. After years of baptism, Lenovo has become a world-class brand.

References

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