

# Research on the Application Strategies of Managerial Economics in Enterprise Management

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**Abstract:** In today's complex and changeable business environment, the effectiveness of enterprise management is of vital importance to the survival and development of enterprises. This article, through practical observation and logical analysis, expounds the application connotation of managerial economics in enterprise management, deeply analyzes its application key points, and elaborates the application value of managerial economics in enterprise management from multiple dimensions. During the research process, based on the application perspective of managerial economics, common problems in enterprise management were identified, including the imperfect management decision-making mechanism and the insufficient effectiveness of cost management, etc. In response to these problems, strategies such as supporting decision-making with the help of management economics analysis methods and strengthening cost management relying on management accounting have been proposed. This research aims to provide valuable references and lessons for enterprises, and assist them in promoting their own sustainable development through the application of managerial economics.

**Keywords:** Enterprise management; Managerial economics; Application strategy.

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## 1. Introduction

Compared with traditional enterprises, the management level of modern enterprises has improved to a certain extent, and the theory of managerial economics has become increasingly mature, which lays a solid foundation for the application of managerial economics. From the perspective of the application of managerial economics, some enterprises still have some problems in management, such as an imperfect management decision-making mechanism and insufficient effectiveness of cost management, which makes it difficult to improve the management efficiency of enterprises. Under the new normal of the economy, if enterprises want to make breakthroughs at the management level, they need to innovate the management model, and applying managerial economics is an effective means for enterprises to enhance management efficiency. However, the application of managerial economics is not simple. It poses higher requirements for the management of enterprises. How to effectively apply managerial economics in enterprise management is worthy of in-depth thinking and exploration by enterprise managers.

## 2. Overview of the Application of Managerial Economics in Enterprise Management

### 2.1. The connotation of the Application of Managerial Economics

Enterprise management is a general term for a series of activities such as planning, organizing, directing, coordinating and controlling the production and operation activities of an enterprise. Under the background of large-scale socialized production, the development of enterprises is inseparable from management, and the internal management status of enterprises is closely related to their own development. Managerial economics, as an important branch

in the development of economics, focuses on assisting enterprises in making rational resource allocation by means of general economic principles and methods. Its theoretical basis covers the theory of demand and supply, marginal analysis theory, etc.

In enterprise management, the application of managerial economics is specifically manifested as: conducting management work by applying its theories, viewpoints and various analysis methods, giving full play to the advantages of managerial economics, and providing strong support for enterprise management practices. The application of managerial economics will have certain influences on the inherent management cognition, management models, etc., and these influences will be transmitted to multiple levels such as the business operation and strategic planning of enterprises. From a deep perspective, the application of managerial economics has rich connotations.

### 2.2. Key Points of the Application of Managerial Economics

In enterprise management, the application of managerial economics needs to take into account multiple key points [1]. First of all, enterprises need to fully understand and recognize managerial economics, which is the foundation for the effective application of managerial economics. Secondly, enterprises need to closely integrate the formulation and implementation of management decisions, which is an important way to highlight the application value of managerial economics. Finally, enterprises need to integrate management economics into management activities at different levels to ensure the comprehensiveness of its application. The key points of the application of managerial economics are quite diverse. Whether an enterprise can fully take these key points into account directly relates to the application effectiveness of managerial economics in enterprise management and is of vital importance to the long-term development of the enterprise.

### **2.3. The Application Value of Managerial Economics**

In enterprise management, the reason why the full application of managerial economics is advocated is closely related to its application value. From the perspective of the business development of enterprises, the application of managerial economics in fields such as production management and cost management has achieved remarkable results. In terms of production management, enterprises can draw on the principles of managerial economics to scientifically formulate production plans and carry out targeted marketing activities, providing support for business management. In terms of cost management, enterprises can apply tools such as cost-benefit analysis in managerial economics to effectively manage costs, optimize the cost structure, and enhance the price advantage of their products.

From the perspective of the overall development of enterprises, the application of managerial economics can make enterprise management decisions more scientific, management forms more novel, and management effectiveness continuously improved, which provides a solid guarantee for the high-quality development of enterprises. Only when an enterprise possesses strong internal management capabilities can it gain an advantage and secure a place in the fierce market competition.

## **3. The Current Application Status of Managerial Economics in Enterprise Management**

### **3.1. The Management Decision-Making Mechanism Needs to Be Improved**

From the perspective of the application of managerial economics, the core of enterprise management lies in decision-making. The scientificity and rationality of decision-making have a significant impact on the smooth advancement of subsequent management practices and the achievement of expected management goals. At present, some enterprises adopt a vertical organizational management model. Under this model, the optimization of the decision-making mechanism has not received sufficient attention. The core management team often has a relatively high decision-making power, and the management team of some small and medium-sized enterprises has a higher say in decision-making.

The excessive decision-making power of the core management team helps to shorten the decision-making cycle to a certain extent. However, the decision-making abilities of core management members may vary to some extent, and they often make decisions based on their own experience and general cognition during the decision-making process. In this situation, the generation of some management decisions seems rather arbitrary. This approach of making decisions based solely on subjective cognition is not advisable and it is difficult to fully guarantee the scientificity and feasibility of the relevant decisions. If the management makes wrong decisions or the specific decisions are divorced from the actual situation of the enterprise, then the implementation of the decisions is not conducive to the management practice of the enterprise and the development of business, which will have an adverse impact on the overall development of the enterprise and hinder its long-term development.

### **3.2. The Effectiveness of Cost Management Needs to Be Improved**

In the modern enterprise management system, cost management is a key component of enterprise management. Under the new normal of the economy, the profit acquisition space of enterprises has been compressed to some extent, which makes the importance of cost management more prominent. However, some enterprises still rely on financial accounting for cost accounting. This accounting method has certain limitations and is prone to cause deviations between the cost accounting results and the actual costs. Once the cost accounting results are inaccurate, the effectiveness of cost management will be reduced [2].

From the perspective of the application of managerial economics, some enterprises lack detailed and scientific cost prediction, resulting in inaccurate cost prediction, which will reduce the effectiveness of cost management to a certain extent.

From the perspective of the selection of cost management methods, enterprises usually take budget management as the basic cost management method, but the traditional cost budget management system often neglects the process control in resource allocation and utilization. If process control is lacking, it will not only be unfavorable for the finance department to timely grasp the allocation and usage status of resources, but also may lead to the blindness of cost management, making it difficult to adjust the cost management strategy in a timely manner, thereby affecting the improvement of enterprise benefits.

### **3.3. The Status of Management Data Analysis Is Not Very Satisfactory**

From the perspective of managerial economics, the integration and analysis of management data in some enterprises are not very satisfactory, which is also a common problem at the enterprise management level. In the era of big data, the implementation of enterprise management activities generates massive amounts of data. These data not only reflect the true nature of management activities but also possess numerous potential values. However, some enterprises have failed to integrate the concept of big data into their management and have not established a complete management database. If an enterprise lacks the key carrier of a management database, it will be difficult to systematically organize various types of data, thereby restricting the depth and breadth of data analysis. When an enterprise fails to systematically integrate and analyze management data, it becomes difficult to accurately understand management trends and enterprise management needs through management data analysis. In this way, the enterprise management decisions made will be divorced from reality, resulting in a decline in the quality of decisions. Once the concept of big data is lacking in the management practice of an enterprise, its management model will be difficult to meet the demands of the big data era, which will to some extent hinder the long-term development of the enterprise.

### **3.4. The Strategic Nature of Management Practice Is Relatively Weak**

Managerial economics and microeconomics have some similarities. Managerial economics advocates applying microeconomic theories to enterprise management practices and pays high attention to internal enterprise management,

market environment and competitive strategies, etc. From the perspective of the application of managerial economics, some enterprises tend to neglect the analysis of the external market environment in the management process and have certain limitations in management cognition, which makes the management practice lack distinct strategic characteristics. Enterprise management is not merely about making specific arrangements for various internal affairs; it is closely related to the future development of the enterprise and its competition in the industry and market [3].

If an enterprise does not attach importance to strategic formulation in the management process and ignores the connection between management and strategy, the strategic nature of enterprise management will be at a relatively low level. When management practices lack strategic orientation, management decisions and practices may deviate from the strategic direction. In the long run, improper management measures will increase the difficulty of strategic implementation and hinder the achievement of strategic goals. Once the management direction is adjusted, it means that a large amount of the previous management work of the enterprise will be wasted.

## **4. Specific Strategies for the Application of Managerial Economics in Enterprise Management**

### **4.1. Supportive Decision-Making Based on The Analysis Method of Managerial Economics**

In enterprise management, the formulation of management decisions is of vital importance. From the perspective of the application of managerial economics, enterprises should fully apply various managerial economics analysis methods to provide strong support for decision-making.

Take the marginal analysis method as an example. The marginal analysis method mainly analyzes the impact of each additional unit of product on the total profit of an enterprise at a certain production level. By applying the marginal analysis method, enterprises can accurately grasp the change in output increment after each additional unit of input. Enterprises can determine the ideal input scale more accurately through the marginal analysis method, and the conclusions drawn from the marginal analysis method can provide a scientific basis for the formulation of production decisions by enterprises.

Take the mathematical model analysis method as an example. The mathematical model analysis method is a fundamental analytical approach in managerial economics. When formulating risk management decisions, enterprises can utilize mature risk analysis models to assess the magnitude of risks, systematically analyze the impact of changes in related factors on the acquisition of enterprise benefits, and scientifically formulate risk management decisions based on the analysis results. So as to reduce the potential risks of the enterprise.

### **4.2. Continuously Strengthen Cost Management by Relying on Management Accounting**

In enterprise management, the popularity of management accounting continues to rise. While applying managerial economics, enterprises should also pay attention to the

construction of the management accounting system and the application of management accounting tools. Guided by the theories of managerial economics, they should apply management accounting tools reasonably. This can strengthen the cost management work of enterprises [4]. Enterprises can effectively control the allocation and utilization of resources by establishing a comprehensive budget management system. This helps enterprises to promptly grasp the situation of cost expenditure and keep track of the flow of funds in real time, providing data support for cost management decisions. With the continuous strengthening of control in the process of resource allocation and utilization, the effectiveness of cost management based on the application of managerial economics will also be further enhanced.

### **4.3. Utilize the System to Integrate and Analyze Management Data**

Managerial economics often focuses on the application of various analytical methods. Whether it is through equilibrium analysis, marginal analysis, or using mathematical models for analysis and prediction, certain data support is required. Therefore, in the process of applying managerial economics, enterprises should actively integrate the concept of big data and do a good job in the integration and analysis of data. First of all, enterprises need to actively promote the construction of information infrastructure, which lays a solid foundation for the application of big data technology [5]. Secondly, enterprises should actively build management databases and systematically integrate relevant data such as production, sales and benefits through database construction. Finally, enterprises should do a good job in data analysis and take the results of data analysis as an important reference basis for the formulation, implementation and optimization of management decisions.

Take sales-related data as an example. Enterprises can conduct in-depth analysis of monthly, quarterly and other sales data, and based on the analysis results, deeply explore the reasons for the changes in sales volume, and further optimize and adjust in product pricing and the selection of other marketing strategies. In this way, in the application process of managerial economics, the analysis of data can be closely combined with the flexible adjustment of management practice, providing a scientific basis for enterprise management decisions.

### **4.4. Conduct Strategic Management Based on Market Forecasts**

When enterprises apply management economics in management, they should attach importance to market forecasting and make strategic management attempts based on this. In the application process of managerial economics, enterprises The industry should do a good job in analyzing the market environment and take the theory of demand and supply as the guiding theory. Enterprises can predict market development trends by conducting in-depth analysis of market supply and demand situations, and based on the prediction results, adjust and optimize product research and development, design, production and marketing strategies to ensure that management at all levels is more strategic.

When enterprises formulate their development strategies, systematic market forecasting is of vital importance. Enterprises should conduct a detailed analysis of market forecast results from both internal and external environmental perspectives, accurately position themselves, clarify strategic

goals, and provide clear guidance for management practices under the application of managerial economics. When the internal management of an enterprise is in line with its strategic development direction and can provide strong support for the achievement of strategic goals, the application value based on managerial economics can be fully demonstrated, which can help the enterprise stand out in the complex and ever-changing market environment and achieve sustainable development.

## 5. Conclusion

To sum up, the application of managerial economics in enterprise management is rich in connotation. During the application process, enterprises need to take into account many key points. The application value of managerial economics is reflected in two aspects: business operation and overall development. From the perspective of the application of managerial economics, it is found that some common problems exist in the management of some enterprises. Supporting decision-making with the analytical methods in managerial economics, conducting cost management relying on the management accounting system, and integrating the concept of big data for the integration and analysis of management data are effective ways to solve these problems. In addition, enterprises should also do a good job in the application evaluation of managerial economics, continuously accumulate successful experiences, and

constantly adjust and optimize application strategies. In this way, enterprises can leverage the power of managerial economics to move forward steadily, continuously grow in the market, and achieve stable operation and leapfrog development.

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