

Original Research Article

On the Core Competence of Enterprises

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ABSTRACT

The economic crisis has tested the core competitiveness of Chinese enterprises, but the crisis is the challenge and the opportunity. Responding to the economic crisis, enterprises in China should rethink the choice of strategy and build the core competitive advantage. The economic crisis is the test of the competitiveness of enterprises, to survive and develop in the economic crisis must be the core competitiveness of enterprises. The core competitiveness of enterprises is the main factor for the survival and development of enterprises, how to make enterprises continue to be invincible in the key. A successful business must have its core competencies, which need to be developed, nurtured, constantly consolidated and updated, because even if the establishment of the core competitiveness, there may be disintegrated. How to maintain the competitiveness of enterprises has become an important issue in business management. Enterprise core competitiveness is the enterprise through its organizational capital and social capital of the organic combination and play, and can effectively access, coordination and configuration of various resources and technology integration advantages. That is, enterprises in the industry itself have a dominant position in the resources and capabilities. Based on the current situation of the core competitiveness of enterprises, this paper analyzes the reasons for the lack of core competitiveness of Chinese enterprises, and tries to explore a way to improve the core competitiveness of Chinese enterprises, and take some enterprises in Xuzhou as an example.

KEYWORDS: enterprise; crisis; core; competitiveness; reason; countermeasure

1. Introduction

After the 2008 economic downturn, enterprises in China have carried out a brutal baptism, the first half of 2008 down the small and medium enterprises is the victim of the crisis, and surviving enterprises or part of the industrial upgrading through the crisis is Machine, or caught in the transformation of the mud in the transition, the remaining part of the wave with the future is unknown. This reflects to some extent the strategic choice of our enterprises and the construction of competitiveness need to rethink and locate.

According to statistics, the average life expectancy of Chinese enterprises for 8 years, the average life expectancy of private enterprises 3.5 years, while the world's top 500 enterprises average life expectancy is about 40 years. Why are our country's enterprises so short-lived? The lack of core competitiveness is one of the main reasons. Cultivating and enhancing core competencies are the only rule of 'longevity'.

Summing up the world famous secret of business longevity, it is because of its strong core competitiveness in the market, 'forever youth'. With the economic information, the process of globalization to speed up the increasingly fierce competition between enterprises, enterprises to seek their own survival and development, must have a good competitive advantage. Different from the traditional enterprise development strategy, the modern enterprise is no longer one-sided emphasis on the business of a temporary competitive advantage, no longer too much entangled in the enterprise's temporary gains and losses, but focus on the enterprise's deep competitiveness to build, build and upgrade the core competitiveness of enterprises to win long or fundamental competitive advantage.

The core competitiveness of enterprises is the key to the market competition of enterprises, but there are still many problems in cultivating the core competitiveness of Chinese enterprises. Therefore, it is of great theoretical and practical significance to study the reasons for the lack of core competitiveness of enterprises in our country and to explore the countermeasures to enhance the core competitiveness of enterprises, which is of great and rapid development of enterprise economy and even the whole national economy.

The third chapter analyzes the causes of the lack of core competitiveness of enterprises; the fourth chapter puts forward the countermeasures to improve the core competitiveness of Chinese enterprises; the fifth chapter summarizes the full text of the core competitiveness of enterprises in China; , And prospects for future research.

2. The Macro Background and Current Situation of Enterprise's Core Competence

2.1. Cultivate the core competitiveness of the macro background

In the 'Harvard Business Review' for the first time put forward the concept of core competitiveness, they believe that 'in the short term, the company's product quality and performance determines the company's competitiveness, but in the long term, play a decisive role is to create and enhance the company's core competitiveness'. Why the proposal of core competitiveness cause so much response to the current situation of China's enterprise development, the reason of core competitiveness is to pay attention, mainly based on the following reasons:

1 Changes in the market environment

First of all, more than 20 years of economic reform has made significant achievements, the national economic strength has increased significantly, the domestic market supply, and demand pattern has undergone fundamental changes. According to comparable prices, GDP in 2000 was more than six times in 1980, 2005 total GDP exceeded 18.2 trillion yuan, the first three quarters of 2006 GDP growth of 10.7%. The market turns from a shortage of economy to an excess economy, and the seller's market becomes a buyer's market. So the enterprise is facing an oversupply market.

Second, the domestic competitive advantage disappears, the need for enterprises to implement the core competitiveness strategy. Under the influence of economic global integration, China's competitive advantage is gradually disappearing as the government's protection barriers are broken one by one, such as local protection, cheap resources and labor force. In the past, the contradiction between the low levels of management of Chinese enterprises is becoming more and more prominent.

In the face of the severe and complex competitive environment, our enterprises should not only pay attention to the opportunities and challenges brought by the change of the external environment to the enterprises in the face of the competitive environment of the enterprises in the face of the competitive environment, But also to the eyes inward, find and accumulate their own unique advantages of resources, the formation of different from other enterprises, the unique characteristics of the enterprise's extraordinary competition, that is, the implementation of enterprise core competitiveness strategy.

2 Enterprises in the long run of the inevitable choice

(1) China's enterprises after a long period of development, has formed a large number of domestic brand-name enterprises, they are qualified, having the ability to take the core competitiveness strategy. From the level of strategic competition, China's enterprises have better grasp the primary level of the competitive strategy, such as quantity, quality, price, service, and has basically formed the enterprise growth of the internal dynamic mechanism and strategic design, Enterprise internal management, corporate culture, and so have their own characteristics and a considerable level, and achieved considerable potential for competitive advantage. The question now is how to adapt to the future high-level strategic competition, how to nurture, develop and improve the enterprise in a wide range and deep level of growth capacity. Core competencies are strategic choices to achieve these goals.

(2) The development of state-owned economy. The layout of the state-owned economy has been optimized, and the state-owned capital has continued to accumulate in key industries and large-scale key enterprises. The strategic reorganization of state-owned enterprises has achieved results. Through the merger, reorganization and reorganization, a group of strategic large enterprise groups have been formed in petroleum, petrochemical, electric power, telecommunication, aviation, metallurgy and military industries. The construction of modern enterprise system of large and medium - sized state - owned enterprises is steadily advancing. So the competitive strength of state-owned enterprises significantly enhanced. At the same time, state-owned and private enterprises are no longer their own development, but complementary advantages, coordinated development, competitive development trend.

(3) The development of private economy. Private economy has gone through 26 years, experienced a small fade, from weak to strong, advancing with the development process. 26 years since the private economy as a new thing after the reform and opening up, has been developed by leaps and bounds, and now, the output value of SMEs accounted for more than 60% of GDP, employees accounted for 70% of urban employees, investment accounted for the whole society The proportion of investment is more than 50%, and has become a national tax and foreign investment force. Some people described the private enterprise 'fortune history': 'The first generation of the boss is by daring, the second generation of the boss is the way, the third generation of the boss is by ticket, the fourth generation of the boss is by the

mind.' 'By the brain', that is, private enterprises must improve the quality, attention to science and technology, attention to talent.

3. Business challenges

Firstly, is the challenge of economic internationalization. China in 2001 to join the WTO, has formed a full range, wide areas, multi-level opening to the outside world. With the end of the five-year transition period, companies face further opportunities and challenges to participate in international competition. How to follow international practice and rules, in the international context of the allocation of resources and capital operation, challenge the international market, which is the business must face.

Second, the new economic challenges. China's economic growth mode is facing from the extensive to the intensive transformation, from the traditional economic way to the knowledge economy, information economy transformation. As China's enterprises started late, science and technology content at the end, how to deal with this transformation, but also to the enterprise put forward higher requirements.

Therefore, with the change of economic competition environment and the improvement of market conditions, enterprises are faced with competition in products, technologies, brands, culture, management, market, talent and so on. How to compete in the market and gain a competitive advantages, have become the most concerned issue in the business. The core competitiveness of the building is put forward.

2.2. The status quo of the core competitiveness of enterprises

In today's world, openness and competition become the mainstream of economic development. The development of economy and the intensification of competition make people realize the important role of the core competitiveness of enterprises. However, because our business has been running in the planned economy for many years, it is still cannot fully meet the requirements of the market economy, most companies do not have the system of strategic management, the lack of core competitiveness of the business philosophy, which has become China's development of large companies and enterprise groups face a prominent problem.

Data show that: domestic representative of the 50,000 large and medium-sized enterprises, as the core competitiveness of enterprises an important symbol of less than 10% of its own brand, with independent intellectual property rights are even less. The business process of the enterprise is lack of systematic, holistic, comprehensive, too subjective and arbitrary, which makes the enterprise's competitiveness very low. In terms of sales: China's 520 state-owned enterprises sales revenue is only equivalent to the world's top 500 sales of the sum of 98%. The lack of core competitiveness is not only reflected in the specific technical level, but also reflected in the management model and philosophy, the specific existence of the following questions:

1 modern enterprise system is not perfect

The core competencies are grown in the good soil of the company, which includes the external conditions and internal conditions of the enterprise's survival. At present, the key factor restricting the core competitiveness of Chinese enterprises is not to establish a perfect modern enterprise system. Although China's reform and opening up, the direction of enterprise reform is in accordance with the principles of modern enterprise system to transform the state-owned enterprises into 'self-management, self-financing, self-restraint, self-development' legal entity, also made great achievements, The traditional sense of the situation of government and enterprises still exist.

Enterprise system is not perfect also seriously affected the enterprise management innovation, to dispel the enthusiasm to build the core competitiveness. The government is forced to implement some kind of management experience, the enterprise is forced to improve the system still exists, the state-owned enterprises do not live and the competitiveness is not strong to a large extent by the imperfect enterprise system constraints and constraints, Not clear, investors are not in place, corporate governance structure is not perfect, organizational and management asymmetry, making the enterprise to enhance the core competitiveness of the driving force is insufficient or no time to take into account to enhance their core competitiveness. Therefore, state-owned enterprises must be in accordance with the 'clear property rights, clear rights and responsibilities, separation of government and enterprises, management science,' the modern enterprise system requirements, transformation and reform of existing enterprise system to make it more scientific, more reasonable and more standardized.

2 Knowledge reserves and lack of enterprise research and development capabilities

From the essential characteristics of the core competitiveness of enterprises, knowledge is the unique skills of enterprises. Based on the core competitiveness of the inevitable performance of the breadth and depth of knowledge, in the 21st century, the era of knowledge economy will be more obvious the importance of competition in the enterprise talent. Many enterprises on the role of knowledge resources investment is not deep enough, the operation is also not in place, at present our country is mainly in the introduction of high-tech development period, enterprises with independent intellectual property rights and high-tech industry products are still relatively small, compared with developed countries

There is no small gap, resulting in a lot of reasons for this situation, there are policy reasons, but also the reasons for their own business, which led to our many aspects, especially in some information industry cannot compete with foreign large enterprises.

The core competitiveness of enterprises is ultimately reflected in the size of profitability, market share, corporate image and public recognition of corporate products and services. Different enterprises because of a more prominent in some aspects, in other areas is relatively weak, but the overall competitiveness of strong, showing a strong corporate competitiveness characteristics. It is also possible to understand why the core competitiveness of enterprises is unique to other enterprises and difficult to imitate.

3. Analysis on the Causes of the Lack of Enterprises's Core Competence

Cultivating the core competitiveness of enterprises is the key to enhance the development of enterprises. Through the review of the background of the core competitiveness of enterprises in the previous chapter and the status quo, we know that enterprises need to enhance the core competitiveness and solve the problems in building core competitiveness. The reason of China's core competitiveness is for the lack of multi-level multi-faceted. Specifically, there are the following aspects:

3.1. Lack of awareness and mechanisms on the enterprises in the strategic decision-making

China's vast majority of enterprises is the product of the planned economy period, itself lacks in the market economy growth and competition experience. Core competencies only in the competition will be formed. Due to lack of competition experience, in the face of market competition in the enterprise economy, will feel powerless. There are business practices. Such as: the original technology and management methods, management methods, long-term business innovation capacity will be subject to great restrictions, enterprises will lack their own core competitiveness of the mechanism.

3.2. Lack of unity of the corporate strategy on enterprises in the core competitiveness

There are many types of products in China's enterprise, product structure of the whole features, but after the market segmentation that enterprises in various categories, levels and other aspects of competitors compared to no competitive advantage. There are enterprises through the development of new products and integration of enterprise resources, blindly develop new products, affecting the core product development, thus affecting the core competitiveness of enterprises.

New product development is an important part of the enterprise strategies, enterprises should be selected in the strategic positioning of the key points to focus on the development, and then form their own core technology, and make these technological advantages to promote the overall upgrading of enterprise-related products an important force. So as to enable enterprise strategy and enterprise core competitiveness of mutual integration.

3.3. Enterprises in the core competitiveness of the lack of maintenance and promotion of the necessary corporate culture

The essence of corporate culture is the way of business survival, behavior, and business is the common way to do things. Corporate culture includes four levels: values, institutional culture, behavioral culture and material culture. The essence of the core competitiveness of enterprises is a self-organizing ability of enterprises. Corporate culture in the cultivation and maintenance of the core competitiveness of enterprises to promote the development of core competitiveness is of great significance.

The most excessive attention in China's enterprises in the long-term production and operation are to capital, equipment and other tangible assets. On the brand, talent and other intangible assets is not enough attention. This is in the internal operation of the constraints and constraints of the development of enterprises, has become the difficulties of enterprise development.

4. Countermeasures to improve the Core Competitiveness of Chinese Enterprises

Enterprise core competitiveness is the lifeline of enterprises, is the enterprise operation, the development of the power source. Improve the core competitiveness of China's enterprises, is a long-term and complex systems engineering. So far, enterprises of China in the international competitiveness are still at a relatively backward level. According to the survey and evaluation of the international competitiveness of 46 countries in Lausanne International Management and Development Institute in 1999, the competitiveness of China's large industrial enterprises, the competitiveness of

productivity and the competitiveness of the environment are ranked 40th, and the competitiveness is Ranked No. 31, resource competitiveness ranked No. 39, corporate culture competitiveness in the general level, and in the government influence factors in the competitiveness of the first 42.

All this can be seen, China's large industrial enterprises are still at a low level of international competitiveness of enterprises how to build their own core competitiveness? Enterprises from both internal and external have the way to build their own core competitiveness.

4.1. Internal ways to build the core competitiveness of enterprises

Professional management

To focus on the company's resources in a field of professional management, in the process of gradually forming their own management, technology, products, sales, services and many other aspects of the differences with peers. Enterprises from top management to grassroots every employee should be aware of the core competitiveness of enterprises in the market competition, especially in the role of international competition, attention and care for the core competitiveness of enterprises training.

In the development of their own and others in many different aspects of the differences, it may gradually form their own unique can improve the special utility of the technology, methods, methods, and these may constitute the future of the company's core competitiveness of the important elements.

To strengthen technological innovation

This is the key to building the core competitiveness of enterprises. Modern enterprise system embodies the efficiency of enterprise resource allocation, and this high efficiency can give full play, mainly rely on core technology and technological innovation. A business to form and improve their core competitiveness, must have their core technology, it can be said that the core technology is the core of the core competitiveness.

State-owned enterprises in the process of building the core competitiveness, we must clearly understand what their core technology is. If you are not clear or not sure, you can decompose and integrate the existing technology, that is, the core product technology decomposition, classification and integration, to find out what is the general technology, which is a common technology, which is proprietary technology, which is the key technology. And then focus on human, material and financial resources on proprietary technology and key technology research, research, development, transformation, and further improve and consolidate to form its own core technology of intellectual property rights.

Introduction of modern enterprise system

In the enterprise management, the introduction of modern enterprise system for the core competitiveness of enterprises to provide institutional guarantee. The core competitiveness is growing in the company's good soil, the state-owned enterprises do not work and competitiveness is not strong to a large extent by the corporate system constraints and constraints, in particular, property rights are not clear, investors are not in place, corporate governance Structure is not sound, organizational and management asymmetry, making the enterprise unable or no time to take into account and enhance their core competitiveness.

Therefore, the state-owned enterprises must be in accordance with the 'clear property rights, clear rights and responsibilities, separation of government and enterprises, management science,' the modern enterprise system requirements, transformation and reform of existing and existing enterprise system to make it more scientific, more reasonable, more standardized Modernization, for the core competitiveness of the cultivation and upgrading to provide institutional assurance.

To create a unique corporate culture

There is a well-known entrepreneur said this sentence: 'culture everywhere, everything you can, competitors can imitate tomorrow, but they cannot imitate our corporate culture.' It can be seen that corporate culture is the deep factor in the formation of the core competitiveness of enterprises. With the values of the common recognition of all employees, this value virtually formed the incentive to employees, so that they struggle for this, the formation of the unique core competitiveness.

4.2. Enterprises to build the core competitiveness of the external channels

1 through the knowledge alliance to obtain the core competitiveness of enterprises

The knowledge alliance helps a company learn the professional competence of another company, helping the two companies' professional competence complement each other and creating new cross-knowledge. The knowledge alliance has the following characteristics: the alliances of the parties are very close; the knowledge alliance has a wide range of participants; has great strategic potential and so on. Therefore, the knowledge alliance is one of the effective ways for enterprises to obtain core competitiveness from the outside.

2 Through the merger of enterprises to obtain core competitiveness

Enterprise mergers are an effective way for companies to rapidly expand their scale and quickly enter other competitive areas. Through the merger, enterprises can re-integrate their own internal resources, construct a new business structure, adjust the industrial structure and product structure, build a new business mechanism, so as to optimize the allocation of resources and improve the competitiveness of the purpose of the market. Therefore, the merger is also a shortcut to build the core competitiveness of enterprises.

3 Efforts to cultivate more loyalty to the stable customer base

The more the customers, the higher the loyalty of customers, and the more powerful the core competitiveness of enterprises, the enduring will also increase. Therefore, our business should pay attention to cultivate their own customer base. From the product, price, channel, promotion to public relations and other marketing aspects of marketing, and strive to cultivate their customer base, to enhance their core competitiveness.

4 Enterprises in the process of building the core competitiveness of the dynamic awareness

Because, over time, the core competitiveness may be due to negligence and depreciation, leading to its competitiveness decline or even disappear. There are two reasons for the decline in core competitiveness:

First, master the key skills of the staff may be gradually free to go out. And the loss of talent caused by the loss of large-scale expansion of the last minute, often not perceived. The introduction of the concept of human capital management is a question that managers should consider. Enterprises should be through the mechanism design such as incentives, stock options, pension plans and other institutional construction will attract talent and lasting retention, the establishment of international advanced level of international science and technology, culture, economic exchange system, play human capital in research and development, Management and other aspects of the key role.

Second, if many employees and business managers, the independent organizational factors can be changed (such as recruitment measures, pay, promotion), the core competitiveness will decline. If senior managers do not supervise and ensure that these individual changes are in line with the overall nuclear competitiveness project, the core competencies will be eroded.

Specifically, we must do the following aspects of work: based on international competition, highlight the main industry advantages, clear the scale of enterprises, industrial boundaries; analysis of enterprises in the industry's competitive advantage, a clear competitive advantage, competitive strategy And to clarify the division of labor and strategic cooperation between the various enterprises in the Group, to improve the coordination and resource integration of enterprise groups; to strengthen the development and application of enterprise competitiveness and to improve the ability of strategic management. At the same time have a resource planning and business plan. To carry out the planning of enterprises' tangible resources, intangible resources, knowledge resources about products and processes, and carry out business plans that enterprises can respond quickly according to their business development goals.

5. Conclusions

In the era of knowledge economy, the core competitiveness of enterprises has become the source of commercial competitive advantage. To build a reasonable core competitiveness of enterprises, become the cornerstone of enterprise development. Many foreign successful enterprises, in the course of business has long been the core competitiveness of enterprises as a prerequisite for strategic decision-making. At present, more and more enterprises in our country also pay attention to this trend, and actively improve the core competitiveness of enterprises, develop long-term planning, reflect their own competitive advantage, the only way to make enterprises in the fierce market competition in an invincible position. Therefore, it is of great significance to improve the core competitiveness of enterprises. The conclusions of this paper are summarized as follows:

First of all, from the enterprise to cultivate the core competitiveness of the macro background of the summary: (a) The core competitiveness of attention (1) Severe and complex competitive environment. (2) The inevitable choice of long-term development of enterprises. (3) The challenges facing enterprises. (B) The status of the core business competition (1) the modern enterprise system is not perfect. (2) Knowledge reserves and lack of enterprise research and development capabilities.

Secondly, the author analyzes the causes of the lack of core competitiveness. Summed up the following reasons: (a) Business in the strategic decision-making on the lack of awareness and mechanisms. (B) The lack of corporate strategy. (C) The lack of core competitiveness in the enterprise to maintain and promote the necessary corporate culture.

Third, for the promotion of the core competitiveness of enterprises proposed the following solutions are internal channels, professional management, and to strengthen technological innovation, the introduction of modern enterprise system, create a unique corporate culture, external channels, knowledge alliance to obtain the core competitiveness of enterprises, corporate mergers to obtain core competitiveness, to cultivate a stable customer base and to have a sense of dynamic.

The shortcomings of this study is that only from the strategic point of view and analysis of the core competitiveness of the status quo, reasons and countermeasures, no relevant empirical research as the basis. In order to be more effective in improving the core competitiveness of enterprises, in the future to do research, should be combined with specific enterprises from the perspective of empirical research, specifically given detailed solutions.

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