# A Study of Enterprise Management Mode Reform under the Background of Innovation and Entrepreneurship

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**Abstract:** Entrepreneurship is a process in which innovative entrepreneurs exploit new undertakings through the use of existing resources and future resources within a controlled range. In this paper, based on the theory of business management and the theory of enterprise growth, under the background of innovation and entrepreneurship, the reform of enterprise's business management model was studied; then the identification method of driving force of business management model change was proposed; finally, the model of business management model change was established and the trend of reform was predicted.

Keywords: Enterprises; Entrepreneurship management; Management change

### 1. Introduction

Entrepreneurship is a process in which innovative entrepreneurs develop new businesses. Effective and powerful practice of risk control is its core connotation. Entrepreneurial management is a process of management in which enterprises allocate their limited resources reasonably and seek more resources in order to achieve the growth of enterprises in a specific period from start-up to maturity. Different entrepreneurs, different industries and products have different needs for their entrepreneurship management. Even in the same enterprise, at different stages of its development, the focus and style of entrepreneurship management need to be constantly changed in order to achieve the purpose of enterprise growth. The entrepreneurship management of high-tech enterprises refers to the management process of rational allocation of limited resources and seeking more resources in order to achieve the growth of enterprises in the specific period from start-up to maturity. The entrepreneurship management mode of high-tech enterprises refers to a general description of the management mode and management characteristics of high-tech enterprises in the process of entrepreneurship. Different enterprises often have different management modes. At the same time, due to the constant changes of the factors of the entrepreneurship enterprises themselves and the external environment, the management mode of enterprises must be adjusted accordingly.

# 2. Overview of Enterprise Entrepreneurship Management Model

### 2.1. Timmon's model

Management mode refers to a general description of a particular type of management mode and management characteristics [1]. Management mode is not only the process of creation, construction and design, but also the process of recognition, research and selection. For enterprises, although before the formation and development of enterprises, entrepreneurs had a vague framework for the enterprises they created, the high uncertainty in the process of entrepreneurship determines that the process is not predictable by entrepreneurs in advance. The management mode is influenced by the external environment of each stage of enterprise entrepreneurship, entrepreneurs, business activities, enterprise development and other factors. Among the many research results of hightech entrepreneurship management model, two models proposed by Timmon and Christian are the most representative.

Timmon put forward a model of entrepreneurship management in his book Creating Innovative Enterprises [2]. He believes that successful entrepreneurship activities must be able to make the most appropriate combination of opportunities, entrepreneurship team and resources, and also to make a dynamic balance with the development of the business. The entrepreneurship process is activated by opportunities. After obtaining the necessary resources and forming an entrepreneurship team, the entrepreneurship plan can be smoothly promoted. In Timmon's model, at different stages of entrepreneurship, the three elements will face different needs and priorities. According to the different combination of team, resource and opportunity, and combined with the actual situation

of high-tech start-ups in China, high-tech enterprise startup management can be roughly divided into: family management, large company imitation management, old enterprise transformation and grafting management, internal entrepreneurship management and other modes [3]. It is necessary to point out that the mode of enterprise management is not invariable. At the same time, even in the same enterprise, it may differentiate into more than one management mode coexisting.

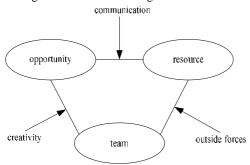


Figure 1. Timmon's model

#### 2.2. Christian's model

Christian believes that the whole focus of entrepreneurship management should be on the interaction between entrepreneurs and new ventures. He considers New Venture Creation, New Venture Process Management and Environmental Networking as the core issues of entrepreneurial management [4]. The process of entrepreneurship in the Christian model and the role of the elements in its promotion process are exactly the interaction of the elements of entrepreneurship in the process of each stage, which promotes the progress of entrepreneurship. Although the management modes and styles of high-tech enterprises vary greatly nowadays, there is a consensus that most of these entrepreneurs agree that the management modes and styles will change with the development and scale of enterprises. From the Christian model, it can be seen that the process of entrepreneurship and the role of the elements in the process of promoting entrepreneurship is the role of the elements in the process of entrepreneurship in each stage to promote the progress of entrepreneurship. Comparing the above two management modes, the following conclusions can be drawn. Firstly, Timmon's model focuses more on the analysis of structural elements in Entrepreneurship management, while Christian's model focuses on dynamic procedures, emphasizing the development of entrepreneurship process. Secondly, Timmon's model emphasizes that opportunity is the source of power, thus relying more on the external environment, while Christian's model emphasizes the creativity of people, from how to create a new business to express the start of entrepreneurship. Thirdly, the analysis of the structural elements of Timothy's model is helpful to analyze the object of entrepreneurship management, while the analysis of the dynamic development process of Christian's model [5]. Fourthly, to some extent, Timmon's model can examine the performance of entrepreneurship at a certain time, while Christian's model can explain the evolution process of entrepreneurship management over time.

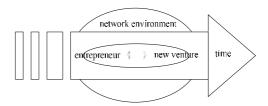


Figure 2. Christian's model

## 3. Analysis on the Obstacles of Enterprise Entrepreneurship Management Model

In the process of the growth of start-up enterprises, most enterprises have little growth characteristics. The growth of enterprises is restricted by many factors, such as the imperfect mechanism, the shortage of business elements such as talents and funds, and the failure to change the business management mode in time [6]. At present, the following problems generally exist in start-up enterprises: property rights restrict the development of small and medium-sized enterprises; contradictions between outsiders and entrepreneurs, early entrepreneurs and later generations; entrepreneurs' human capital, intellectual capital and intellectual capital can not be reflected; contradictions between rationality and human nature management; neglect of value creation of intellectual workers and entrepreneurs in enterprise culture and human resources management; lack of employee's professional ethics; communication barriers between capital owners and employees.

Since the mid and late 1990s, high-tech start-ups in China have gained some experience in the standardization of management, but they are also in multiple contradictions, such as the contradiction between organizational innovation impulse and historical inertia, the contradiction between scale expansion and standardized management, the contradiction between enterprise system and power structure, the contradiction between insider control and corporate governance structure, and so on [7]. Timmon believes that at every stage of an enterprise's growth, it will always face some crises or obstacles. Venture firms with high potential will not stay on scale for long, even if entrepreneurs do well in the previous stage. But in the next stage, the management and development of such high potential venture enterprises need another completely different management mode.

## **4.** The Change of Enterprise Entrepreneurship Management Model

## **4.1.** Identifying the driving forces of entrepreneurial management change

Enterprises are the combination and allocation of resources in the existing management framework, which has limitations. When the scale of the enterprise reaches the limit that the framework can manage, the existing management framework will not be able to manage effective planning, organization, leadership and control of enterprise resources. As a result, enterprises can not continue to grow. One of the core of the theory of enterprise growth is that the obstacle of enterprise growth is the management obstacle. The theory of enterprise growth tells us that when a start-up enterprise is in different stages, it needs different management modes to adapt to it. In practice, as a continuous enterprise, the change of identification stage is more critical than the management change after identification, just as "what to do" is more important than "how to do". In this paper, the identification of different stages of an enterprise is mainly based on the major events in the process of its growth, such as the change of product market share, the huge change of sales volume, the change of profits and losses, the departure of management or employees, the development and application of new technologies, and so on. Starting a new business is actually an experiment, which implies some hypotheses (commonly referred to as hypothetical conditions). The entrepreneur needs to prove or overturn these assumptions while building a new enterprise. The enterprise must judge whether to enter the next stage of the plan on the basis of what it learned in the previous stage. Phased milestone planning can be used to measure managers' performances, rather than simply comparing plans with performance. For most enterprises, important events (not dates) often determine milestones. According to the actual case, Block summed up ten staged milestones: product creativity and testing completion; sample completion; first financing; completion of initial factory testing; market testing; start-up of production; initial sales; first competitive action; first redesign or change of direction; first substantial price adjustment [8]. The switching and operation of enterprises in different business areas and markets with different maturities require different business positioning, business priorities and management skills. For start-ups, every transformation is facing new growth and management model changes.

### 4.2. Innovation model of enterprise management model

Due to the rapid change of entrepreneurial environment, whether in the current social transition period of our country or as a high-tech enterprise industry itself, the change is far beyond the relatively mature business environment of Western countries. For China's high-tech entrepreneurship enterprises, the complexity and diversity of changes far exceed any period in history and anywhere in the world. In the whole process of entrepreneurship, opportunities, resources and teams are in rapid change. The changes of environment, technology and competitors cause the rapid changes of opportunities. The rapid development of China's economy and the growth of entrepreneurs themselves make the changes of resources equally rapid [9]. The changes of team thinking, concepts and behaviors of Chinese entrepreneurs with only 20 years of market experience are also very obvious. Various rapid changes determine that the driving force of entrepreneurial management change depends not only on the stage growth of the venture itself, but also on the changes of the external and entrepreneurial team. The establishment of this driving force model must be based on the characteristics of feedback, timeliness and identifiability.

## 4.3. The trend of enterprise management model reform

From the micro point of view, for a single enterprise, the change of entrepreneurship management is essentially a kind of management innovation [10]. Because of fundamental changes in the environment or the enterprise itself, the original opportunities, resources and teams are unbalanced, entrepreneurs need to master the key elements of the change through their leadership, communication and creativity, and adjust their methods, processes and even strategies. To achieve a new balance, the three dimensions of opportunity, resources and team should be rearranged and combined. High-tech enterprises belong to knowledge and technology-intensive enterprises. They need to have a sustained organizational innovation mechanism according to the characteristics of rapid development and change. Reform is multidimensional. In the direction of change management in enterprise management, in fact, the so-called theory of change in management mode is only an idealized model. Often in the process of enterprise growth, it has mixed characteristics of the next stage. But one thing is certain, only through change, can enterprises grow and develop.

### 5. Conclusion

The entrepreneurship of high-tech enterprises is an important part of social and economic development, and it is of great significance to social and economic development. How to effectively carry out entrepreneurship management is an issue of great concern to both theoretical and industrial circles. The research on entrepreneurial management mode is of great significance to the management reform and performance measurement of entrepreneurial enterprises. The driving force of enterprise management reform depends not only on the stage

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growth of the enterprise itself, but also on the changes of resources and entrepreneurial teams. Faced with the challenges of the future knowledge economy, enterprises must adjust the enterprise management mode in time, and constantly innovate their own management mode in order to continuously grow.

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