

The Development of China's Enterprise Internationalization Model Research and Innovation Strategy

Bin Hong

Industry economics PhD. Candidate
wuhan university of science and economy
Wuhan, China

Abstract: For a long time, Chinese enterprises do not attach importance to talents too in this issue, trapped is determined by social system, causes the enterprise not to attach too much importance to the talent team construction, construction equipment and plant care too much about the hardware, to ignore the strategic issues. Foreign enterprises in this area is much higher, not only the introduction of talents, in the play, treatment, but also in the strategic point of view, the use of such as personnel business in the field of play are all spent more energy than domestic enterprises. We not only need to introduce foreign capital, technology and excellent management method, more attention should be paid to the people-oriented the most core factor, only the talents play advantages, we can make better use of capital and other advantages, at the same time, strengthen personnel training and construction, is to enhance the core competitiveness of enterprise security. Firstly the internationalization strategy are defined; then, analyses the present situation and trend of internationalization of Chinese enterprises, at the same time strategy for the internationalization of Chinese enterprises is analyzed; finally, elaborated his to Chinese enterprise internationalization strategy selection.

Keywords: Enterprise Internationalization; Enterprise; Modal Analysis; Innovation Strategy

1. Introduction

Enterprise internationalization definition and necessity: enterprise internationalization development strategy, is refers in the circumstances of economic globalization, enterprises to actively participate in the international division of labor system, the strategic choice by the domestic management to the process of global business development made in the. From an objective point of view, the enterprise internationalization development strategy refers to the target in order to foster the core competitiveness, the enterprise system innovation, technological innovation, brand innovation and cultivating talents into the internationalization process. From the microscopic point of view, enterprise internationalization strategy refers to the foreign market target selection, market entry mode selection, competition way and so on specific market strategy.

2. The Status of SMEs

2.1. The Investment Scale is Still Small

The preceding stage made a survey report, in the surveyed enterprises, about 60% of the foreign investment

enterprise scale of less than \$five million, foreign investment amount of more than 1 millions of dollars of enterprises accounted for about 25%, the survey results reflect the data on the relative to said, the proportion of investment five million declined, but the investment proportion of enterprises fifty million rise. This reflects the Chinese enterprises, foreign investment to the western developed countries and some developing countries are still small, but each is rising year by year.

2.2. The Overseas Investment in China is still in the Early Stage

Overseas investment by Chinese companies because of the economic impact has been developing very fast in recent ten years, but compared with Europe and the United States these overseas investment more mature countries, our stage of development is still very backward. As of the end of 2006, the Japanese foreign capital for the total size of \$4.5, the United States \$11 trillion. Even to the end of 2007, China's foreign direct investment is 115000000000, only Japan 1/4, the United States of America 1/20.

2.3. The Technical Content is not High Investment Project

From the technical content of China's foreign investment, quality level and project level of Chinese foreign investment projects significantly improve, contains some technical level is relatively high, and such as Haier, Huawei that some large enterprises set up R & D center and production base in Europe and the United States through cooperation, but from the overall analysis, most of them are a low technology content, low value-added products and high technology project investment, investment proportion is also small.

3. On the Strategy of the Internationalization of Chinese Enterprises

3.1. OEM Model

The basic meaning of OEM is OEM cooperation, commonly known as "OEM" is the brand producers do not directly produce a product, but to use their mastery of the "core technology" is responsible for the design and development of new products, control sales "channel", and the production capacity is limited, and even interlocking production line, the plants are not, in order to increase sales, in order to reduce the risk of production line, even in order to win the market time, by way of ordering the contract to other similar products manufacturers, set product prices to buy, and affix their own brand.

OEM this model has many enterprises have been implemented in China, which are more representative of company Galanz. Galanz company signed an agreement with many foreign enterprises to cooperate, for microwave oven production in the local, and then paste the foreign company brand, sold in Europe and other overseas regions, strengthening production in collaboration with local partners, the use of local company logo and the standards for production, a heavy blow to many related enterprises in Japan, Taiwan and other countries and regions, the market share growth. Now, in many foreign market, Chinese enterprises through the OEM mode of production of products can be seen everywhere, has become a common mode of the internationalization of Chinese enterprises. This model is composed of a lower production costs, reduce the risk of expanding the market, improving product competitiveness. There is a most, China OEM industry accounted for the proportion of the world at the same time, Chinese OEM enterprises continue to put this pattern continues, will eventually make China become a global production base of OEM. Because the Chinese factory, furniture, hardware and other industries in the production enterprise of more and more OEM products, is likely to make China become the world OEM base.

3.2. FDI Model

FDI refers to a country's investor capital for his country's production and operation, and master the investment behavior of certain economic control. The FDI pattern is "going out" strategy, in recent years, foreign investment in China in some large enterprises such as oil, aluminum, involving more and more big, has had a great impact, cause the attention of the international industry. According to some statistics, China's overseas investment spending into several times to increase year by year. The main way for mergers and acquisitions. The main advantage of M & A is the direct acquisition of foreign enterprises, through the production of goods and enterprises, in order to win the local market share. Can be acquired through the enterprise, obtain product rhyme technology, sales network and advanced management experience and technical equipment. But this merger and acquisition methods also exist Xiang problem. Due to the relatively high cost of acquisition, after integration cannot be completed, because of the country where the source of enterprise culture, system, lack of understanding, which paid a considerable economic costs and.

4. Strategic Choice of China's Enterprise Nationalization

4.1 The Enterprises Strategy Alliance

Today's enterprise internationalization, must establish strategic alliance. As a result of economic globalization and regional economic integration of the international economy is developing rapidly, also makes the intensity of international competition become more intense and complex. In order to in the fierce international competition, be not performance, many enterprises to the direction of strategic cooperation. In the current development trend of internationalization, the internationalization of Chinese enterprises in the initial stage, or just begins to move towards the direction of international investment, but our enterprises small in scale, strength is weak. So, this time should play the guiding role of government departments, give full play to their competitive advantage of the enterprise, according to the actual situation of the enterprise, adopt various ways, the composition of enterprise strategic alliance, can avoid the single enterprise's strength is small, high cost, high risk weakness, is conducive to the formation of some have the core competitiveness independent intellectual property of large multinational strategic groups, can make the enterprise merger or reorganization, transfer to achieve international group, realize the enterprise's strategy of going out.

4.2. Choose to Work Overseas Target Market

Choose to work overseas target market, must first do a good job in the investigation and research, we should take all kinds of measures to collect relevant market

information, the target market demand, policy laws and regulations, consumption habits, market commodity dynamic investigation, with the overall plan and arrange to do the market. We focus on the analysis of two kinds of overseas investment target market strategy. One is the high and new technology industry. Because of China's science and technology is developing rapidly, making China's aerospace and atomic bear technology is the world leading stage. But the technology of domestic demand is not too high, but in the international market has strong demand on the international market, we should increase the export, can increase the enterprise cooperation, the promotion of products in the local market. Two is the resource of industrial investment, enterprise internationalization strategy requires that we must look for the domestic shortage of resources, particularly iron ore and oil and other scarce data. At the same time, the domestic in the field of technology especially the high-tech field should strengthen the going out strategy, accelerate the introduction of technology and platform, improve technology level, in order to obtain more high-tech, realize the technological upgrading of enterprises. Secondly, sales and so must study the good market, should consider multiple market, instead of concentrating on the single market, to avoid instability caused by changes in the market. At the same time, with the original market as the foundation, also do not forget to develop new markets, achieve sales growth. In the old and new market and expanding growth. In addition, from a long-term perspective, not only to see the market's short-term good development situation, more accurately grasp the market demand trend in the future, the product will always remain invincible.

4.3. To Vigorously Promote Scientific and Technological Innovation, Enhance Enterprise Competitive Ability

The new technological revolution, the rapid development of information technology and high-tech industry technology, causes the enterprise to better competition, must continue to research and development of products, in order to obtain its own intellectual property rights of the core technology, it is the embodiment of the core competitiveness of enterprises. At the same time, it is also the key means to improve the competence of the enterprises. Only the enterprises continue to develop more core technology, in order to better market competition, the competition to play the role of core technology. On the other hand, the brand strategy is a important

means from the competitiveness of enterprises, brand strategy is to increase the added value of products and technical content, brand strategy is to improve the enterprise product image, expand enterprise product awareness, expand the industry business. The enterprise brand strategy success, can play the crystal image of enterprises, improve the added value of products, ultimately increasing enterprise profit. In summary, we can see, technological innovation and brand strategy is the core concept and the method to improve the enterprise's comprehensive competitive ability is the core values, to support the rapid development of enterprises embody.

4.4. Personnel Training and the Introduction of International Business Management, and Vigorously Promote the Talent Strategy

For a long time, Chinese enterprises do not attach importance to talents too in this issue, trapped is determined by social system, causes the enterprise not to attach too much importance to the talent team construction, construction equipment and plant care too much about the hardware, to ignore the strategic issues. Foreign enterprises in this area is much higher, not only the introduction of talents, in the play, treatment, but also in the strategic point of view, the use of such as personnel business in the field of play are all spent more energy than domestic enterprises. We not only need to introduce foreign capital, technology and excellent management method, more attention should be paid to the people-oriented the most core factor, only the talents play advantages, we can make better use of capital and other advantages, at the same time, strengthen personnel training and construction, is to enhance the core competitiveness of enterprise security.

References

- [8] G. Ji, "Reverse Logistics Operation Management Based on Virtual Enterprises and Complaint Service Management," *Journal of Service Science and Management*, Vol. 1 No. 1, 2008, pp. 51-66. doi: 10.4236/jssm.2008.11005.
- [9] J. Maleyeff, "Analysis of Service Processes Characteristics across a Range of Enterprises," *Journal of Service Science and Management*, Vol. 2 No. 1, 2009, pp. 29-35. doi: 10.4236/jssm.2009.21004.
- [10] B. Jiang, L. Yang and J. Fang, "The Evaluation of Enterprises' Sustainable Superiority Degree of Technical Innovation Based on DEA Method," *Journal of Service Science and Management*, Vol. 1 No. 3, 2008, pp. 255-258. doi: 10.4236/jssm.2008.13028.