

# Analyzing the Deficiency Factors and Coping Strategies of Enterprise Strategic Management

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**Abstract:** The rapid development of market economy creates a good environment for China's small and medium-sized enterprises. In recent years, along with the gradually intense competition between enterprises in our country, some small and medium-sized enterprises are facing bankruptcy problems directly or indirectly. The main cause of this phenomenon is that those enterprises ignore the importance of enterprise strategy management. To change this situation, this thesis analyzes the main problems existing in the process of enterprise strategic management in the current stage and puts out detailed coping strategies based on these problems which aims to provide reference for small and medium-sized enterprises in the market and improve their competitiveness in the market economy.

**Keywords:** Enterprise strategic management; Deficiency factors; Coping strategies

## 1. Introduction

### 1.1. The current situation of small and medium-sized enterprise strategic management.

In the current stage, most of the small and medium-sized enterprises in China have not established strategy and target management system. In general, the managers in enterprises tend to focus on business issues, and for other aspects, such as development strategies, internal management, they do not care much. Due to the lack of scientific, reasonable implementation of strategic management planning, many links in the process of strategic management can't be effectively managed, thus causing huge resource waste of the enterprise and the adaptation to the current market environment can't be guaranteed. Besides, many small and medium-sized enterprises are family enterprises, the enterprise's managers often determine the future development prospect and economic benefit. Assuming that enterprise's managers can't judge the feasibility of the development of comprehensively when deciding future development direction of the enterprise, it is very easy to make wrong directions, cause serious influence to the stability of the enterprise itself and block the achievement of their development goal. In addition, some enterprises lack a clear connection between the employee's salary and performance which can lead to the absence of relevant professional talents, so they can't work out relevant strategic management planning.

## 2. The Main Deficiency Factors of Enterprise Strategic Management

### 2.1. The enterprise's leaders lack of strategy management consciousness

Generally, in the process of operation, the leaders of small and medium-sized enterprises pay less attention to strategic management and do not have proper strategic management consciousness which results in the phenomenon of lacking strategic management and seriously influence the enterprise operation in the market.

Generally speaking, the deficiency factors of strategic management consciousness which the enterprise's leaders lack can mainly be embodied in two aspects. On one hand, the enterprise's leaders adopt the traditional enterprise operation mode to enterprise's development goals in daily management work, internal organization structure, staff structure and other factors, but lack of certain innovation consciousness. Especially in recent years, with the arrival of the information age, the type and quantity of things that people can get and understand are explosively growing, the traditional operation model can not meet the need of the changing market structure. Therefore, the managers need to optimize and bring forth new ideas to the production process of their productions, appropriately adjust the development goals and set up suitable strategy target, etc. However, there is still a part of enterprise management personnel who pay much attention to our country's various policies which is not conducive to cultivating enterprise management personnel's innovation consciousness.

On the other hand, in the stage of enterprise management, some managers only pay attention to enterprise's development direction, all management work is implemented to highlight the development of enterprises. But they pay

nearly no attention to the problems that a developing enterprise may encounter. Their risk consciousness as an enterprise management personnel's is very weak. For enterprises, the assets mainly include the investment channel, the financing channels, products return rates, etc. All these assets will inevitably encounter all sorts of problems in the process of development, and there are different degrees of risk. And enterprise managers believe that our country will introduce policies to solve these risks. However, this thought is certainly one-sided.

### **2.2. The enterprise's financial management mode is relatively single**

For enterprise itself, the structure of the enterprise's financial sector occupies an important position in the entire enterprise management and affects the enterprise's economic benefits to a certain extent. However, in the current stage in our country, most of the enterprise's still use the traditional management mode to manage their financial which can not make certain adjustment according to the current social market. This can be characterized by two aspects.

On the one hand, it is mainly involved in the cost management in the enterprise financial management. Generally speaking, cost management is a process which involves cost planning, cost control, cost assessment, etc. The financial department of many enterprises, however, unilaterally believe that it only contains two aspects of cost control and cost accounting. This can lead to a big error when making the cost management, thus the operation of cost budgeting, cost accounting and cost evaluation can not be implemented successfully which is bad for ensuring a long-term and stable development of enterprises. On the other hand, in the process of performance evaluation, the financial department often considers the final results of cost increase or decrease as the final basis, and ignores the other factors that affect the enterprise cost management which is not conducive to showing the clear change of actual cost of enterprises management.

### **2.3. The implementation of strategic management is difficult**

For most of the small and medium-sized enterprises in China, the time they are founded is exactly the same stage of China's market economy reform, which means that the small and medium-sized enterprises in our country are all newly born and their operating time is short, so they are unable to complete a relatively comprehensive strategic management planning. Plus the limitation of leaders' management experience and the lack of a better understanding for the content of the popular enterprise strategic management planning and its effect. These all eventually lead to some small and medium-sized enterprises can not effectively master the change rule of the market in operation stage, and at the same time, they also

can't develop a reasonable solution in the first place when facing risk problems. Finally, they may come to a wrong conclusion that the enterprise strategic management planning cannot help to solve problems, such as risk.

## **3. The Relevant Coping Strategies for the Deficiency of Enterprise Strategic Management**

### **3.1. Strengthen the strategic management quality of the enterprise management personnel**

In China, the limitation of founding a small and medium-sized enterprises is tiny, thus causing a big difference between them in the aspect of professional quality and management experience of their managers. For those managers who are lack of strategic management experience, it is hard to bring up scientific and rational strategic management plans when an operation problem occurs which makes some obstacles to the development of enterprises. Therefore, the enterprise's managers should strengthen their strategic management quality. Specifically, this can be characterized by the following two aspects. On one hand, for enterprise management personnel, any formulation of enterprise development strategy is inevitably affected by enterprise management personnel's subjective consciousness. Assume that the enterprise's managers have higher professional quality and ability of handling problems, they can make a suitable enterprise development strategic management plan, otherwise, their subjective consciousness would, to a certain extent, affect the enterprise's future development. Therefore, in order to minimize the affection caused by the enterprise's manager themselves in the stage of formulating the development strategic management, the enterprise's management personnel need to be fully understood and grasp a variety of professional knowledge theory about the enterprise strategic management in daily work, and at the same time, they should consciously exercise the ability to analyze, judge and handle problems, thus laying a solid foundation for enterprise's strategic management planning.

On the other hand, in order to be able to fully grasp the state of enterprise in the market operation and formulate a reasonable development strategy at the same time, some enterprise's management personnel usually comprehensively manage the enterprise in every aspect. Although by this way it can ensure the enterprise's management personnel can understand the information of the enterprise in a timely manner, but to some extent, it also hinders the enterprise management personnel's strategic management thinking. Therefore, the enterprise's senior management personnel should properly release the management power to the middle management personnel, so that they can get more time to analyze and research the

development direction of the enterprise and make strategic management goal.

### **3.2. Attach great importance to the improvement and optimization of enterprise financial management mode.**

In the process of enterprise operation, it is very easy to occur the situation that the enterprise's financial department can't fully and efficiently implement fund risk analysis and research stage in daily management, thus cause a different levels of economic loss. In addition, the enterprise's financial department cannot effectively master the market's change rule and the investment trend at the first time, thus influence the revenue benefits. Therefore, strengthen enterprise financial management mode and regularly adjust the financial management mode all have very important significance to promote enterprise financial management.

On one hand, in order to ensure the overall level of enterprise financial management work, enterprise's managers need to pay attention to finance department personnel's professional quality assessment. For those staff with poor professional qualities, the enterprise should formulate reasonable training courses to improve their professional skills. At the same time, enterprises should strengthen the connection between the financial sector and the outside world. By selecting the the backbone personnel in financial sector and let them participate in various social learning activities, let them constantly accept advanced professional technical theory, increase work experiences and improve the efficiency of enterprise financial management.

On the other hand, enterprises should attach importance to maximize the benefit of money market, namely, use the idle funds make market investment. At the same time, enterprise's managers should pay attention to management issues of enterprise's operation cost, do their best to reduce enterprise's operation costs in order to use the lowest operation cost maximize the economic benefit, so as to improve the economic efficiency and improve its competitive advantage in the market.

### **3.3. Adjust the structure of enterprise strategic management based on the market**

In order to ensure that enterprises can be run and operated stably for a long-term in the market, the enterprise management personnel need to grasp the market change rule and appropriately and regularly adjust the structure of enterprise strategic management. First of all, for the sake of improving the efficiency of the enterprise strategy management, enterprise management personnel can set up an independent department within the enterprise which is specialized responsible for the enterprise's strategic management planning. At the same time, recruiting talents with professional quality for analyzing the enter-

prise's operating state and market rule. Let them formulate reasonable strategic management planning which can meet the development needs of the enterprise. Thus, the situation that use traditional short-term planning strategic management to solve problems can be changed.

Then, the enterprise's managers should ensure the completely implementation of the strategic management plan. For the implementation of the strategic management, it is necessary to pay attention to the management force of each implementation stage. At the same time, feedback the results of the implementation to the relevant sectors. It is worth noting that the enterprises should be fully considered the resources share it can input in the process of implementation, assuming a reasonable planning strategic management didn't get the proper resource input, it can cause a serious resources waste which is not conducive to ensure its own economic benefits.

Finally, enterprise management personnel should strengthen the efforts to enterprise strategic management, make a regular analyze and study on the evaluation and feedback of strategic management, and at the same time, analyze the change of the market economy, and then develop the strategic management planning for next stage to ensure that the enterprise can accomplish the ultimate strategic goal and increase the share occupied by the enterprise in the market.

## **4. Conclusion**

In conclusion, the effective implementation of the strategic management plan has very important significance for promoting the rapid development of the enterprise. The lack of relevant experience of some small and medium-sized enterprises lead a variety of problems to enterprises in operation phase. Therefore, small and medium-sized enterprises should comprehensively review the status of the enterprise itself, clearly understand the insufficient in strategic management. Enterprise management personnel should pay attention to cultivating their strategic management consciousness, strengthen strategic management ability, change the traditional mode of financial management, and periodically make a adjustment on the basis of market change to meet the needs of enterprises development. In addition, enterprises should set up independent enterprise strategy management sector, intensify the implementation of enterprise strategy management, grasp each link in the implementation process so as to promote the long-term stability development of enterprises.

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