

---

# Research on the Management Strategy of Small and Medium Sized Enterprises under Market Economy

Quanjie LIN, Xiaoqing SHI, Jianhua LI

Business College, University of Jinan Quancheng College, Yantai, 265600, CHINA

**Abstract:** The small and medium-sized enterprise is an important part of our country's market economy, it not only solved the employment problem of most people in our country, but also the small and medium-sized enterprise tax is also an important part of the national tax. With the development of market economy, small and medium enterprises are facing many problems. Competition is becoming more and more serious, which leads to the development of small and medium-sized enterprises is very difficult, so how to survive in the market economy is an important issue for small and medium sized enterprises in china. This paper analyzes the problems faced by small and medium enterprises, and expounds the characteristics of the development strategy of enterprises, hoping to provide help for the small and medium enterprises in the market economy environment.

**Keywords:** Small and medium-sized enterprises; Strategic thinking; Market economy environment

## 1. Introduction

Since the reform and opening up, China's economy has developed rapidly, and the economic level has been rising rapidly. Small and medium-sized enterprises occupy a large proportion in China's market economy, it is also a major indicator of China's market economy prosperity. Small and medium-sized enterprises are facing severe challenges, such as lack of market influence, lack of funds and lack of innovation and so on. It is urgent to solve the problems faced by small and medium enterprises.

## 2. The Role of Small and Medium Sized Enterprises in Formulating Management Strategy

### 2.1. Accurate positioning

Under the new economic conditions, the blind development will only make the enterprise lose the opportunity of development. Therefore, enterprises need to develop strategies in order to survive and develop under the new economic conditions.

### 2.2. Accurate guidance for enterprises

Business strategy can provide a theoretical basis for enterprises, but also can make small and medium enterprises to seize the opportunity for development.

### 2.3. Sustainable development

Under the new economic conditions, small and medium enterprises are facing severe test. The purpose of business strategy is to maintain sustainable development.

## 3. Problems in the Development of Small and Medium Sized Enterprises

### 3.1. Low productivity

Small and medium enterprises can only rely on the purchase or introduction of some equipment, which can be profitable in the beginning of a period of time, but with the development of science and technology, the productivity of these enterprises gradually can not meet the new market. When the enterprise lack of capital and innovation, and the quality of the product can not meet the market, the productivity of the enterprise will decline.

### 3.2. Talent shortage

Although our country's human resources are rich, but the small and medium-sized enterprise lacks the technical talented person and the innovation talented person, especially some family industry. Some technical personnel employed by large enterprises, which makes the small and medium enterprises lack of technical support and innovation.

### 3.3. Weak strategic consciousness

Some small and medium enterprises lack of strategic awareness. Some small and medium-sized enterprises only pay attention to economic income in the development, but ignore the management mode and management

strategy, which makes the enterprise can't get effective development. Even some enterprises at all costs for the pursuit of interests, which not only delayed the future of the enterprise, but also harm the interests of the people.

### 3.4. Unreasonable positioning

Many small and medium enterprises lack of government support. Enterprises can not get the support of the government, while their own positioning is not reasonable enough, which makes them lose their advantages in economic development, and ultimately lead to bankruptcy.

## 4. Advantages of Business Strategy

### 4.1. Long term

Small and medium-sized enterprises have the disadvantages of low productivity, lack of overall planning and the pursuit of economic benefits. We must take advantage of the characteristics of small and medium enterprises, and formulate the corresponding development principles, which can give play to their own advantages.

### 4.2. Global and resistance

The leaders of small and medium-sized enterprises should have global consciousness, otherwise they will lose the initiative in the new environment. Having a global consciousness is equivalent to having a long term goal, which can not only increase the working power of the workers, but also enable enterprises to play their own advantages.

The business strategy must have certain advantages. Only in the peer enterprises have a certain competitive advantage, and has a certain influence in the market, which can guarantee the development of enterprises.

### 4.3. Risk

The development of any enterprise has a certain risk. In the new economic environment, opportunities are accompanied by risks. The purpose of developing business strategy is to make the small and medium-sized enterprises have the corresponding plan, and reduce the risk of development. The ultimate goal is to reduce the economic losses caused by the risk.

## 5. Main Problems of Current University Financial Reimbursement in Front

### 5.1. Changing industry direction

With the development of economy, the state has attached importance to the development of small and medium-sized enterprises. Therefore, in the new economic environment, small and medium enterprises should respond to the call of the country. Small and medium-sized enterprises can make full use of their own characteristics to

change the direction of enterprise development, and adapt to the new economic environment.

### 5.2. Absorb advanced technology

Investment is to cooperate with some large enterprises or foreign enterprises, through this cooperation to obtain funds to make up for their shortcomings. The use of investment can not only associated with some large enterprises, but also to improve the economic income.

### 5.3. Broaden the industrial chain

Small and medium enterprises' product is too single, which led to the industry competitive pressure and other issues. Therefore, small and medium-sized enterprises should learn the advanced technology of large enterprises, and vigorously expand the relevant industries.

Broaden the industrial chain not only improve the economic income of enterprises, but also improve the market influence in the new economic environment, which provides a good platform for the development of enterprises.

### 5.4. Build their own brand

In the new economic environment, the brand is more and more important. Excellent products not only to ensure the durability of products, but also need to have good service attitude. Such as Haier, they not only guarantee the quality of products, and their service is very satisfactory.

### 5.5. Accurate positioning

Enterprises need to be accurately positioned according to their own characteristics, and make corresponding strategic adjustments according to the needs of the market.

### 5.6. Strengthen trademark management

Brand is the representative of a brand. An enterprise shall protect the ownership of its own trademarks and prevent others from stealing their trademarks. If the trademark is stolen, it will not only damage their own interests, but also affect the company's reputation in the market.

### 5.7. Strengthen the propaganda system

Brand promotion is an important part of the brand sales. Effective brand promotion can make customers have a certain impression. The general methods of brand promotion include: advertising, celebrity endorsements and sponsorship of television programs and so on, these methods can play a good effect.

## 6. Acknowledgement

Shandong smaller companies and The research of regional economy coordination development (No. J15WG51).

## References

- 
- [1] Zhang donze. Analysis on the management strategy of small and medium sized enterprises under the new economic conditions [J]. Business Economics, 2017 (02): 41-43.
- [2] Ma Huaining. Thinking on the management strategy of small and medium sized enterprises under market economy [J]. Science and technology innovation and application, 2016 (36): 279-285.
- [3] Fan Ruijia. A study on the management strategy of small and medium sized enterprises under the condition of market economy [J]. Brand, 2015 (07): 46-51.
- [4] Li li. The strategic choice of small and medium sized enterprises under market economy [J]. China business, 2011 (25): 126-127.
- [5] Liao Shuixiang. Strategic thinking on the development of small and medium sized enterprises under the condition of knowledge economy [J]. Journal of Changsha Institute of electric power (SOCIAL SCIENCE EDITION), 2003 (03): 52-53.