

On the Economic Management Path under the New Normal Economy

Huiwen Tan

Sinounited Investment Group Corporation Limited Postdoctoral Programme , Beijing, 102200, China

Keywords: New normal economy, Business operation, Economic management, Innovation path

Abstract: At present, the market economy has entered a new era of history. The new normal economy, which is characterized by high-quality, innovation, medium and high-speed, has become the main environment for construction in various industries. At the same time, under the influence of the diversified world economic pattern, the emergence of various unstable factors has brought severe challenges to promote social change. How to recognize the current situation of market environment, grasp the development direction of enterprises in the industry, and improve the efficiency of economic management is the important work content of the current implementation of the new socialist economy in the new era. Therefore, we should take our own characteristics as the starting point, through the innovation of resource utilization, management system, capital management, technical reserves, energy conservation, and consumption reduction, to explore a new path for enterprises to achieve scientific economic management.

1. Introduction

Nowadays, due to the influence of resource integration, political pattern, industrial adjustment, technological innovation, and other factors, the regional economic growth slows down, and the industry construction will continue to face greater downward pressure. On this basis, the traditional economic management mode of expanding the quantity, expanding the economic types and increasing the proportion of resources investment cannot adapt to the current economic situation. The new normal economic pattern with the theme of “improving quality and efficiency, innovation and reform” has become an inevitable stage of driving the reform and progress of the market economy. This also makes exploring the economic management path of industrial enterprises, accelerating the pace of industrial “supply side” reform, realizing the goal of enterprise transformation and upgrading, become an important guarantee measure for enterprises to implement long-term and stable operation.

2. Current Situation of Enterprise Economic Management under the New Normal Economy

2.1 The Main Characteristics of Economic Management in Enterprises

At present, there are two outstanding characteristics in the process of enterprise economic management:

One is the comprehensive operation of each link. The economic operation of an enterprise is accomplished through the orderly arrangement of production, technology, human resources, equipment, finance, and other aspects according to the functional division. It is an organic and unified whole of economic management activities. At the same time, because of the collection and combination of maximizing the economic management efficiency of each department and each link, it can finally promote the scientific economic management in the enterprise stage.

The other is the economic efficiency of operational activities. On the one hand, the ultimate goal of enterprise survival is to integrate resources and raw materials to obtain economic benefits. On the other hand, sufficient capital guarantees and a scientific financial management system can provide enterprises with more benefits in the new normal economy [1].

2.2 Significance of New Normal Economic Construction for Sustainable Development of Enterprises

From 10% in the past to about 7% in the present, China's economic progress has changed from high-speed growth to medium high-speed growth. The industrial economic pattern has been upgraded and optimized step by step and the market construction has been driven from investment type to innovation type, gradually forming a new normal market economy of socialism with Chinese characteristics. In the face of the new normal, innovation and other social changes, the shortcomings of the traditional economic management mode of system solidification and serious waste are increasingly prominent. In order to ensure the long-term and good operation of enterprises, accelerating the establishment of a scientific economic management model with innovation ability is the only way in the reform process. On the one hand, efficient economic management ensures that the development strategy of enterprises is consistent with the pace of social change in the current period, so as to obtain more business resources. On the other hand, only by constantly improving the enterprise management mechanism can we improve the comprehensive competitiveness to deal with unknown marketing risks.

3. Risks Faced by Enterprise Economic Management in the New Normal: Take Equipment Manufacturing Enterprises as an Example

As the equipment manufacturing industry belongs to the “sunset industry” in mechanical processing, the limitations of resource and technology utilization lead to many risk factors in the implementation of innovation management under the new normal, which are as follows:

3.1 Policy Risk: Taking General Equipment Manufacturing as an Example

As an important part of the national economy, it is strongly supported by the national macroeconomic policy and industrial policy. But in a certain period in the future, with the development of the national economic situation, the adjustment and change of the national macroeconomic policy, economic policy, financial policy, investment policy, land policy, industry management policy, and other relevant policies, laws, and regulations may have a certain impact on the production and operation of enterprises, especially the energy conservation and environmental protection policy implemented by the state, which has strengthened the supervision of environmental protection, shut down and urged the improvement of production and pollution source treatment methods, and promote great changes to the future development direction and product structure adjustment of the enterprise[2].

3.2 Market Risk

On the one hand, as mentioned in the former, under the influence of macro policies, it has an important impact on the leading direction of enterprise economic development. As a result, the relationship between supply and demand in the market has changed significantly, which makes the demand for the economic fixed investment of enterprises in the upstream and downstream parts of the industry chain prone to great fluctuations.

On the other hand, especially in the general equipment manufacturing industry, driven by limited interests and limited living space, the competition between the same industry is increasingly fierce, which makes low price sales and disordered competition are common to see. In practice, enterprises cannot give full play to their own economic management advantages. It has a negative impact on the market share and profitability of the enterprise.

3.3 Business Management Risk: Taking Technology and Talent Management as an Example

In technology management, the continuous development of high and new science and technology, gradually applied to all kinds of industrial production activities, further promoting the labor productivity of machining. At the same time, the constantly changing market makes customers' demand standards for commodities further improve, which also makes the technology innovation management unable to keep up with the market demand of the times, and the products cannot be

updated in time, so the existing product structure will eventually be replaced by the same industry or foreign products.

In terms of talent management, the limitations of general machining in scientific research and product improvement continue to strengthen the innovation of existing technologies in economic management and increase the reserves of new technologies. However, the fundamental driving force of technological innovation lies in the reserve of talents, especially the talents with rich experience and strong innovation consciousness, which is an important part of economic management. The cultivation and stability of core technicians is an important guarantee for the good development of enterprises. In case of loss of core technical personnel, it will have an adverse impact on the development of the company [3].

4. The Main Problems in Industrial Economic Management: Taking State-Owned Enterprises as an Example

Because of their special social functions and operation structure, state-owned enterprises have become the main force of implementing innovative economic management in the new normal. However, in the current management system of state-owned enterprises, there are many problems such as the cumbersome establishment of institutions, repeated approval procedures and so on, which lead to the system operation can't run smoothly. For example, the lack of innovation in management concept and the deep-rooted awareness of following the rules and respecting the old ideas among management personnel; the poor information and data transmission channels, which are relying on traditional methods such as documents to communicate, result in the lack of data connection leading to errors in the issuance of business instructions, and when the actual production, is not inconsistent with the market demand, a large waste of production resources will appear. At the same time, the increasing cost of operation makes the enterprises face a heavy economic burden.

5. The Main Measures to Realize Upgrading Reform by Innovating the Economic Management Path of New Normal Enterprises

5.1 Innovations and Reform

According to the actual operation situation of the enterprise, the first step of reform and innovation lies in the establishment of ideology. On the one hand, we need to recognize the problems existing in the current operation of enterprises, and the key point is to accomplish the implementation of the "supply side" structural adjustment and the main points of support from the government, industry and ourselves in upgrading and transformation. On the other hand, we need to clarify the main contents of innovation and reform. The main purpose of innovation and reform is to gradually enhance the kinetic energy of production and operation of enterprises, and its leading direction is to help enterprises to continuously improve the complex and changeable market economy environment in the future, enhance their own resistance to risk factors including financial investment and industry integration, so as to finally achieve the goal of enhancing the comprehensive competitiveness of enterprises. Then we can gradually achieve innovation in economic management, including technology, equipment, system, and personnel with technological innovation as the basis and a new enterprise project as the carrier [4].

5.2 Marketing Strategy

First, we should base ourselves on our own duties. Based on the current efforts to consolidate the existing enterprise marketing market, and stabilize the original market share occupied by enterprise marketing. Through the timely attention and in-depth investigation of the industry market, we can understand and master the research and development status of new technology products and the types of products that are sold in the market as an important basis for improving productivity within the enterprise. The key is to effectively connect market data with production information, so as to avoid the adverse situation of overcapacity caused by inconsistent information links.

Second, we need to expand the market. Nowadays, the dominant position of the market has

changed from the seller to the buyer. Therefore, we should build on the basis of the existing market influence, focus on the market demand, organically combine the enterprise economic management with the production line “improving quality and efficiency”, fully understand the market, influence the market, and achieve the operation goal of integration of production and marketing.

5.3 Internal Control and Management

First, we should establish and continuously improve the scientific economic management system, and organically combine the management elements of each link to achieve smooth operation of the management system, while avoiding unnecessary property losses. For example, the purchase process of bulk raw materials should be based on meeting the current production line demand, combining the company's current cash flow situation and the amount of disposable activity funds, and then make the purchase plan of raw materials. For materials, different candidate suppliers are divided according to the purpose and model, and the principle of “price comparison” is adopted to finally complete the purchase of raw materials.

Second, we should strengthen the supervision and management mechanism of various economic management systems. On the one hand, we should strengthen the ideological education of enterprise staff, so that they can implement the concept of “Love the post, be dedicated and responsible” into different post-work; on the other hand, we should establish the supervision and management mechanism. Set up quality inspectors in different management links to monitor the implementation of enterprise management systems and production process standards. Strict punishment mechanisms shall be established for the behaviors of violating relevant management systems and potential safety operation hazards and relevant personnel [5].

6. Conclusion

To sum up, the implementation of innovative economic management in the new normal environment is the inevitable trend of market economy reform and progress. More importantly, it is an important breakthrough for enterprises to break through the bottleneck of traditional development mode and enhance their market competitiveness. Therefore, on the basis of the existing resources and environment, we should take promoting scientific economic management as our duty, start from three aspects of enterprise concept reform, marketing innovation and internal control upgrading, organically combine all kinds of business elements, and make new contributions to the realization of strengthening the construction of the new normal socialist market economy.

References

- [1] Lu Yuying(2015). On Strengthening the Path Construction of Enterprise Economic Management under the New Normal. *Contemporary Economy*, No.16,pp.92-93.
- [2] Guo Baolin(2017). Reform Ideas of Enterprise Economic Management in the Context of New Normal Economy. *National Circulation Economy*, No.21,pp.22-23.
- [3] Zhang Xue(2019). Thinking about the Way to Strengthen Enterprise Economic Management under the New Normal. *Consumer Guide*, No.21, pp.71-76.
- [4] Wang Huzhong(2019). Analysis of the Optimal Path of Agricultural Economic Management in the New Normal Environment. *Management and Technology of Small and Medium-Sized Enterprises*, No.12,PP.65+67.
- [5] Liang Yidan, Zhang Yuwei(2016). Resolving the Contradiction of Overcapacity: Requirements, Paths and Countermeasures under the New Normal. *Productivity Research*, No.8, PP.42+46.