

## New Research on Issues of Business Management Development in the Context of Digital Economy

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### Abstract

In the context of the full development of the digital economy, the economic development model in China has produced huge changes. As microeconomic subjects, enterprises are also facing opportunities and challenges in the market environment. In order to ensure its smooth operation and sustainable development, enterprises need to vigorously combine the characteristics of the digital economy era, innovate and reform the business management model, form a new innovative development model, so as to promote the effective realization of business management strategic objectives. In this paper, we will conduct an in-depth study and analysis on the innovation of business management in the digital economy and make suggestions for the future development of enterprises in the light of practice.

### Keywords

Digital Economy; Business Operations; Strategic Objectives.

## 1. Introduction

### 1.1. Background of Digital Economy Development

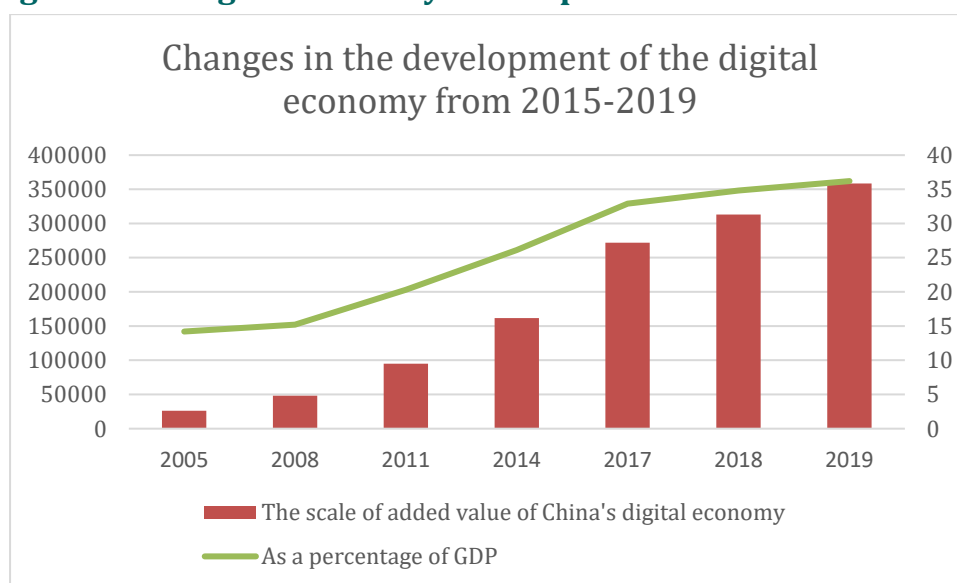


Figure 1. Changes in the development of the digital economy from 2015-2019

Currently, online education, Internet healthcare, live e-commerce, telecommuting and a series of new business models represented by the digital economy is developing rapidly and has become the core driver of China's economic growth. And in 2019, the scale of China's digital economy added value has reached 35.8 trillion yuan, accounting for 36.2% of GDP, making a huge contribution to China's economy. On the other hand, blockchain technology, with the advantages of distributed, peer-to-peer, difficult to tamper with and transparent mechanism, has played a natural advantage in transferring trust, helping industries realize digital

transformation, building digital economy infrastructure and liberating data productivity, etc. It has gradually found a place in some distributed business application scenarios that require cross-border, cross-industry and cross-industry collaboration, and the market scale has grown at a high speed accordingly.

## **1.2. Business Strategy**

Business strategy is the holistic and planned adaptation of corporate activities to environmental changes and proactive response to the corporate environment in order to pursue corporate sustainability and growth. According to the SWOT analysis, we correctly analyze the strengths and weaknesses as well as the opportunities and threats elements of the company, and establish the corporate and sectoral strategies to beat the competitors. Business strategy is the overall planning of an enterprise for long-term survival and continuous development in the face of fierce changes and severe challenges in the environment. Business strategy in a broad sense refers to the management of the entire enterprise using strategic management tools, which is guided by the business strategy to implement the strategic intent and achieve the strategic objectives; business strategy in a narrow sense refers to the management of the process of formulating, implementing and controlling the business strategy of the enterprise. In order to effectively achieve the strategy, it is necessary to derive KPIs and achieve performance and to play the teamwork spirit. And the most important of them is the management of the enterprise, which will lay the foundation for the future development of the enterprise.

## **2. Analysis of the Impact of the Digital Economy Era on Business Development**

### **2.1. Analysis of the Impact of the Digital Economy Era on Business Operations**

Management is the main strategy for business development and is the key to achieving corporate value objectives. In the era of digital economy, modern information technology has penetrated into various industries and fields, and the digital economy has driven changes in business strategies. The primary goal of enterprise development is to improve economic efficiency, while providing economic efficiency requires the introduction of more services and products that can meet the needs of users, in the era of rapid development of information technology, the traditional business model of enterprises and the problem of information asymmetry between consumers disappeared, enterprises can use information technology to better grasp the overall needs of consumers, consumers can also use information technology to obtain information about the enterprise The company can use information technology to better grasp the overall needs of consumers, and consumers can also obtain information about the company through information technology, thus achieving mutual benefits for both sides.

In the process of developing a business model, it is important to meet the needs of consumers, so most companies use customized business strategies. In the era of digital economy, enterprises actively use information technology to perceive consumer needs, use cloud computing technology and big data technology to analyze user needs, and guide consumers to participate in the research and development of enterprises and the aggregation of manufacturing processes, so that consumers can intuitively participate in the process of enterprise products from production to sales, so that they can better meet the individual needs of consumers and provide consumers with modern services. Personalized business strategies have become the core of enterprise development in the digital economy, and the integration of information technology has given impetus to product upgrading, technological innovation, and business model innovation, and has had a profound impact on enterprise business strategies.

## **2.2. Analysis of the Impact of the Digital Economy Era on Business Management**

In the era of digital economy, there is a trend of decentralization in the dissemination of information, and the integration of the Internet and enterprises has led to significant changes in the management mode of many enterprises. Self-management mode is a new development direction in the development of enterprise management mode in the era of digital economy. Self-management mode breaks through the traditional organizational structure of enterprises, breaks the tangible boundaries of enterprise organizational structure, and transforms the traditional decision-making by the core leaders of enterprises into a polycentric decision-making mode. Such a way can promote the cooperation and communication between multiple departments within the enterprise, and the decisions made by different departments of the enterprise are the most in line with the current development of the department, thus effectively improving the efficiency of the department's decision-making.

There are practical cases of self-management model in many enterprises in China. Through self-organization this enterprise management model can effectively stimulate the creativity of employees, improve the innovation ability of employees, and allow enterprise workers to dig deeper into the needs of consumers to promote the development of their own organizations with the needs of consumers. This shows that the self-management model is an important direction for the development of the future enterprise management model, and has a great role in promoting the development of enterprises. In addition, the enterprise management mode has also emerged in recent years the development trend of borderless, borderless management mode can stimulate the innovative vitality and development potential of enterprise employees, so that the employees of the enterprise are no longer subject to greater constraints, and thus can better promote the development of business operations.

## **3. Analysis of Effective Innovation Strategies for Business Management in the Era of Digital Economy**

### **3.1. Use Information Technology to Find the Right Business Positioning**

Market positioning is the key to carry out business management strategy. Consumers may have a strong willingness to buy a certain product produced by the company, but may not have the willingness to buy other products, so enterprises can use modern information technology to find their own market positioning and innovate their business management strategy. For example, e-commerce enterprises can use big data technology to record the data searched by consumers on the enterprise's e-commerce platform, browsing data, collection data, etc. Through the analysis of these data, they can grasp the behavioral preferences of consumers and the goods they are more interested in, and make it clear that consumers are more concerned about a certain product or service, and enterprises can use these data to determine their own market Positioning, clear enterprise itself in the category of products or market has a certain degree of attractiveness, so you can upgrade the enterprise's products and services to better meet the needs of consumers, so as to enhance the scientific nature of business management strategy and promote the sales of enterprise products. In the era of digital economy, the use of information technology to explore consumer demand for its own products and to clarify its own market positioning is one of the key factors that enable successful business management strategies, requiring companies to apply information technology flexibly.

### **3.2. Use of Digitalization to Promote Internal Management Innovation Mechanisms**

#### **3.2.1. Organizational Model**

The organizational model tends to be networked and flattened. Strategy determines the structure, and the structure follows the strategy. It is difficult for digital enterprises to graft the

traditional section hierarchical structure, and turn to layout networked architecture, which is manifested as decentralization, disintermediation, flattening and outsourcing.

### **3.2.2. Business Model**

The marketing model tends to be refined and precise. Under the effect of cross-network externalities, traffic is king and scale is first. The platform uses cross-subsidy strategy to seize customer resources with funds, form user stickiness, increase transfer costs and develop lock-in effect.

### **3.2.3. Production Model**

The production mode tends to be modular and flexible. The enterprise-centered mass manufacturing of the industrial economy has been subverted to consumer experience-centered mass customization in the digital economy, and will continue to evolve toward personalization in the future.

### **3.2.4. Product Design**

Product design tends to be versioned and iterative. In the digital economy, product versions along the product attributes as well as the two dimensions of time and space will be unlimited creativity, and companies can achieve product differentiation at low or even zero marginal cost.

### **3.2.5. R&D Model**

The R&D model tends to be open and open source. Increasingly, digital enterprises are adopting open source systems and bringing together innovation resources from leading users, suppliers, competitors, unrelated companies, universities and research institutions, governments, and others through open innovation.

## **3.3. Using Big Data to Adjust Business Management Strategies**

Information technology is the core of the development of the digital economy, so in the era of digital economy, enterprises need to be able to flexibly apply information technology, relying on information technology to adjust the business management strategy of enterprises, enterprises can carry out market research through information technology, through the analysis of market data to find the current market vacancy areas, the vacancy area assessment, the use of information technology to assess the enterprise's own capabilities, combined with their own actual situation, information technology and target consumers to understand the unmet needs of consumers in the target market, and assess whether the enterprise has the ability to meet such needs. Combined with the actual situation of the enterprise itself, through information technology and the depth of contact with the target consumers to understand the unmet needs of consumers in the target market, and assess whether the enterprise itself has the ability to meet such needs of consumers, and then make a comprehensive judgment of the market size, profits, growth space, etc., so as to create more specialized market demand.

For example, in terms of mastering consumer needs, the core of business operations is to satisfy consumers' needs by providing products or services that target consumers expect more effectively and profitably than other companies, and which can help consumers solve certain needs. Consumer demand is the core element of business operation. To accurately grasp consumer demand in the era of digital economy, it is necessary to actively use information technology so as to optimize and innovate the adjustment of business management strategy, which is the inevitable demand for the development of enterprises in the era of digital economy.

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