

Research on Strategic Management of Private Enterprises — Taking Jiangsu Hongjian Network Technology Co., Ltd. as an Example

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ABSTRACT

This paper takes Jiangsu Hongjian Network Technology Co., Ltd., a private enterprise, as the research object and studies the complete strategic management process of the company. Firstly, the mission, vision and values of the company are analyzed. Secondly, SWOT analysis is used to analyze the internal and external comprehensive environment of the company; Then, the strategic choice and implementation of the company are discussed. Finally, the internal factor evaluation matrix and external factor evaluation matrix are used to evaluate the company's strategy. Two conclusions are as follows: First, the internal situation of Jiangsu Hongjian Network Technology Co., Ltd. is in an advantage. In this case, it is easy for the company to maintain the status quo, and more aggressive strategies should be adopted to gain greater competitive advantage. Second, Jiangsu Hongjian Network Technology Co., Ltd. can make good use of opportunities in the external environment to avoid threats.

Keywords : Private enterprises, Strategic management, Jiangsu Hongjian.

1. INTRODUCTION

Enterprise strategic management is an overall, holistic and long-term planning process, which points out the direction for the development of enterprises and plays a decisive role in the rise and fall of enterprises. However, some small and medium-sized private enterprises are weak in strategic management awareness and lack of strategic management level. [1] Therefore, it is of practical significance and practical value to study the strategic management of private enterprises.

2. THE PROCESS OF ENTERPRISE STRATEGIC MANAGEMENT

Enterprise strategy generally refers to the overall and long-term guiding plan for the development direction and trajectory of enterprises in order to survive and develop, starting from internal and external conditions.

Strategic management is the science and art of making, implementing and evaluating cross-functional decisions that enable organizations to

achieve their goals. Strategic management can be divided into broad sense and narrow sense. The narrow sense of strategic management is strategic decision-making. Generalized strategic management includes not only strategic formulation (that is, strategic decision-making), but also strategic implementation and strategic evaluation. [2]

The process of strategic management includes the establishment of strategic direction (determining corporate vision, mission and strategic goal), strategic environment analysis (external environment analysis and internal environment analysis), strategic analysis and selection, strategic implementation, strategic evaluation and control.

3. THE MISSION, VISION AND VALUES OF JIANGSU HONGJIAN NETWORK TECHNOLOGY CO., LTD.

Jiangsu Hongjian was established in 2006, mainly providing value-added services such as IDC

(Internet Data Center) to customers. At present, the customer base served by the company includes various portals, streaming media, games, e-commerce, mobile Internet and many other types of enterprises, governments and operators. Jiangsu Hongjian has established a perfect IDC operation management system, and has signed cooperation agreements with three major operators and a number of Internet companies. Relying on the 7x24 network monitoring system, operation and maintenance service team and the quality of star-rated computer rooms of operators, the reliability of the company's IDC service network reaches 99.99%. Jiangsu Hongjian has made great progress with its leading technology and excellent service. Company customers have formed a high-end and high-quality customer base. Hongjian focuses on the research and development and operation of basic IDC platform products, and makes continuous efforts towards the goal of "building a leader in Internet service industry in China".

3.1 The Mission of Jiangsu Hongjian Network Technology Co., Ltd.

The mission of Jiangsu Hongjian Network Technology Co., Ltd. is to enhance the user experience and corporate influence through cloud services, so that products and services can be continuously integrated into Internet enterprises and developers like water and electricity, pay attention to different regions and groups, and provide differentiated products and services for different objects, create an open and win-win platform, and work with partners to create a healthy Internet ecological environment.

3.2 The Vision of Jiangsu Hongjian Network Technology Co., Ltd.

The vision of Jiangsu Hongjian Network Technology Co., Ltd. is to become a leading cloud-based service provider in China, constantly listen to and meet users' needs, guide and exceed users' needs, win users' respect, promote the healthy development of the Internet industry by increasing R&D investment and technology accumulation, grow together with partners, pay attention to corporate responsibility, care for and give back to society, and win social respect.

3.3 The Values of Jiangsu Hongjian Network Technology Co., Ltd.

The values of Jiangsu Hongjian Network Technology Co., Ltd. are integrity, enterprising, cooperation and innovation. With the strength of integrity, Jiangsu Hongjian Network Technology Co., Ltd. has a positive impact on its surroundings, the courage to take responsibility, take the initiative to meet new tasks and challenges, an open and win-win mentality, and share the industry growth with partners. The purpose of innovation is to create value for users.

4. ENVIRONMENTAL ANALYSIS OF JIANGSU HONGJIAN NETWORK TECHNOLOGY CO., LTD. — SWOT ANALYSIS

SWOT analysis is a strategic choice scheme that combines internal and external environmental factors for comprehensive analysis. By using this method, the internal strengths and weaknesses of enterprises are matched with external opportunities and threats, so as to better achieve the overall goal. The decision-making criterion is to choose a strategy that can give full play to the advantages of enterprises, make up for the disadvantages, seize opportunities and avoid threats. [3]

4.1 Analysis of Internal Strengths

The internal advantages of Jiangsu Hongjian Network Technology Co., Ltd. are as follows: the company started earlier and seized the first opportunity; The company has a scientific and reasonable structure, flat management, timely and smooth communication and high implementation efficiency; High service quality; Personnel are stable.

4.2 Analysis of Internal Weaknesses

The internal disadvantages of Jiangsu Hongjian Network Technology Co., Ltd. are as follows: the company is medium in scale and its geographical position is not dominant in Zhenjiang, Jiangsu; Brand influence is not high; There is a phenomenon of customer resource loss.

4.3 Analysis of External Opportunities

Jiangsu Hongjian Network Technology Co., Ltd. is a service-oriented enterprise with its own office building. In order to reduce the unemployment rate

and protect the local economy, the local government has given some support to Jiangsu Hongjian Network Technology Co., Ltd. in terms of tax policies, enabling Jiangsu Hongjian Network Technology Co., Ltd. to gradually develop and grow in Zhenjiang.

4.4 Analysis of External Threats

The industry is developing rapidly and the number of potential entrants is increasing; The competitors are strong.

According to the analysis of internal and external environment, the SWOT analysis matrix of Jiangsu Hongjian Network Technology Co., Ltd. is shown in "Table 1".

Table 1. SWOT Analysis Matrix of Jiangsu Hongjian Network Technology Co., Ltd.

Internal environmental factors	Strength	Weakness
	S1: Strong technical strength S2: The structure is scientific and reasonable.	W1: Brand influence is not high. W2: Loss of customer resources
External environmental factors	SO strategy	WO strategy
Opportunity O1: Government Support Policies O2: "internet plus" trend	SO1: Maintain technological superiority SO2: Making Full Use of Policy Advantages	WO1: Enhance brand awareness WO2: Strengthening customer asset management
Threat	ST strategy	WT strategy
T1: Potential entrants increase. T2: Strong competitors	ST1: Technology upgrade ST2: Improve core competitiveness	WT1: Strengthen management through multiple channels WT2: Grasp the shortcomings of competitors

5. STRATEGIC CHOICE AND IMPLEMENTATION OF JIANGSU HONGJIAN NETWORK TECHNOLOGY CO., LTD.

As an IDC operation service provider, Jiangsu Hongjian provides a perfect and quick service guarantee system for all users. The company has launched a variety of services, such as quick service guarantee system, cold standby machine guarantee, short parking of internal testing environment, including 7*24-hour computer room on-site service, MRTG real-time traffic monitoring, SLA service commitment, and rapid assembly service. The competitive strategies of Jiangsu Hongjian Network Technology Co., Ltd. mainly include differentiation strategy and specialization strategy.

5.1 Differentiation Strategy

Differentiation strategy means that enterprises combine various differentiation characteristics to provide customers with products or services different from other enterprises, so as to gain an advantageous position in the competition. [4] The core of success is to find a differentiated method to obtain a certain uniqueness that is valuable to customers. This uniqueness is difficult for opponents to imitate and achieve, and it also ensures that it will not lead to excessive prices. Differentiation includes product differentiation, service differentiation, human resource differentiation and image differentiation. The differentiation strategy of Jiangsu Hongjian Network Technology Co., Ltd. is manifested in eight personalized service commitments:

- Jiangsu Hongjian Network Technology Co., Ltd. has established a professional pre-sales technical service team to provide customers with professional pre-sales consultation and personalized scheme design, so as to meet the customer's needs in the harmony and unity of quality and price.
- Jiangsu Hongjian Network Technology Co., Ltd. is equipped with three-shift technical service personnel stationed in the computer room to ensure the timely response and support of customer service in an emergency.
- Jiangsu Hongjian Network Technology Co., Ltd. has formulated a strict professional ethics manual for technical service personnel to ensure that customers' information is worry-free and secure.
- Jiangsu Hongjian Network Technology Co., Ltd. adopts advanced CRM management system and establishes a perfect after-sales service process, so that each technical service personnel can know the equipment information of each customer in time, ensuring the ability of quick judgment and timely resolution of faults;
- Jiangsu Hongjian Network Technology Co., Ltd. has established a customer service responsibility system, and designated a special technical support first responsible person and backup support technicians for each customer, providing comprehensive contact information, including mobile phones, telephones, QQ, etc., to ensure that customers can contact technicians in various ways to deal with problems in customer service at the first time
- After-sales service groups of Jiangsu Hongjian Network Technology Co., Ltd. will put forward improvement suggestions in time when they find potential problems in the use of customers, and can provide professional solutions for customers according to the changing needs of customers.
- Jiangsu Hongjian Network Technology Co., Ltd. has a professional technical training plan to continuously improve the service ability of the technical team. While ensuring the handling of customer problems, it has the ability to provide more suggestions and services to customers at the application level.
- Jiangsu Hongjian Network Technology Co., Ltd. has a perfect user complaint reporting

system, equipped with special customer service personnel and hotline, accepting customer complaints 24 hours a day, and standardized complaint handling procedures to ensure timely problem solving and satisfactory answers to customer complaints in the shortest time.

5.2 Specialization Strategy

Specialization strategy means that an enterprise concentrates all its resources and capabilities on a certain core business and establishes its competitive advantage and market position. [5] Enterprises that adopt this strategy have a clear positioning, concentrate on developing a business, easily respond to changes in technology and demand of the industry quickly, concentrate on various resource advantages to specialize in a core business, easily develop competitive products, establish various capabilities that enterprises are good at, easily improve corporate brand image, turn experience and reputation into sustainable competitive advantages, and establish market leadership.

The professional strategy of Jiangsu Hongjian Network Technology Co., Ltd. shows that it only focuses on the core business of providing IDC services, and is committed to making the core business stronger and ensuring the maximum rights and interests of customers. IDC data center guarantees to provide users with telecom-grade high-level service guarantee, as well as comprehensive 7x24 customer service and one-stop solution. And through the following six basic service commitments to be guaranteed:

- Jiangsu Hongjian Network Technology Co., Ltd. ensures that the monthly network connectivity is above 99.5%.
- Jiangsu Hongjian Network Technology Co., Ltd. guarantees 7x24-hour power supply, providing dual-channel commercial power, UPS, standby diesel generators, etc., ensuring a continuous power supply rate of 99.99%, and ensuring that IDC services and IDC internal network lines will be opened for users within 3 working days after the signing of the contract. The opening time of the special line for IDC interconnection with external networks applied by users is less than or equal to 10 working days.
- In case of cutover, expansion and test of IDC internal network or telecommunication network, Jiangsu

Hongjian Network Technology Co., Ltd. will affect the subscriber line, notify the customer three days in advance to immediately accept the user's fault report, and reply the customer with the fault solution every 30 minutes until the fault is eliminated. Submit the fault handling report to the customer within 5 working days after the fault handling is completed.

- With the written authorization of users, Jiangsu Hongjian Network Technology Co., Ltd. provides all-round technical support, mainly including technical consultation, condition monitoring, emergency notification, technical operation service, network security, operating system security, etc.
- If it is necessary to operate the user equipment, the operators of Jiangsu Hongjian Network Technology Co., Ltd. must be trained, and the operation must be recognized by both parties and carried out in accordance with the operating procedures determined by both parties.
- Jiangsu Hongjian Network Technology Co., Ltd. provides 7x24 security and monitoring system.

6. STRATEGIC EVALUATION OF JIANGSU HONGJIAN NETWORK TECHNOLOGY CO., LTD.

The tools for strategic evaluation of organizations include internal factor evaluation matrix and external factor evaluation matrix. The strategy of Jiangsu Hongjian Network Technology Co., Ltd. can be evaluated by internal factor

evaluation matrix and external factor evaluation matrix.

6.1 Evaluation Matrix of Internal Factors of Jiangsu Hongjian Network Technology Co., Ltd.

The Internal Factor Evaluation Matrix (IFE matrix) is a comprehensive analysis method of internal environmental factors, which comprehensively evaluates the main advantages and disadvantages of various functional areas within the enterprise, determines the competitive position of the enterprise, and helps the decision-makers of enterprise production and operation to formulate effective strategies. [6]

Steps to establish the external factor evaluation matrix of Jiangsu Hongjian Network Technology Co., Ltd.: First, it is necessary to list the key factors in the internal environment analysis and select 10 internal environmental factors of the company. Secondly, it is necessary to use a scale of 1-10(1 is the weakest and 10 is the strongest) to rate each factor. Thirdly, each factor is given a weight, and its numerical range is 0 (unimportant) to 1 (very important). The weight indicates the relative influence of various factors on the success or failure of enterprises' competition in the industry, and the sum of all weights is equal to 1. Then, multiply the weight of each factor by its score to get the weighted score of each factor. Finally, the total weighted score of the enterprise is obtained by weighting the scores of all factors. The internal factor evaluation matrix of Jiangsu Hongjian Network Technology Co., Ltd. is shown in "Table 2".

Table 2. Evaluation matrix of internal factors of Jiangsu Hongjian Network Technology Co., Ltd.

Key Internal factors		Weights	score	Weighted score
Advantage	Staff team	0.16	8	1.28
	Cost advantage	0.09	8	0.72
	Geographical position	0.1	7	0.7
	Hardware equipment	0.15	9	1.35
	Engineering level	0.05	8	0.4
Disadvantage	Enterprise management	0.05	4	0.2
	Enterprise Scale	0.1	3	0.3
	Enterprise culture	0.1	5	0.5
	Quality management	0.1	4	0.4
	Financial strength	0.1	4	0.4
Total weighted score		1		6.25

The total weighted score of internal environment is 10.0 at the highest, 1.0 at the lowest, and 5.5 on average. As can be seen from the above table, the total weighted score of the internal factor evaluation matrix of Jiangsu Hongjian Network Technology Co., Ltd. is 6.25 points. The company's total weighted score is higher than the average of 5.5, which shows that Jiangsu Hongjian Network Technology Co., Ltd. is in an advantage. In this case, it is easy for the company to maintain the status quo, and more aggressive strategies should be adopted to gain greater competitive advantage.

6.2 Evaluation Matrix of External Factors of Jiangsu Hongjian Network Technology Co., Ltd.

The External Factor Evaluation Matrix (EFE matrix) analyzes and evaluates the key external factors of enterprises. The main elements are: opportunity factor, threat factor, weight, score, and the weighted score and total score formed on this basis. [7]

Steps to establish the external factor evaluation matrix of Jiangsu Hongjian Network Technology Co., Ltd.: First, it is necessary to list the key strategic factors in the external environment of Jiangsu Hongjian Network Technology Co., Ltd., that is, to find out the main opportunities and threats, with a total of 10 items. Secondly, it is necessary to give each factor a certain weight, ranging from 0 (unimportant) to 1 (very important), and make the sum of all factors' weights 1. The size of the weight means the influence of this factor on the operation of the enterprise. Thirdly, the scores of 1, 2, 3 and 4 respectively represent the main threats, general threats, general opportunities and major opportunities of M company. Then, the weight of each factor is multiplied by the corresponding score value to get the weighted score of each factor. Finally, the weighted scores of all factors are summed up to get the comprehensive weighted average score of external environmental opportunities and threats of Jiangsu Hongjian Network Technology Co., Ltd. The external factor evaluation matrix of Jiangsu Hongjian Network Technology Co., Ltd. is shown in "Table 3".

Table 3. Evaluation matrix of external factors of Jiangsu Hongjian Network Technology Co., Ltd.

Key External factors		Weights	score	Weighted score
Opportunity	The Internet industry is developing rapidly	0.1	4	0.4
	Internet technology is mature	0.15	4	0.6
	The trend in internet plus is obvious Increased	0.1	3	0.3
	consumer demand	0.1	4	0.4
	The state provides subsidies to Internet enterprises.	0.05	3	0.15
Threat	Strong competitors	0.05	1	0.05
	The number of potential entrants has increased	0.1	2	0.2
	Rapid technological upgrading.	0.15	1	0.15
	Increased bargaining power of customers	0.1	2	0.2
	Increased government regulation	0.1	2	0.2
Total weighted score		1		2.65

The total weighted score of external environment is 4.0 at the highest and 1.0 at the lowest, and the average total weighted score is 2.5. As can be seen from the above table, the total weighted score of the external factor evaluation matrix of Jiangsu Hongjian Network Technology

Co., Ltd. is 2.65. The total weighted score of Jiangsu Hongjian Network Technology Co., Ltd. is higher than 2.5, which shows that Jiangsu Hongjian Network Technology Co., Ltd. can make good use of opportunities in the external environment to avoid threats.

7. CONCLUSION

Based on the important position and function of strategic management to enterprises, senior managers of private enterprises should enhance their awareness of strategic management, improve their level of strategic management, master the contents and tasks of each stage in the process of strategic management, effectively implement strategic management of enterprises, and lay the foundation and provide guarantee for the realization of strategic objectives and long-term development of enterprises.

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