

The Strategic Management and Innovation of Small and Medium Industry in China: A Case Study of Matchmaking Agency Company

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Abstract: *In the Chinese context, strategic management and innovation is not a new thing. Companies have applied these elements in achieving a competitive advantage. The current study will examine the subject of strategic management and change in the small and medium industry in China with particular reference to the Matchmaking Agency Company.*

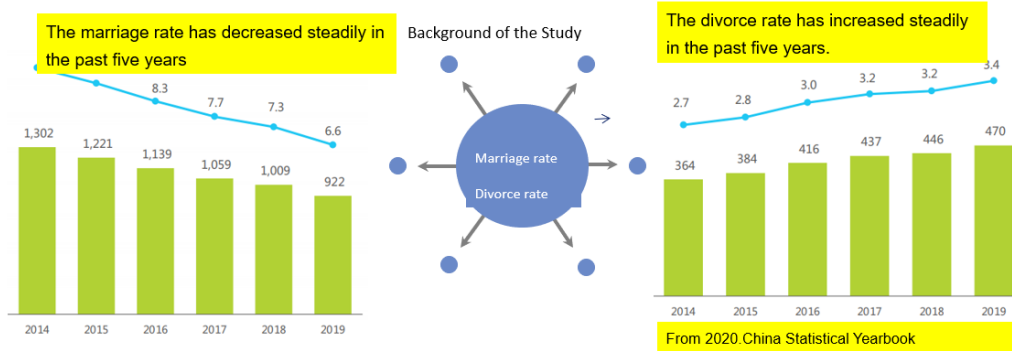
Keywords: *Strategic management, Innovation, Small and medium industry*

1. Introduction

Strategic management entails continuous planning, observing, analyzing, and assessing all activities that are necessary for achieving the goals and objectives of an organization (Abosedo, Obasan, & Alese, 2016). When a business changes its environment, it is recommended to evaluate its strategies to attain success. Innovation is the practice of transforming an idea into a good or service in a way that creates value for the customer. In businesses, change is useful when management applies new ideas or initiatives to satisfy customer needs and expectations (Pisano, 2015). Strategic management and innovation are two aspects that drive business success. A business that wants to achieve a competitive advantage must incorporate change in its strategic decisions. The company must create an environment that motivates workers to focus on the achievement of projects. Engagement of innovative solutions in business helps in meeting customer needs (Machado & Mole, 2014).

Many businesses today are embracing strategic management and innovation to increase competitiveness in the market (Baporikar, 2014). Adapting strategic management choices that incorporate change is essential for a business to compete in the local and international markets (Abosedo et al., 2016). It is the role of the management to analyze, design, and implement coherent strategies and structure businesses in a way that supports the successful execution of the procedure. In the small and medium industries, strategic management and innovation have been applied in business through value creation, internationalization, product diversification, open innovation as well as clustering among other elements (Machado & Melo, 2014). Based on the endogenous growth theory, companies apply changes to reduce market uncertainties and drive economic growth (Abosedo & Anakoya, 2013). A strategic choice of investing in research and development in businesses supports changes to increase the productivity of a business. A company that fails to use innovative solutions, and the benefits of lower prices may not exceed that of innovativeness. Therefore, strategic management and innovation in businesses go hand in hand to give competitive advantages to the company in the marketplace (Abosedo et al., 2016). In the Chinese context, strategic management and innovation is not new thing. Companies have applied these elements in achieving a competitive advantage. The current study will examine the subject of strategic management and change in the small and medium industry in China with particular reference to the Matchmaking Agency Company.

According to statistics from China's Ministry of Civil Affairs, the total number of single people will be about 300 million by 2020 in China, which is in the fourth "single wave". This phenomenon is particularly evident in China's first-tier cities. These single groups have an urgent demand for matchmaking services. Matchmaking agency in the small and medium industry has great development potential.



2. Research Questions & Research Objectives& Statement of the Problem

2.1. Research Questions

- (1) Do small and medium industry companies embrace strategic management and innovation?
- (2) How do small and medium industry businesses apply strategic management and innovation?
- (3) To what extent can small and medium industry organizations improve their application of strategic management and innovation for business productivity?

2.2. Research Objectives

Any text or figures outside the aforementioned margins will not be printed.

- (1) To examine whether small and medium industry companies embrace strategic management and innovation.
- (2) To investigate how small and medium industry companies apply strategic management and innovation.
- (3) To evaluate how small and medium industry companies can improve their application of strategic management and innovation for business productivity.

2.3. Statement of the Problem

The application of strategic management and innovation in organizations has focused on the use of technology as the only significant way of innovativeness in businesses. In China, innovative companies are highly associated with the use of technology. Quan, Loon, and Sanderson (2018) examined innovation in the local context in China and revealed that many successful businesses focus on technology as the only way of change. However, the difference is more in engaging in strategic diversification, innovativeness in the production methods, product design, and vertical integration strategy. In the area of research, previous studies emphasize the application of strategic decisions and innovation in small and medium businesses in the manufacturing industry, construction, motor, and technology industries. Krasniqi and Kume (2013) found out that small and medium companies make an effort to strategically manage and innovate their operations through the creation of new networks, internationalization, growth orientation, organization learning, and technology advancement. No research has been made on small and medium businesses in the matchmaking agency in China or any other country. The present study aims at closing a gap in research and literature to establish how small and medium businesses in the matchmaking agency apply strategic management and innovation solutions for business productivity.

First of all, put forward the question, introduces the status of the matchmaking service industry and the difficulties faced by the industry, and puts forward the importance of using strategic management and innovation to solve a series of problems in the small and medium industry. Taking the large domestic Internet matchmaking companies as an example, this paper analyzes the main service management modes of the internet matchmaking industry and points out the limitations of strategic management and innovation in the development of the industry. In short, it has great practical significance to pay attention

to and use strategic management and innovation to solve the current shortage of small and medium matchmaking services business in China.

The second is problem analysis, which analyzes the gap between strategic management and innovation mode and customer demand in the matchmaking industry. With the rapid development of Internet matchmaking under the new technology, the perceived service quality of customers has not been improved, and the service management and mode of the industry have not kept pace with the times. How realize customer-centered strategic management and innovation is the basis that the industry should improve. Paying attention to the needs of different customers and providing appropriate services are not only in line with the development trend of the times, but also related to the survival of the economic individuals of the matchmaking services business in the increasingly fierce competition. The unique advantages of innovation in service management and operation are also gradually expanding the applicable space to solve emerging service industries. Therefore, the development of the domestic matchmaking industry has entered a mature stage. Trying to improve the competitive advantage of matchmaking service institutions with strategic management and innovation is an important way to improve the service quality of the industry.

Finally, in order to solve this problem, in the last part of the article, the author puts forward a preliminary idea on how to use the innovation to improve the service quality, innovate the service mode and improve the service management. It is pointed out that the matchmaking service industry has not formed a fine hierarchical management strategy for the huge customer group, so as to form a systematic service process for customers in different circles. Using strategic management and innovation to build a large-scale and refined service system for the matchmaking industry is also an important way for matchmaking enterprises to realize the appreciation and creation of service value.

3. Literature Review

3.1. Strategic Management and Innovation in Small and Medium Companies

Small and medium businesses embrace strategic management and innovation in their operations. Kee-Luen, Hiam, Yong, and Seng-Fook (2013) argued that manufacturing companies in Malaysia apply strategic planning in managing their operations. Such businesses have a high possibility of performing better than those that do not incorporate strategic planning. Learning and innovation in manufacturing businesses in Malaysia is a crucial aspect that drives productivity in organizations. Abosedo et al. (2016) noted that innovativeness is embraced in both high-tech and small and medium industries in China. The small and medium enterprises in China embrace flexibility in their operations that help them adapt strategic choices that drive competition in the changing market locally and internationally. The findings show that the success of small and medium businesses in China lies in the capacity to access, transfer as well as application technology. The knowledge of entrepreneurial competitiveness supports innovative decisions in strategically managing companies.

3.2. How Small and Medium Industry Companies Apply Strategic Management and Innovation

Small and medium industry companies apply strategic management and innovation in various ways. Steinfeld and Beltoft (2014) revealed that in China, small and medium companies use innovation and strategic management through building commercially viable ideas. In the manufacturing industry, products and their designs are innovatively and strategically sought through component sourcing. It shows that commercialization through the adaptation of technologies and business models are strategies that drive the competitiveness of small and medium companies in China. These views support the application of an innovative framework in strategic decision-making that promotes the productivity and competitiveness of the business in the market. Zhan, Tan, Ji, Chung, and Tseng (2017) revealed that the use of technological innovations such as the big data framework accelerates the processes of product invention. Strategic decisions can be made after determining the weaknesses of a product within the development cycle.

Strategic management and innovation are elements that explain why customers will be willing to pay more for a specific product. The ability to prioritize customer needs when making strategic decisions and using innovation to address the requirements guarantees the better performance of the company products in the market. Abosedo et al. (2016) stated that small and medium businesses in the Chinese context are becoming more flexible by adapting strategic choices that reflect changes in the market, and that makes them able to face competition. It means that companies support innovative ideas for strategy formation

and execution. These businesses gain competencies as well as competitive advantages that promote transformational leadership, and diversity that impact improved behavior and performance of workers (Lu, Au, Pend, & Xu, 2013).

3.3. How Small and Medium Industry Companies can Improve their Application of Strategic Management and Innovation for Business Productivity

Small and medium industry businesses can improve their application of strategic management and innovation through internationalization, growth orientation, and promotion of organizational learning (Krasniqi & Kume, 2013). However, much has to be done on the company leadership, structure, business environment, and approach to the regional markets. Benchmarking performance with other companies in the small and medium industries is useful to gauge the competitiveness in the market (Manurung & Kosasih, 2013). In such cases, businesses can establish their competitive advantages and weaknesses in strategic management and innovation as well as develop new approaches to improve performance. Their proactive strategies, such as corporate growth and differentiation, should incorporate a strategic planning model that steers innovative solutions (Abosedo et al., 2016).

4. Significance of the Study

The research will benefit various groups, including small and medium organizations, the Matchmaking Agency Company, and similar organizations as well as future researchers. Businesses in the small and medium industry will gain from the information provided in the study as they will be able to learn the importance of making strategic choices and innovative solutions for their organizations. The management at Matchmaking Agency Company in China and similar organizations will gain from this study as it explores their industry. It contributes to the knowledge about strategic management and innovation for small and medium businesses in the matchmaking agency sector. They will learn how their level of success when it comes to applying strategic management and innovation in their practices and identify the areas of improvement. Future researchers in the topic of investigation will benefit from the study as it will form a background reference for further exploration.

5. Research Methodology

A quantitative research design will be used to collect and analyze data. It is a method that allows the collection of numerical data and the use of statistical techniques when interpreting data (Brians, 2011). Primary data will be collected using a questionnaire survey. Data will be obtained from the employees of the Matchmaking Agency Company in China. Simple random sampling will be used to select the participants whereby an equal chance for all employees will be given to participating in the study (Wilson, 2014). Closed-ended questions will be used when designing the questionnaire to provide uniformity and ease in data analysis (Creswell, 2014). Data will be analyzed using statistical techniques, including Ms. Excel application and SPSS software.

6. Conclusion

Research on the development strategy and innovation of small and medium-sized enterprises has always been a hot spot in the field of practice and theory. Especially since the outbreak of the global epidemic, a large number of small and medium-sized enterprises have applied for bankruptcy, and small and medium-sized enterprises are facing more severe survival challenges. How stimulate the innovation of small and medium-sized enterprises and develop effective strategic management is of great significance to the development of small and medium-sized enterprises in China.

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