

# The Impact of Supply Chain Management on Enhancing the Core Competitiveness of Enterprises

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**ABSTRACT.** *With the continuous changes in the market environment in China, the competitive pressure between enterprises promises to be fierce. Also the market demand of consumer groups is becoming more diversified, personalized, and complicated than before. Therefore, enterprises are governed by management systems and production methods and the change is inevitable. Supply chain management is one of the influencing factors of the core competitiveness of enterprises. This paper expounds the influencing factors and linkages of supply chain management on the core competitiveness of enterprises, and then improves the life cycle of enterprises in the competitive market environment.*

**KEYWORDS:** *Supply chain management, core competitiveness, factors; contact*

## **1. The concept and connotation of supply chain management and core competitiveness**

Supply chain management is guided by market and customer demand, coordinated by core enterprises, and based on the principle of mutual benefit and win-win, aiming at improving competitiveness, customer service level and reducing costs, also using advanced management methods and technologies. It can achieve effective planning and control of logistics, information flow and capital flow in the whole supply chain, thereby suppliers, manufacturers, warehouses and distribution. And heart and channel merchants effectively organize together to manufacture, transfer, distribute and sell products, thus forming a highly competitive strategic alliance. The essence of supply chain management is to deliver the products needed by customers to the right place at the right time, in accordance with the right quantity and quality, and at the same time to ensure the minimum total cost in each value-added link of the supply chain. Supply chain management is to intervene the traditional and spontaneous supply chain artificially so that it can integrate the workflow of relevant partners according to the wishes of enterprises (core

enterprises), including suppliers, suppliers, users and users, so as to achieve the best results of the overall operation performance of the supply chain.

The concept of "corporate core competence" first appeared in the landmark article "The Core Competence of the Corporation" published in 1990 by C.K. Prahalad and Gary Hamel in Harvard Business Review. They did not give a definitive definition, but only some characteristics of the core competitiveness. They defined the core competitiveness of the enterprise as the accumulated knowledge and resources in the organization, with particular emphasis on how to coordinate and integrate different production. A study of skills and technology flow. The core competitiveness mainly comes from the organizational learning of enterprises. Through the transmission of this knowledge and experience, enterprises can form their own unique and lasting core advantages. Prahalad and Gary Hamel actually use competition and core competencies as synonyms, also believe that core competencies are a combination of production skills and technology.

## **2. The background of supply chain management to enhance the core competitiveness of enterprises**

In the context of accelerating economic growth and increasingly complex market competition, SMEs have shortened their life cycle due to the actual problems of the operation of enterprises such as scale and capital chain turnover, coupled with changes in consumer demand and consumption levels. Additionally, the pressure on the survival of SMEs is also increasing, so companies should innovate their production and management models and production modules according to modern consumer demand, and accelerate the pace of innovation, also enhance the core competition of enterprises. Anyways, force is a necessary condition for a company to mature and develop. In recent years, with the acceleration of the pace of innovation in China's enterprises, cooperation between enterprise producers and business partners is an inevitable trend of enterprises in the fierce market competition environment, and it is also a hot issue for academic circles and enterprises to explore supply chain management.

## **3. The link between supply chain management and the core competitiveness of enterprises**

Supply chain management is a series of information such as the control of the capital chain, the acquisition of product production information, and the investigation of product sales demand, which are involved in the whole product production process, according to the selection of products from production to sales. A set of substantive information in the process optimizes the production management sales model of the enterprise, thereby improving the production and management efficiency of the enterprise. The basis for realizing supply chain management is to optimize the production and sales process of the whole product as a whole, embodying the idea of integrated production and sales, and sharing information between the components of production and sales of each product,

according to consumers in the market. The timely change in the production and sales model of the product ensures that the product has some comparability advantages with the same series of products in the market after the market is launched. After implementing the supply chain management of the enterprise, according to the relevant data, the company's income is as follows, the production speed of the enterprise product is increased by 15%, and the inventory of the product after the market can be reduced by 50% also the production and sales cycle is shortened by 40%, as well as the production and sales department of the company increases the accuracy of product risk assessment by 30%, also the production efficiency of the company increases by 60%.

The core competitiveness of an enterprise is the combination of the production mode of the enterprise and the production skills of the enterprise. From the actual demand of the market to the design and development of the product, the enterprise needs to invest a large amount of funds for product research and development, and it can reduce the production of the product as much cost as possible. So each company has the advantage of its own product production competition. Therefore, in the current market competition environment, the size of the core competitiveness of the enterprise can also be described as the combination of the enterprise skill and production mode, and the market capital. In terms of circulation, the competitiveness of a company's products is not tradeable. For example, Apple and Huawei have invested billions of dollars to develop core technologies such as mobile phone chips and communication basebands, thereby enhancing the core competitiveness of enterprises and striving to take the initiative in the production of core components such as mobile phone chips. Today, with the development of economic globalization, it is an inevitable trend for enterprises to develop overseas business, build and develop overseas R&D bases and strengthen supply chain management.

#### **4. The advantage of supply chain management to enhance the core competitiveness of enterprises**

After the production model of supply chain management, the product development, human resources, and market demand adjustment of the enterprises between the supply chains realize the collection of information, that is, the enterprises in the supply chain are unified. The platform is to realize the sharing of market supply and demand information, so as to achieve the immediacy of product production, so that the competitiveness of the enterprise can maintain its durability.

##### ***4.1 Stabilizing market demand for goods***

In the current product market circulation environment of our country, there are many links of product circulation, including the producers of products, provincial agents, municipal agents, county agents and many other links of product production, sales and circulation. When products pass through these links, enterprises acquire consumer demand information for the consumer groups, and the authenticity of their information becomes clear. The obvious difference is also inaccurate for enterprises

to judge consumer's demand according to market circulation, and interferes with enterprises' and government's judgment on market currency demand. Therefore, supply chain management is used to shorten the link of product circulation, ensure that market consumption information can flow back to enterprises along the supply chain, and help enterprises to produce products according to these information. Quantity and raw material use change faster.

#### ***4.2 Helping enterprises realize scientific management mechanism***

As far as the supply chain is concerned, every link in the supply chain should use advanced production technology and equipment, modern enterprise management mechanisms to improve product quality, and adopt appropriate service management mechanisms, also use minimum production. The companies need to use the lowest cost of production and service to achieve the best quality of service, so that every customer of the enterprise can feel the change of product quality and service brought by the implementation of supply chain management.

#### ***4.3 Reducing the cost of production, transportation and sales of enterprises***

After the implementation of supply chain management, the product sales and distribution links between supply chains have been optimized, and there are close links between various parts. All kinds of product information can be transmitted along the supply chain, so that the circulation of products can be realized between supply chains based on these information, and the production and sales information of products caused by the imperfect information sharing mechanism can be avoided. The phenomenon of product inventory backlog caused by poor circulation leads to the regulation of various parts of the supply chain according to the production and circulation information of products in the market, thus achieving the goal of reducing the sales cost of enterprises' production and transportation enterprises, enabling enterprises to invest a large amount of capital balances in the production and research of products, and improving the core competitiveness of enterprises.

### **5. Summary**

Supply chain management is closely related to the core competitiveness of enterprises. It has great advantages in enhancing the core competitiveness of enterprises, also it can stabilize the market demand for currency, and help enterprises to realize scientific management mechanism, also reduce the cost of production, transportation and sales, as well as improve the quality of product services, together with stimulate domestic demand. Therefore, it is necessary to establish a scientific and standardized supply chain management. The mechanism has many effects on improving the core competitiveness of enterprises.

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