

Countermeasures to Promote the Reconstruction of Ningbo Small and Medium-sized Enterprise Value Chain under the Background of "Internet+": Taking Cixi City as an Example

Rui Zhang

Ningbo University of Finance and Economics, Ningbo, China

Abstract: In the post-epidemic era, economic development is inseparable from the development of the domestic market. In the process of promoting internal circulation, in addition to allowing large enterprises to act as the main force, it is also necessary to give full play to the role of small and medium-sized enterprises and reconstruct the value chain of small and medium-sized enterprises. Played a vital role in promoting the development of enterprises. Taking Cixi City as an example, this article analyzes the opportunities and challenges faced by SME value chain reconstruction in revitalizing domestic market demand and stimulating employment based on the background of "Internet+", and based on the analysis conclusions Countermeasures for the reconstruction of the enterprise value chain.

Keywords: value chain reconstruction; SMEs; Internet+

1. Grasp the Window Period for the Reconstruction of the Value Chain of Ningbo SMEs

In recent years, under the background of profound changes in the international economic environment and my country's development stage, new progress has been made in the transformation of my country's economic development mode, and important changes have taken place objectively in the characteristics of economic cycles, which have enhanced the balance of the national economy. It also contributes to the balance of the world economy. The splendid Yongshang culture and spirit accumulated over the past 300 years has prompted Ningbo to give full play to its local advantages and form a large number of outstanding small and medium-sized enterprises.

As the economic center of the southern wing of the Yangtze River Delta and the economic center of Zhejiang Province, Ningbo has a large number of small and

medium-sized enterprises with outstanding status. According to statistics from the Ningbo Statistical Yearbook, from 2002 to 2019, more than 60% of the total output value of industrial enterprises above designated size in Ningbo were created by small and medium-sized enterprises. Cixi, as the "golden node" connecting Shanghai and Ningbo, plays an important role in the strategic position of the Yangtze River Delta urban agglomeration. Cixi's SMEs accounted for 18.52% of the total output value (current price) of industrial enterprises above designated size in Ningbo in 2017, which increased to 19.27% in 2018, and rose to 19.61% in 2019. Please see Table 1 for details.

The manufacturing industry is the foundation of a country's industrial modernization and the foundation of a strong country. Manufacturing in China is generally at the lowest end of GVCs such as processing and manufacturing, and often only undertakes low value-added links such as processing and assembly with large investment but low profits, earning meagre processing costs, product R&D and design, core components, product sales and channel construction, etc. High value-added links are firmly controlled by multinational companies. Due to the loss of the right to speak in product pricing, the process of reshuffling in the global manufacturing industry has become increasingly passive. The extensive growth model of my country's manufacturing industry has been difficult to adapt to the requirements of the new normal of economic development. How to get rid of the low-end position in the value chain and achieve high-quality manufacturing development is imminent. How to fully integrate intelligence, digitization, and informatization into the manufacturing sector to achieve a high-end leap and shape the digital global value chain is an urgent and realistic topic.

Table 1. Cixi total output value of industrial enterprises

| Total output value of industrial enterprises (current price) | | | | | |
|--|--------------|-------------|-----------|--------|--------|
| | | Ningbo City | Cixi City | | |
| 2019 | Medium-sized | 49340107 | 9732271 | 19.72% | 19.61% |

| | | | | | |
|------|--------------|----------|----------|--------|--------|
| 2018 | Small | 57869883 | 11286626 | 19.50% | 19.27% |
| | Medium-sized | 47579713 | 9347430 | 19.65% | |
| 2017 | Small | 54373734 | 10303257 | 18.95% | 18.52% |
| | Medium-sized | 44694005 | 8791818 | 19.67% | |
| | Small | 53072020 | 9312637 | 17.55% | |

On April 11, 2020, the China Development and Reform Commission and the Office of the Cyberspace Administration of China issued the "Implementation Plan on Promoting the "Migrating to the Cloud with Data and Intelligence" to Cultivate New Economic Development". New background. The continuous reshaping and digitization of the global value chain driven by the technological revolution and industrial transformation have opened the "time window" for achieving catch-up and breaking through the lock-in effect of low-end division of labor in the wave of technological innovation.

2. Consolidate the Basic Capabilities of the Industry and Enhance the Leading and Controlling Power of the Industry Chain

On May 14, 2020, at a meeting of the Standing Committee of the Political Bureau of the CPC Central Committee, it was proposed: "We must deepen supply-side structural reforms, give full play to my country's huge market advantages and potential for domestic demand, and build a new pattern and layout for domestic and international circular development." On January 23, 2021, the Ministry of Finance and the Ministry of Industry and Information Technology jointly issued the "Notice on Supporting the High-Quality Development of "Specialized, Specialized, New" SMEs" and proposed to promote the cultivation of "specialized, special and new" SMEs, especially to promote the optimization and upgrading of the manufacturing industry.

The value chain mainly includes three levels: business operations, business networks, and macroeconomics. At each level, the value chain is considered to be a collection of a series of business operations (corporate value chain), a collection of a series of industrial participants (industrial value chain), and a strategic network (global value chain). Value chain reconstruction refers to "optimizing, recombining, or innovating and sorting many links in the internal and external value chain of an enterprise to form a new business process that is efficient and adaptable to user needs. The essence of value chain reconstruction is the constant change of R&D and production. In the process of sales and sales, companies flexibly adjust their value activities to form a new value chain that adapts to the market; it involves the decomposition of the original value chain and the integration of the new value chain. It is necessary for the company to realize the transformation from the traditional processing and manufacturing low-end in the industrial chain. The high value-added links from links to R&D, production of complex parts, and services have climbed, focusing on the new generation of information technology and high-end manufacturing and other strategic emerging industries, and developing in the direction of green and intelligent. Innovation drives the increase in total factor productivity in the manufacturing industry, and it is necessary to get rid of "low-end lock-in"

and "high-end blockade" in order to achieve high-quality development [1].

Under the background of uncertainties in the employment growth driven by the Internet platform economy and the unoptimistic sustainability of the service industry as a "employment sponge", labor-intensive industries are still the key to stable employment and cannot be simply allowed to move across borders. , It urgently needs to turn to stimulating the potential of technological innovation, and should be committed to upgrading from the processing and assembly process to the formulation of standard systems, the design and processing of key components, the flexible production of standardized products, and individual customization. As for industries that already control core technologies, it is necessary to strengthen Chinese brands and Chinese standards, and to break high-end barriers through the formulation of standards [2].

3. The Dynamic Capabilities of Ningbo SMEs and the Path of Value Chain Reconstruction

3.1. Products: Create High Quality and Realize Value Chain Reconstruction

In the product upgrade stage, the high-quality development of the manufacturing industry needs to strengthen R&D and design, continuously develop new products, and insist on innovation-driven development. Make full use of the advantages of the Internet, consolidate reserves to enhance the original innovation capabilities and the full-process digital application of the industrial chain links, and form collaborative design, cloud manufacturing, virtual manufacturing, and other in-depth cooperation manufacturing models.

Improve R&D intensity as soon as possible, innovate R&D cooperation and innovation models such as industry-university-research-enterprise, enhance independent innovation capabilities, and strive to achieve major breakthroughs in key materials and key processes, core components and key technologies of core components, and get rid of imported technologies, processes, and equipment. Dependence: on the other hand, cultivate independent brands as soon as possible and make a leap forward to the value chain. Cultivating independent brands is an effective carrier for enterprises to achieve independent innovation, actively participate in the international division of labor, and occupy the high end of the value chain.

3.2. Function: Develop High Technology, Expand Value Chain Reconstruction

With the declining market of traditional industries, manufacturing should exit the original value chain model of meager profit or even loss as soon as possible, and actively transition to the value chain of emerging industries. This kind of strategic transformation to the new

value chain is partly an "active" transformation of enterprises restructuring their strategic core business and competitive advantages. In the functional upgrade stage, the manufacturing industry will be shifted from "manufacturing" as the center to "service" as the center to promote the servitization of the manufacturing industry; further enhance the intelligent level of manufacturing, including the intelligentization of R&D, production, management, and after-sales. Many places rely on the integration and development of new technologies such as artificial intelligence or Internet+ to accelerate the transition from "Made in China" to "Created in China" to achieve high-quality development in manufacturing.

3.3. Chain: Based on a High Level, Promote the Reconstruction of the Value Chain

The path of value chain reconstruction is mainly to realize the reorganization and integration of the enterprise value chain within the enterprise. That is, by establishing the fulcrum of value chain integration and building the core of value chain integration, the different nodes of the internal value chain are grafted within the enterprise, so that the originally loose internal value chain nodes form a tightly coordinated integration to complete the internal resource integration.

The high-quality development of the manufacturing industry is manifested in the reduction of transaction costs by industrial agglomeration, the realization of industrial gradient transfer between regions and even countries, and the overall improvement of the manufacturing value chain. At this stage, my country's manufacturing industry needs to strengthen the upstream and downstream cooperation of the industrial chain, choose areas with relatively cheap labor, relatively abundant raw materials, or convenient transportation, and build a group of clusters with characteristics of various provinces and cities based on high-tech parks, and choose to produce similar products. Or the manufacturing enterprises of related supporting products form industrial clusters [3]. At the same time, it is also possible to use the "One Belt, One Road" and other production capacity cooperation paths to realize the transnational transfer of my country's industrial chain with certain advantages, from consolidating the domestic value chain and then constructing the regional value chain to achieve the improvement of comparative advantages.

3.4. System: Embark on High Standards to Help Restructure the Value Chain

Zhejiang is a major manufacturing province and a major Internet province. It has a solid foundation to build new infrastructure, build the entire industrial chain, and lead the development of the industrial chain. To this end, it is necessary to accelerate the promotion of new infrastructure projects such as the Internet of Things, 5G, artificial intelligence, big data, and blockchain, build an innovation platform for the Internet of Things and the Internet of Vehicles in the Yangtze River Delta, and promote the deep integration of emerging industries and traditional industries. Strengthen and enhance the industry

leading role of the Internet of Things and smart manufacturing demonstration zones [4].

First, consolidate the talent base and focus on the cultivation of innovative, high-skilled and compound talents. Establish four major mechanisms of "attracting, training, employing, and retaining", focusing on introducing high-level innovative talents in key areas, cultivating talents urgently needed in Ningbo, and creating innovative teams that are compatible with industrial development. Aiming at the "stuck neck" risk faced by my country's high-tech enterprises after the United States and other developed countries have upgraded their export control levels, we will carry out targeted industrial support policies.

Second, increase innovation investment and innovation intensity, establish more R&D institutions, strengthen the transformation of traditional industry types, improve the innovation system of the four-in-one integration of "production, study, research and application", and develop more new products to improve the province's manufacturing industry. Innovate output and economies of scope to achieve high-quality development.

Third, improve environmental regulations and policies to promote green total factor productivity in manufacturing. The government should improve the level of environmental regulations and law enforcement, and enterprises should accelerate the investment in green environmental protection technology research and development and service elements, so as to reduce their dependence on effective resources and energy; it is necessary to further promote the integrated development of new energy, new technology, new materials and high-end manufacturing. Promote the overall improvement of the overall environmental effect through green technological innovation.

4. Conclusion

A new trend in the development of the manufacturing industry is to shift from traditional product-based production to value-chain production. At present, more than two-thirds of the global manufacturing industry is carried out through the value chain. The development of the value chain and the corresponding changes in trade patterns have expanded the connotation of comparative advantage. Although companies at different stages of development have different technological levels, factor endowments and other development conditions, the competitive strengths of companies of different sizes are also different, and now they can gain a greater degree of comparative advantage in the division of labor.

Ningbo SMEs should not simply reduce costs through economies of scale, but more importantly, enhance corporate value creation through synergy in the value chain. Especially in the Internet environment, traditional enterprises must seize the information advantages and channel advantages of the Internet, and make good use of Internet information tools, big data, cloud computing, etc. to rebuild the value chain and business model of the enterprise.

Acknowledgment

This article is a research on the reconstruction of the domestic market and value chain of small and medium-sized enterprises under the background of "Internet+" in Cixi City Social Sciences-Taking Cixi as an example" phased achievement (2021SKY003)

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