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**СТРАТЕГІЯ СТАТУС-КВО ТА ТРЕНД ІННОВАЦІЙНОГО
УПРАВЛІННЯ ЕКОНОМІКОЮ ПІДПРИЄМСТВА НА БАЗІ MEDIA
GROUP**

**STRATEGIC STATUS QUO AND TREND OF ENTERPRISE
ECONOMIC MANAGEMENT INNOVATION BASED ON MEDIA
GROUP**

Formulation of the problem. The current stage of development of the world economy is characterized spreading the destabilizing influence of globalization processes on everyone spheres of human activity. The processes of globalization as a financial, economic and social phenomenon have a dual nature and this manifests itself both in new opportunities and in threats to the stable socio-economic development.

Progressive globalization fundamentally changes the ratio between external and internal factors of national development. The processes accompanying globalization are revealing colossal opportunities for trade and economic expansion relations between states, contribute to the transfer of capital, technologies, workforce in any direction on the globe. Under the influence globalization processes, the world economy is undergoing drastic changes transformations caused by a new wave of technological innovations, which are now characterized as the fourth industrial revolution [8].

Globalization has become a central focus for enterprises seeking greater growth opportunities and competitive advantages in the global marketplace.

Increased competition at the current stage of economic globalization led to the growth of the role of organizational innovations and interaction between participants in the innovation process, who become a key factor growth of competence and competitiveness of enterprises, and which develops most successfully in innovative systems in which it exists intensive interaction between producers and consumers of knowledge.

Innovation is the strategic support for building a modern economic system. The realization of the goal of building an innovative country depends on the construction and development of innovative enterprises. Implementing the strategy of innovation and development in an all-round way, accelerating the construction of innovative enterprises, and creating a large number of innovative enterprise groups with strong independent innovation capability and strong international competitiveness are the basic projects and fundamental tasks of building an innovative country [6].

This article explores the strategic practices employed by enterprises to expand their global presence, including the implementation of diverse business strategies and management measures such as diversified market expansion, cross-border mergers and

acquisitions, and innovative product development. Effective globalization strategies necessitate a profound understanding of international business principles and cultural backgrounds, along with the ability to adapt flexibly to varying economic and cultural environments across different countries and regions. Moreover, active integration into the global value chain, continuous innovation, and the enhancement of core competitiveness are crucial components for achieving global strategic objectives. This research delves into the case of Midea Group (Stock Code: C000333), analyzing its strategic practices in achieving modernized enterprise development. With a post-tax net operating profit of ¥22,145,352,600 in 2021, Midea Group's journey from a small-town enterprise to a Fortune Global 500 company serves as an illustrative example of the gradual expansion of production and operations both domestically and internationally. It mirrors the broader transformation of Chinese manufacturing enterprises into global industry players.

Analysis of recent research and publications. In the context of China's dynamic socio-economic evolution, the landscape of market competition has witnessed a substantial intensification. This transformation has presented enterprises with a dual scenario of burgeoning opportunities and formidable survival challenges, as observed by Lei, Z, and Ning, D. This study aims to investigate strategies for expediting innovation and reform in the economic management paradigm of Chinese enterprises, with the ultimate goal of ensuring the long-term sustainability of their development.

In the context of the contemporary era, Yu, H; Yang, W; Sun, H., and Li C embark on a comprehensive exploration of the standardization and enhancement strategies within enterprise economic management

Setting objectives. This research delves into the case of Midea Group (Stock Code: C000333), analyzing its strategic practices in achieving modernized enterprise development. With a post-tax net operating profit of ¥22,145,352,600 in 2021, Midea Group's journey from a small-town enterprise to a Fortune Global 500 company serves as an illustrative example of the gradual expansion of production and operations both domestically and internationally. It mirrors the broader transformation of Chinese manufacturing enterprises into global industry players.

Presentation of the main research material. Midea Group, founded in 1968, stands as a prominent and expansive modern enterprise. Primarily operating in the home appliances industry, Midea Group has diversified its interests into logistics and other sectors. It comprises three listed companies and four industrial groups, making it one of China's largest white goods production and export hubs. Midea officially ventured into the home appliance industry in 1980, introducing the Midea brand in 1981. Today, Midea Group boasts a workforce of 130,000 employees and possesses a portfolio of over 10 brands, including Midea, Cygnet, Welling, and Hualing. Over the past five years, the company has dedicated nearly ¥50 billion to research and development, leading to the establishment of five business segments: smart home, building technology, industrial technology, robotics and automation, and digital innovation. These segments collectively serve more than 400 million users worldwide and encompass vital customers and strategic partners across various domains. With approximately 200 subsidiaries, 35 R&D centers, and principal production facilities globally, Midea Group's operations span over 200 countries and regions, offering promising market prospects underpinned by a strong industrial foundation.

In the contemporary business landscape, effective enterprise economic management stands as a pivotal facet of operation and production. This management's primary objective is to curtail capital and asset expenditures across all business and production activities while optimizing the judicious allocation of economic resources to enhance profitability. Enterprise economic management is a multifaceted endeavor, with its successful execution profoundly impacting an enterprise's prospects for operation and development. High-level enterprise economic management is deemed an indispensable component for modern enterprises. Through comprehensive coverage of enterprise economic management, an organization can ensure the optimal utilization of economic resources in all facets of its operations, establishing a robust economic management and operational system. This system, in turn, facilitates the efficient management of the enterprise's economy and contributes to the steady improvement of its economic performance, thereby averting the scenario of negative economic benefits. The evaluation of global enterprises' performance in economic management innovation

has emerged as a crucial topic in contemporary enterprise economic management innovation.

Table 1 - Status quo analysis table of enterprise economic management innovation strategy

Indicators	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8
Mar-19	0.07	0.13	0.02	0.03	2.83	1.00	0.23	0.36
Jun-19	0.19	0.23	0.00	0.03	2.90	1.01	0.43	0.34
Sep-19	0.27	0.22	0.05	0.03	2.80	1.01	0.59	0.34
Dec-19	0.15	0.25	0.04	0.03	2.78	0.98	0.73	0.33
Mar-20	0.05	0.39	0.10	0.04	2.47	0.90	0.13	0.36
Jun-20	0.14	0.16	0.24	0.03	2.50	0.85	0.30	0.35
Sep-20	0.23	0.05	0.30	0.03	2.44	0.86	0.41	0.32
Dec-20	0.15	0.03	0.07	0.04	2.45	0.86	0.47	0.26
Mar-21	0.06	0.64	0.03	0.03	2.62	0.92	0.12	0.30
Jun-21	0.14	0.11	0.14	0.03	2.71	0.89	0.28	0.34
Sep-21	0.23	0.10	0.13	0.03	2.65	0.90	0.41	0.34
Dec-21	0.15	0.09	0.23	0.04	2.63	0.91	0.53	0.33

Source: Q1/Sustainable growth rate, Q2/Comprehensive earnings growth rate, Q3/ROI rate, Q4/R&D expense rate, Q5/Equity TTM, Q6/Asset TTM, Q7/Net cash flow from operating activities / interest-bearing debt, Q8/Debt-to-equity market-price ratio benefit

Leverage Effect (Advantage + Opportunity): Midea Group demonstrates a sustainable operational capacity and comprehensive income capability surpassing that of industry peers. The company's management strategies have been at the forefront of driving industry evolution. For instance, Q1, representing the Sustainable Growth Rate, steadily increased to 0.15 by December 2021. Q2, the Comprehensive Earnings Growth Rate, only turned negative in 2020 during the pandemic crisis and gradually improved in other periods. These comprehensive earnings changes closely align with broader shifts in societal, industrial, and corporate dynamics.

Inhibitory Economic Management Practices (Disadvantage + Opportunity): In 2000, as China entered the WTO, Midea Group encountered technological development bottlenecks. Responding decisively, Midea Group initiated a profound decentralization of its business headquarters' organizational structure in 2002. This move shattered technological monopolies and trade barriers, enabling the adaptation to global market demands. During this transformative phase, revenue surged from nearly ¥15 billion to ¥57 billion, and the workforce expanded to over 40,000 employees.

Economic Management Vulnerability Mitigation (Advantage + Threat):

Midea Group's shift from "manufacturing" to "intelligent manufacturing" involved progressive acquisitions and mergers facilitated by innovative economic management practices. Starting with the user-centric organizational reform in 2016, Midea Group gradually acquired companies such as Toshiba Home Appliances, Kuka, Italy Clivet, Israel Servotronix, and Germany AEG. Concurrently, substantial annual investments in digital transformation propelled Midea Group's 2019 revenue to ¥279.4 billion, with a net profit of ¥25.3 billion and a workforce of 150,000. This transformation successfully repositioned Midea Group as a versatile pan-manufacturing technology conglomerate. The integration of resources across diverse manufacturing sectors bolstered Midea Group's resilience against the threats posed by digital intelligent manufacturing and market competition, consequently reducing vulnerability in enterprise risk management.

Challenges in Economic Management (Disadvantage + Threat):

The market's economic downturn in 2020, exacerbated by the pandemic, and an internal organizational restructuring in 2021 prompted Midea Group to re-evaluate its overall business structure. The revised plan, designed to emphasize core business strengths and foster diversification, entailed restructuring the original four sectors and introducing the digital innovation business segment. The resulting five business segments, including smart home, building technology, industrial technology, robotics and automation, and digital innovation, are aimed at improving core competitiveness and innovation. This strategy better positions Midea Group to adapt to market dynamics and industry shifts, fostering diversification and comprehensive development. This strategic plan holds significant implications, offering opportunities for development and competitive advantages that enhance Midea Group's overall prowess and market competitiveness. Notably, by December 2021, Equity TTM (Q5) reached 2.63, Asset TTM (Q6) stood at 0.91, signifying revitalized assets and improved shareholders' equity returns. Furthermore, the Net Cash Flow from Operating Activities/Interest-Bearing Debt (Q7) in December 2021 was 0.53, and the Debt-to-Equity Market-Price Ratio Benefit (Q8) was 0.33, indicating reduced corporate debt

burdens, enhanced market liquidity of corporate debt, and gradual revenue revitalization.

This study employs the POWERSWOT analysis method to evaluate the economic benefits generated by Midea Group in recent years. POWERSWOT analysis encompasses Personal, Order, Weighting, Emphasizing detail, and Rank and prioritize components. The Personal aspect involves considering individual characteristics and motivations when addressing a problem. Order entails analyzing data according to specific criteria and procedures, while Weighting assigns varying weights to different factors. Emphasizing detail underscores the need for comprehensive and detailed research and analysis. Rank and prioritize involves arranging and prioritizing different factors. This analytical approach, widely used in decision analysis and project management, provides a holistic assessment, as detailed below:

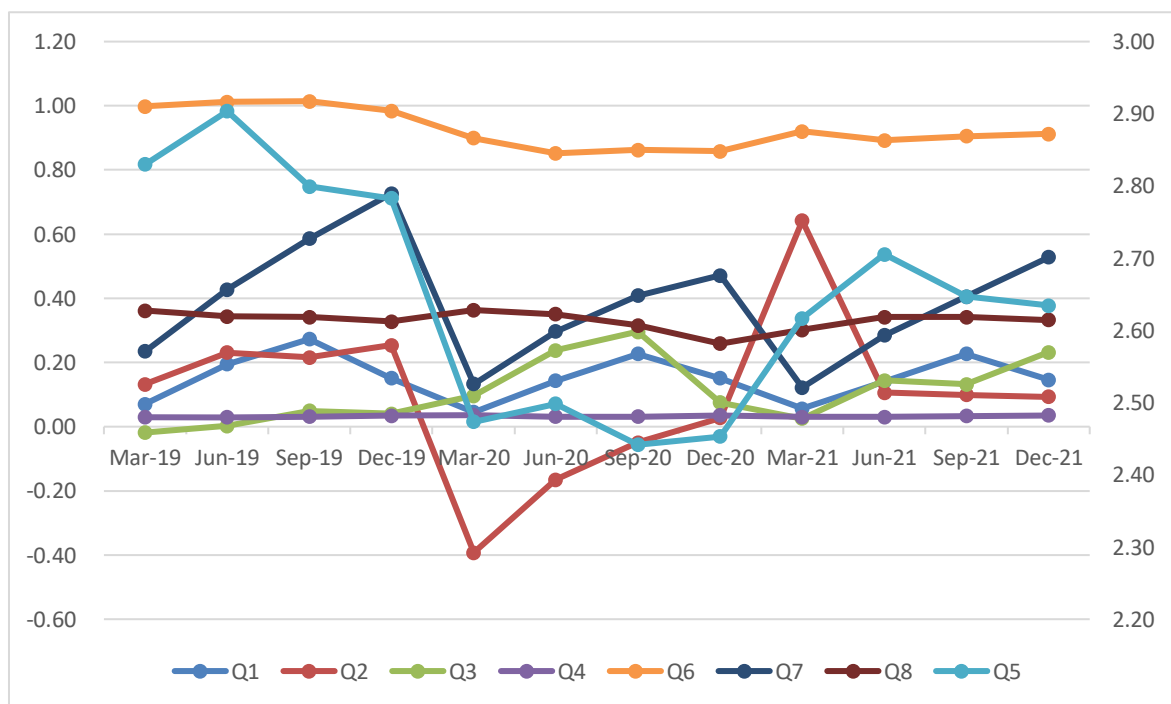


Figure 1 - POWERSWOT analysis of Midea Group economic benefits in recent years

Source: Q1/Sustainable growth rate, Q2/Comprehensive earnings growth rate, Q3/ROI rate, Q4/R&D expense rate, Q5/Equity TTM, Q6/Asset TTM, Q7/Net cash flow from operating activities / interest-bearing debt, Q8/Debt-to-equity market-price ratio benefit)

Managerial Expertise and Incentives: Within Midea Group, managerial decisions are grounded in practical considerations, and diverse incentive plans are employed to

drive the growth of enterprise receivables. Notably, the 2022 restricted stock Incentive Plan (draft) sets ambitious annual performance appraisal targets for restricted stock grants, requiring returns on equity not lower than 20% for 2022 and 2023 and not less than 18% for 2024 and 2025. By lowering the threshold for equity incentives, Midea Group has fostered collaboration between the company and its employees, resulting in an impressive operating income exceeding ¥300 billion in 2022 [1].

Adherence to Rules and Policy Opportunities: Midea Group's commitment to adhering to existing rules and leveraging policy opportunities has been instrumental in its development of digital products. The consistent growth in the ROI rate of Q3 and the R&D expense rate of Q4 underscores Midea Group's respect for market economy management principles. This strategic approach prioritizes R&D investments in digital intelligent manufacturing during economic transformation, ensuring sustainable enterprise operations [5].

Factor Weighting for Diversification: Midea Group's utilization of non-operating investment income has propelled diversified enterprise development. Comparing this with debt-related factors, such as Net cash flow from operating activities/interest-bearing debt and the debt-to-equity market-price ratio benefit, reveals that despite the company's increasing debt, its revenue and investment capacities have also grown. Consequently, cash liquidity has increased, indicating that the debt growth rate resulting from acquisitions, mergers, R&D expansion, and production costs in Midea Group's pan-intelligent manufacturing process is significantly lower than the growth rate of operating income, equity income, investment income, and diversified expansion business income. This underscores the importance of diversified development and factor weighting in enterprise economic management [3].

Detail-Oriented Incentives and People-Centric Approach: Midea Group places strong emphasis on the minutiae of incentives and adopts a people-oriented economic management strategy. The organization implements stock incentive plans not only for core management and technical personnel but also for ordinary employees, using company-drawn special funds for stock ownership plans and primarily executing

incentive management through stock buybacks. In employee performance and welfare management, meticulous consideration is given to employees' roles, ensuring the provision of comprehensive services for employees [4].

Hierarchy and Priority for Sustainable Development: Midea Group prioritizes the sustainable development of its operations within its economic management practices. By translating risks in economic management into benefits through diversified pan-manufacturing organizational reforms, varied business channels, and economic management capabilities, Midea Group infuses economic management principles into the sustainable development and comprehensive income enhancement of the enterprise. This approach fosters the long-term development of Midea Group. Moreover, through diversified business expansion, Midea Group has improved its cash flow capacity and asset management capabilities, effectively resisting the economic risks of globalization. The transformation towards an asset-light structure and reduced asset management burden has been exemplified by increased Cash asset ratios and enhanced asset bases, positioning Midea Group for resilience in the face of market challenges [2].

Conclusions. The choice of innovation management mode may have different influences on different dimensions of enterprise innovation performance. In the practice of innovation management, enterprises should correctly understand the effectiveness of different innovation management modes. Enterprise is the basic unit of national innovation; the lack of scientific and technological personnel and management personnel has become the biggest difficulty facing enterprises at present. Attracting and cultivating technical and managerial talents has become an important goal of enterprise innovation and development [7].

Midea Group's remarkable economic success in recent years can be attributed to its dynamic and well-rounded approach to economic management. By employing various strategies and practices, Midea has effectively harnessed its strengths and opportunities while mitigating weaknesses and threats. Midea Group's multifaceted economic management strategies have propelled it towards sustainable growth, laying a strong foundation for continued success in the ever-changing global marketplace.

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Annotation. This article is devoted to an overview of Midea Group, which works in the household appliances industry. Midea Group consists of three listed companies and four industrial groups, making it one of the largest manufacturing and exporting centers for white goods in China. It found that over the years, the company has expanded its portfolio across five business segments: smart home, building technology, industrial technology, robotics and automation, and digital innovation. The company operates in more than 200 countries and regions.

The article considers the importance of effective management of the economy of the enterprise in the modern business landscape. Skillful economic management has been proven to be vital for optimizing resource allocation, increasing profitability, and ensuring sustainable development. The importance of innovations in economic management is defined and an analysis of various indicators of economic management for different periods of time is given.

The economic analysis of Midea Group was carried out using the POWERSWOT analysis method, which characterizes several factors that contribute to its success. Midea Group's management decisions have been found to be practical and the company uses incentive plans to motivate employees, resulting in impressive growth in operating income. Midea Group's commitment to compliance and policy opportunities has been identified, which has helped it maintain a steady growth in ROI and R&D investment while maintaining sustainable operations.

The company's use of profits from non-operating investments has contributed to diversified growth, despite the fact that it is prudently managing its debt.

Midea Group focuses on complex incentive plans and a people-oriented approach, extending share incentive plans to employees of various positions.

The company prioritizes sustainable development, using the principles of economic management to improve its long-term prospects and sustainability in the global market.

Keywords: globalization; enterprise development; strategic practices; Midea Group; global market; competitive advantage; cultural adaptation; Global Value Chain; innovation.

Анотація. Дана стаття присвячена огляду діяльності Midea Group, що працює в промисловості побутової техніки. Midea Group складається з трьох зареєстрованих на біржі компаній і чотирьох промислових груп, що робить її одним із найбільших центрів виробництва та експорту білої техніки в Китаї. Виявлено, що за роки діяльності компанія розширила свій портфель у п'яти бізнес-сегментах: розумний дім, будівельні технології, промислові технології, робототехніка та автоматизація, а також цифрові інновації. Компанія працює більш ніж в 200 країнах і регіонах.

У статті розглядається важливість ефективного управління економікою підприємства в сучасному бізнес-ландшафті. Доведено, що вміле економічне управління є життєво важливим для оптимізації розподілу ресурсів, підвищення прибутковості та забезпечення сталого розвитку. Визначено значення інновацій в управлінні економікою та наведено аналіз різних показників управління економікою за різні періоди часу.

Економічний аналіз Midea Group здійснено за допомогою методу аналізу POWERSWOT, який характеризує кілька факторів, що сприяють її успіху. Виявлено, що управлінські рішення Midea Group є практичними, і компанія використовує плани стимулів для мотивації співробітників, що призвело до вражаючого зростання операційного доходу. З'ясовано зобов'язання Midea Group щодо дотримання правил і використання можливостей політики, що допомогли їй підтримувати стабільне зростання рентабельності інвестицій та інвестицій у дослідження та розробки, підтримуючи стійку діяльність.

Використання компанією прибутку від неопераційних інвестицій сприяло диверсифікованому розвитку, незважаючи на те, що вона розсудливо управляє своїм боргом.

Midea Group зосереджується на складних планах заохочення та підході, орієнтованому на людей, поширюючи плани заохочення акцій на працівників різних посад.

Компанія надає пріоритет сталому розвитку, використовуючи принципи економічного менеджменту для покращення своїх довгострокових перспектив і стійкості на глобальному ринку.

Ключові слова: глобалізація, розвиток підприємства, стратегічні практики, Midea Group, глобальний ринок, конкурентна перевага, культурна адаптація, глобальний ланцюг створення вартості, інновації.