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QUALIFICATION WORK

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**on: Strategic management of enterprise competitiveness in a
dynamic market environment**

Completed: student of
073 «Management» (EP «Administrative Management»)

PAN YUEHENG

Supervisor ***Olena Slavkova***
Dr, Professor

Reviewer ***Habib Usman Abraham***
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 Department
 «_____» _____ 20 ____ y.

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PAN YUEHENG

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Student

(signature)

PAN YUEHENG

Olena Slavkova

Supervisor of science work

(signature)

Nadiia Baranik

Authentication performed. Checking the authenticity conducted.

(signature)

Svitlana Lukash

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Abstract

PAN YUEHENG. Strategic management of enterprise competitiveness in a dynamic market environment

Master's thesis in the specialty 073 «Management», EP «Administrative Management» SNAU, Sumy-2025 - Manuscript.

In the current era of global economic integration, market competition is becoming increasingly fierce, and the competitiveness of enterprise management has become a key factor for the survival and development of enterprises. Theoretically speaking, although certain achievements have been made in the research on the management competitiveness of Xiaomi Corporation, there are still many areas worthy of in-depth exploration in the current complex and volatile market environment. In terms of practice, the successful experience of Xiaomi Corporation holds extremely high reference value for other enterprises.

This research mainly employs case analysis, literature review and comparative analysis to conduct an in-depth exploration of the enterprise management competitiveness of Xiaomi Corporation from multiple dimensions. Case analysis is one of the core methods of this research. By selecting Xiaomi Corporation as a representative case, a comprehensive and in-depth analysis is conducted on its development history, management model, operation strategies, etc. Through the literature research method, a wide range of academic literature, industry reports, and enterprise annual reports related to the fields of enterprise management competitiveness, strategic management, innovation management, supply chain management, etc., both at home and abroad, were collected, to provide a solid theoretical foundation for the study of the enterprise management competitiveness of Xiaomi Corporation. The comparative analysis method also played a significant role in this study. A comparison was made between Xiaomi Corporation and other enterprises in the same industry, such as Huawei and Apple, to more clearly demonstrate the strengths and weaknesses of Xiaomi Corporation in terms of enterprise management competitiveness.

This article elaborates on the theoretical basis of enterprise management competitiveness, an overview of the development and management model of Xiaomi Corporation, the analysis of the impact of the management model on competitiveness, the challenges faced and the corresponding strategies, the enlightenment for other enterprises to enhance management competitiveness, as well as the conclusion and future outlook. It further expands and deepens the discussion on enterprise management competitiveness.

Keyword competitiveness, competitiveness management, manager, strategic management

Анотація

ПАН ЮЕХЕН. Стратегічне управління конкурентоспроможністю підприємства в динамічному ринковому середовищі

Кваліфікаційна робота за спеціальністю 073 «Менеджмент», ОП «Адміністративний менеджмент» СНАУ, Суми-2025 - Рукопис.

У сучасну епоху глобальної економічної інтеграції ринкова конкуренція стає все більш жорсткою, а управління конкурентоспроможністю підприємством стає ключовим фактором для виживання і розвитку. З теоретичної точки зору, незважаючи на те, що були досягнуті певні успіхи в дослідженнях конкурентоспроможності управління корпорації Xiaomi, в нинішньому складному і нестабільному ринковому середовищі все ще є багато областей, гідних глибокого вивчення. З точки зору практики, успішний досвід корпорації Xiaomi має надзвичайно високе референтне значення для інших підприємств.

У цьому дослідженні в основному використовується аналіз конкретних випадків, огляд літератури та порівняльний аналіз для глибокого вивчення конкурентоспроможності управління підприємством Xiaomi Corporation у багатьох вимірах. Аналіз кейсів є одним з основних методів даного дослідження. Вибираючи корпорацію Xiaomi як представницький кейс, проводиться всебічний та глибокий аналіз її історії розвитку, моделі управління, стратегій роботи, тощо. За допомогою методу дослідження літератури було зібрано широкий спектр академічної літератури, галузевих звітів та річних звітів підприємств, пов'язаних зі сферами конкурентоспроможності управління підприємством, стратегічного управління, інноваційного менеджменту, управління ланцюгами поставок тощо, як вдома, так і за кордоном, щоб забезпечити міцну теоретичну основу для вивчення конкурентоспроможності управління підприємством корпорації Xiaomi. Значну роль у цьому відіграв і метод порівняльного аналізу. В дослідженні було проведено порівняння Xiaomi Corporation з іншими підприємствами в тій же галузі, такими як Huawei і Apple, для того щоб більш наочно продемонструвати сильні і слабкі сторони Xiaomi Corporation з точки зору конкурентоспроможності управління підприємством.

У кваліфікаційній роботі детально розглянуто теоретичні основи конкурентоспроможності управління підприємством, зроблено огляд моделі розвитку та управління корпорацією Xiaomi, проаналізовано вплив моделі управління на конкурентоспроможність, визначені проблеми, що стоять перед ними, та відповідні стратегії, викладено перспективи для інших підприємств щодо підвищення конкурентоспроможності управління, а також зроблено висновки та перспективи на майбутнє. Це ще більше розширює та поглиблює дискусію щодо конкурентоспроможності управління підприємством.

Ключове слово: конкурентоспроможність, управління конкурентоспроможністю, менеджер, стратегічне управління

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INTRODUCTION

Actuality of theme. The dynamic changes in the economic environment, the rapid advancement of technology, and the continuous transformation of consumer demands all impose strict requirements on the management models and operational strategies of enterprises. Although certain achievements have been made in the research on enterprise management competitiveness, there are still many areas worthy of in-depth exploration in the current complex and volatile market environment. Through the study of the typical case of Xiaomi Corporation, the theoretical system of enterprise management competitiveness can be further enriched and improved. A thorough analysis of Xiaomi's successful experiences and strategies in technological innovation management, supply chain management, marketing management, human resource management, etc., can help to explore new connotations, new elements and new formation mechanisms of enterprise management competitiveness, providing new perspectives and ideas for subsequent related research.

In addition, the success experience of Xiaomi Corporation holds extremely high reference value for other enterprises. In the highly competitive market environment, numerous enterprises are exploring effective ways to enhance their own competitiveness. The development process and management model of Xiaomi provide them with a reference example.

The purpose and objectives of the master's work. Taking Xiaomi Corporation as an example, this paper analyzes the construction and improvement of enterprise competitiveness management.

There are tasks for qualification work:

1. An Overview of the Theoretical Foundation of Enterprise Management Competitiveness.
2. An Overview of the Development and Management Model of Xiaomi Corporation.
3. Analysis of the Impact of Xiaomi Corporation's Management Model on Competitiveness
4. The Challenges and Countermeasures of Xiaomi's Management Model

5. Implications for Other Enterprises to Enhance Management Competitiveness

6. Conclusion and prospect

This research holds significant theoretical and practical significance. From a theoretical perspective, by studying the typical case of Xiaomi Corporation, it can further enrich and improve the theoretical system of enterprise management competitiveness. It helps to explore the new connotations, new elements and new formation mechanisms of enterprise management competitiveness, providing new perspectives and ideas for subsequent related research. In terms of practice, other enterprises can better cope with market competition by learning from and drawing on Xiaomi's experience, formulate strategies and tactics that suit their own development, thereby enhancing their management competitiveness and achieving sustainable development.

This research mainly employed case analysis, literature review and comparative analysis to conduct an in-depth exploration of the enterprise management competitiveness of Xiaomi Corporation from multiple dimensions.

This research has certain innovative aspects in the following two respects. From the perspective of research, this study takes the unique management model of Xiaomi Corporation as the entry point to comprehensively analyze the construction of enterprise management competitiveness. In terms of research content, this study focuses on exploring new inspirations from the management practices of Xiaomi Corporation.

Qualification work has been approved at scientific conferences:

1. Pan Yueheng. Enterprise competitiveness management: take XIAOMI company, for example. *Актуальні проблеми та перспективи розвитку обліку, аналізу та контролю в соціально-орієнтованій системі управління підприємством : Матеріали VIII Всеукраїнської науково-практичної конференції. Частина 2.* Полтавський державний аграрний університет (25 березня 2025 р.). Полтава, 2025. С. 255-256
2. Pan Yueheng. Increasing managerial competitiveness for enterprises. *Матеріали XII Всеукраїнської науково-практичної конференції “Екологічні та соціальні аспекти розвитку економіки в умовах євроінтеграції” 29-31 жовтня 2025 року м. Миколаїв.*

Qualification work consists of an introduction, six chapters, list of references that includes 25 publications, applications, 9 tables, 3 figures. Full volume of 62 pages.

CHAPTER 1

THEORETICAL FOUNDATION OF ENTERPRISE MANAGEMENT COMPETITIVENESS

Enterprise management competitiveness refers to the ability of an enterprise to gain competitive advantages in the market by optimizing resource allocation and efficient operation and management. This ability encompasses all aspects of enterprise operation and is a key element for the survival and development of an enterprise.

From the perspective of resource allocation, the competitiveness of enterprise management is reflected in the rational allocation of human, material, financial and other resources. In terms of human resources, enterprises need to attract, cultivate and retain high-quality talents, and allocate employees to the positions where their skills and specialties can be best utilized according to their skills and specialties. In terms of physical resources, enterprises should rationally plan the procurement and utilization of production equipment, raw materials, etc., to ensure the efficient operation of the production process. In terms of financial resources, enterprises should rationally plan the raising and utilization of funds to ensure the stability of the capital chain.

At the management level, the competitiveness of enterprise management encompasses multiple aspects such as strategic planning, organizational structure, marketing, and innovation capabilities. Strategic planning serves as the blueprint for an enterprise's development. Enterprises must formulate clear development strategies based on the market environment, industry trends, and their own strengths. The rationality of the organizational structure directly affects the operational efficiency of the enterprise. A flat and flexible organizational structure can accelerate the speed of information transmission and decision-making. Marketing capabilities are crucial for enterprises to introduce their products to the market and acquire customers. Enterprises should achieve this by conducting precise market positioning and employing effective marketing strategies to enhance brand awareness and market share. Innovation capability is the core for enterprises to maintain their competitiveness. Enterprises should continuously carry out technological innovation, product innovation and management innovation.

The elements constituting the competitiveness of enterprise management include strategic management ability, organizational management ability, innovation management ability, talent management ability and operation management ability.

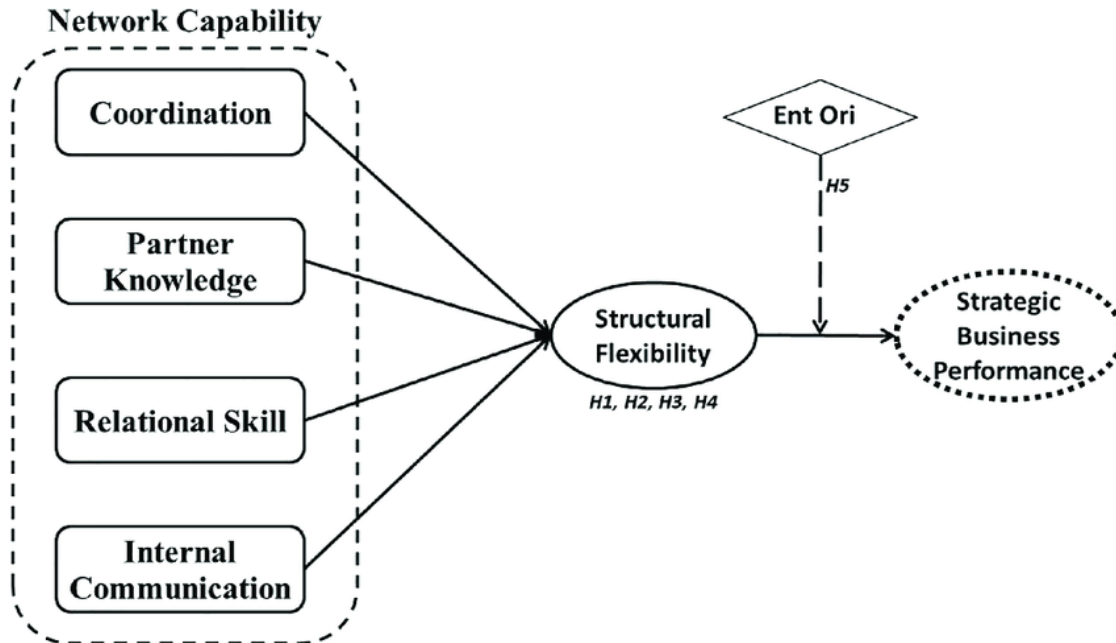


Figure 1.1 - Theoretical framework of strategic business performance.

Source: (Ning Yue&Yu Haoyang, 2019)

Strategic management ability is one of the core elements of an enterprise's competitiveness. It is like a compass for the development of the enterprise, determining the direction and long-term goals of the enterprise. Effective strategic management enables enterprises to accurately seize market opportunities, rationally allocate resources, and gain a dominant position in the fierce market competition. Taking Xiaomi Company as an example, its "Ironman Triathlon" strategy, which combines hardware, software and internet services, has laid a solid foundation for the rapid development of Xiaomi. By developing high-quality and cost-effective hardware products such as smartphones and smart home devices, Xiaomi has attracted a large number of users. The MIUI operating system, which is deeply customized based on the Android system, provides users with personalized and convenient usage experiences, enhancing user stickiness. Meanwhile, the Xiaomi App Store, Xiaomi Cloud Services, and Xiaomi

Finance, among other internet services, not only expanded Xiaomi's business scope but also created new profit growth points for the company. This strategic approach of integrating hardware, software, and internet services organically has enabled Xiaomi to build a unique ecosystem, achieving coordinated development among various businesses and significantly enhancing Xiaomi's market competitiveness (Porter, M. E., 1980).

In the current market environment where conditions are constantly changing, the strategic management ability of enterprises is also reflected in the flexibility and adaptability of their strategies. Xiaomi closely monitors market dynamics and industry trends, and promptly adjusts its strategic direction. With the rise of emerging technologies such as artificial intelligence and the Internet of Things, Xiaomi quickly made plans, increased its research and development investment in these fields, and launched a series of smart products, such as smart speakers and smart cameras, achieving a transformation from a smartphone manufacturer to a smart home ecosystem service provider. In addition, Xiaomi has actively expanded its international market and formulated a global strategy. By deeply understanding the market demands, cultural differences, and policy regulations of different countries and regions, Xiaomi has targetedly launched products and marketing strategies suitable for local markets. It has achieved significant market shares in regions such as India, Southeast Asia, and Europe, and has become a globally influential technology company.

Organizational management skills are crucial for the efficient operation of an enterprise. They cover various aspects such as the organizational structure, management processes, and team collaboration. A well-structured organization can facilitate the flow of information and the efficient execution of decisions, thereby enhancing the operational efficiency and flexibility of the enterprise. Common organizational management models include flat structures and matrix systems, each with its own characteristics and advantages.

The flat management model emphasizes reducing management levels and shortening the decision-making chain, enabling information to be transmitted quickly and accurately within the enterprise. Under this model, employees can communicate

directly with the management, fully exerting their initiative and creativity, thereby enhancing work efficiency and innovation capabilities. Xiaomi Corporation adopts a flat organizational structure, with fewer levels within the company and smoother communication and collaboration among teams. For instance, the R&D team of Xiaomi can quickly respond to market demands and user feedback, and promptly optimize and upgrade the products; during the launch of new products, all departments can closely cooperate and efficiently complete the production, promotion and sales of the products. This flat management model enables Xiaomi to maintain an agile response speed in the rapidly changing market environment and seize market opportunities (Sutherland, J., 2014).

The matrix management model combines the functional departments of the enterprise with the project teams, and employees belong to both a specific functional department and participate in the specific projects. This model can fully leverage the professional advantages of each functional department, achieve flexible resource allocation, and improve the execution efficiency and quality of the projects. Taking the mobile phone research and development project of Xiaomi as an example, personnel from different functional departments such as hardware research and development, software research and development, industrial design, and marketing form a project team to jointly promote the research and development of mobile phones. During the project process, each member can fully utilize their professional skills, while also providing suggestions and ideas from different perspectives, promoting product innovation and optimization. The matrix management model can also cultivate employees' comprehensive abilities and teamwork spirit, and reserves diversified talents for the development of the enterprise.

Xiaomi has been continuously innovating and optimizing its organizational management. Based on the development stage of the enterprise and business requirements, it flexibly adjusts the organizational structure. In the early stage of entrepreneurship, Xiaomi adopted a relatively simple and flexible organizational structure to adapt to the rapidly changing market environment and the characteristics of

the entrepreneurial team, enabling it to make decisions quickly and launch products. As the enterprise scale continued to expand and its business scope continuously expanded, Xiaomi gradually introduced more standardized and systematic management processes and organizational structures to improve the operational efficiency and management level of the enterprise.

Innovative management capabilities are the core driving force for enterprises to maintain their competitiveness. They enable enterprises to continuously innovate in areas such as products, technologies, and business models, in order to adapt to market changes and meet user needs.

Product innovation is an important manifestation of enterprise innovation. It can bring users a brand-new experience and value, and enhance the market share and brand awareness of the enterprise. Xiaomi has always attached great importance to product innovation and has continuously invested a large amount of resources in research and development. In the field of smart phones, Xiaomi was the first to launch high-performance and cost-effective smart phones, breaking the traditional market pattern of mobile phones. For instance, Xiaomi mobile phones have attracted a large number of consumers, especially young users, with their outstanding performance, rich functions and affordable prices. At the same time, Xiaomi continuously makes innovative breakthroughs in technologies such as camera, fast charging, and screen display of mobile phones. Xiaomi's imaging technology is constantly upgrading. Through cooperation with renowned camera manufacturers and optimizing algorithms, it has improved the camera quality of mobile phones, meeting users' high requirements for photography.

Technological innovation is the foundation of product innovation for enterprises, which can enhance their core competitiveness and drive the development of the industry. Xiaomi has actively laid out in the cutting-edge technology fields and increased its research and development investment. It has achieved remarkable results in technologies such as artificial intelligence, the Internet of Things, and 5G. In the field of artificial intelligence, Xiaomi has developed its own artificial intelligence algorithms and technologies, which are applied to mobile phones, smart home devices, and other

products, enabling functions such as intelligent voice assistants, intelligent scene recognition, and intelligent recommendations, thereby improving the intelligence level and user experience of the products. In the field of the Internet of Things, Xiaomi has built a vast smart home ecosystem. Through its independently developed Internet of Things technology, it has achieved interconnection among different devices, allowing users to control various smart devices in their homes through mobile phones or smart speakers and other terminals, achieving unified control.

Business model innovation is also an important direction of enterprise innovation. It can open up new market spaces and profit channels for enterprises. Xiaomi Company, with Internet thinking as its core, has pioneered a unique business model. Xiaomi adopts a sales model that combines online and offline, selling products directly to users through online channels such as the Xiaomi website and the Xiaomi Mall APP, reducing intermediate links and lowering sales costs. At the same time, it can quickly obtain user feedback. Through offline stores such as Xiaomi Stores, it provides users with places for product experience and after-sales service, enhancing users' purchasing confidence and brand recognition (Prahalad, C. K., & Ramaswamy, V., 2004).

The ability of talent management plays a crucial role in the development process of an enterprise. It encompasses key aspects such as attracting, cultivating, and retaining talents, and is one of the core elements for enterprises to enhance their competitiveness.

In terms of attracting talents, Xiaomi has successfully attracted many industry experts by leveraging its unique charm and advantages. As a rapidly-growing enterprise in the technology sector, Xiaomi boasts broad development prospects and an innovative corporate culture, which holds great appeal for those seeking career advancement and innovation. Xiaomi offers competitive salary packages and a comprehensive welfare system, including salary, bonuses, equity incentives, health insurance, and paid vacation, which has attracted a large number of outstanding talents. According to relevant data, Xiaomi's salary level in the industry is relatively high, especially for core technical personnel and management personnel, it provides generous salary compensation and equity incentives, enabling employees to share the fruits of the company's development.

Xiaomi Company has established a comprehensive talent development system, offering diverse training courses and development opportunities for employees at different positions and levels. For new employees, Xiaomi arranges onboarding training to help them quickly understand the company's culture, values, business processes, and regulations, and adapt to the working environment. For employees with some work experience, Xiaomi provides professional skills training and leadership training to help them enhance their professional capabilities and management skills.

Retaining talents is of vital importance for the stable development of an enterprise. Xiaomi Company has adopted various methods to enhance the sense of belonging and loyalty among its employees. Xiaomi places great emphasis on creating a favorable corporate culture atmosphere, emphasizing teamwork, innovative spirit and the value of putting users first, allowing employees to work in an environment that is positive and full of vitality. Xiaomi also provides employees with broad career development opportunities. Through internal promotions and job rotations, employees have the chance to be exposed to different business fields and positions, achieving diversified personal career development. For example, many of Xiaomi's senior executives were trained and promoted from within. They have accumulated rich experience in different positions and made significant contributions to the company's development.

Operational management capabilities are the key guarantee for enterprises to achieve efficient operation and sustainable development. They run through all aspects of an enterprise, including production, sales, and supply chain, and play a crucial role in cost control, quality improvement, and efficiency assurance.

In terms of cost control, enterprises need to achieve this by optimizing operational processes, rationalizing raw material procurement, and enhancing production efficiency, in order to reduce operational costs and improve the cost-performance ratio of products, thus gaining an advantage in the market competition. In terms of raw material procurement, Xiaomi has established long-term and stable cooperative relationships with suppliers thanks to its large market scale and excellent brand reputation. Through large-scale purchasing and centralized negotiations, it has obtained relatively favorable purchase prices. In the production process, Xiaomi focuses on optimizing the production process and improving production efficiency. By introducing advanced production

equipment and automation technologies, it has reduced labor costs and shortened production cycles.

Table 1.1 - Main initiative and specific practice in competitiveness management of an enterprise

Component	Core Initiative	Xiaomi's Specific Practice
Strategic Management Capability	Market positioning; diversification	- Targeted young users with cost-performance- "Iron Triangle" strategy (hardware+software+Internet services)
Organizational Management Capability	Structure optimization; team collaboration	- Flat structure (3-4 management levels)- Cross-departmental project teams (e.g., smartphone R&D)
Innovation Management Capability	Tech/product/business model innovation	- Self-developed 3nm SoC; Leica-cooperated imaging- Internet direct sales model
Talent Management Capability	Talent attraction; training; retention	- Competitive salary (10% above industry average); equity incentives- "Mi University" for skill training; internal promotion (60% of executives from inside)
Operation Management Capability	Supply chain optimization; quality control	- Deep cooperation with Samsung/Qualcomm- 100% quality inspection for finished products

Source: summarized by the author

Analysis: This table maps Xiaomi's practices to the five core components of management competitiveness defined in the article. It shows that Xiaomi's competitiveness is not single-dimensional but a systematic combination:

- 1) Strategic management provides direction (e.g., diversification reduces reliance on smartphones);
- 2) Talent management provides intellectual support (e.g., equity incentives retain core R&D staff);
- 3) Operation management ensures execution (e.g., supply chain cooperation guarantees stable production)

Improving quality is one of the important goals of Xiaomi's operational management. During the product development stage, Xiaomi strictly adheres to quality standards and procedures, conducts thorough market research and user demand analysis

to ensure that the product design and functions meet users' expectations. During the production process, Xiaomi conducts strict quality inspections on raw materials, components and finished products, and employs advanced inspection equipment and technologies to ensure the stability and reliability of product quality. In addition, Xiaomi also pays attention to the quality of after-sales service, establishing a nationwide after-sales service network to provide users with prompt and convenient after-sales services.

Efficiency guarantee is the core task of Xiaomi's operational management. It ensures that the company can bring products to the market in the shortest time and meet the needs of users. In terms of supply chain management, Xiaomi has established an efficient supply chain collaboration mechanism. It maintains close communication and collaboration with suppliers, manufacturers, distributors and other partners, achieving information sharing and optimized resource allocation. In terms of logistics distribution, Xiaomi has collaborated with several well-known logistics companies to establish a fast and accurate logistics distribution network, which can deliver products to users within the shortest possible time.

CHAPTER 2

OVERVIEW OF THE DEVELOPMENT AND MANAGEMENT MODEL OF XIAOMI COMPANY

2.1 The development history of Xiaomi Company

The development history of Xiaomi Corporation is like a legendary entrepreneurial epic. In just a few short years, it has risen from an unknown start-up to a globally renowned technology giant. Its rapid growth and remarkable achievements are truly impressive.

In 2010, when international brands dominated the smartphone market and local brands were struggling to survive, Lei Jun, with his acute market insight and forward-looking strategic vision, decisively decided to embark on a second entrepreneurial venture and established Xiaomi Technology Co., Ltd. Xiaomi, with the bold slogan "Born for Enthusiasts", precisely targeted its goal at creating high-end smartphones and was determined to compete with international brands. The initial price was only 1999 yuan. At that time, such a configuration and price presented a stark contrast. Other brands with the same configuration often had much higher prices, making them inaccessible to ordinary consumers. Xiaomi 1, with its extremely high cost-performance ratio, successfully broke the original pattern of the smartphone market and quickly gained widespread recognition and enthusiastic pursuit from the market and consumers, laying a solid foundation for the development of Xiaomi Company. After that, Xiaomi Corporation seized the opportunity and successively launched a series of products such as Xiaomi 2 and Redmi. In 2013, Xiaomi launched the Xiaomi TV, officially entering the smart TV market.

With its high cost-effectiveness, abundant content resources and intelligent operating system, the Xiaomi TV quickly gained prominence in the smart TV market and became a popular choice for consumers when purchasing smart TVs. On July 9, 2018, Xiaomi successfully listed on the Hong Kong Stock Exchange. This event not only provided strong financial support for the development of Xiaomi, but also marked that Xiaomi officially entered the international capital market arena and became the focus of global investors.

With the rapid development of new technologies such as 5G and AIoT (Artificial Intelligence Internet of Things), Xiaomi has further increased its research and

development investment and actively expanded its new product lines. In the IoT device field, Xiaomi has launched a series of diverse products including smart speakers, smart cameras, smart locks, and smart air purifiers. On March 30, 2021, Xiaomi Group announced the establishment of a wholly-owned subsidiary to handle the business of intelligent electric vehicles. The initial investment is 10 billion yuan, and it is expected that the investment amount will reach 10 billion US dollars over the next 10 years. Since its launch in March 2024, the Xiaomi SU7 has achieved cumulative deliveries of over 180,000 units, becoming a phenomenon in the 20-30 million yuan market segment. In Q1 of 2025, it achieved a market share of 12.7% in the high-end pure electric sedan market, ranking second only to the Tesla Model 3.[1]

Through a series of efforts, Xiaomi has become a globally renowned consumer electronics manufacturer, with its business covering multiple fields such as smartphones, televisions, laptops, and smart home devices. It has a large user base and a well-developed ecosystem.

Table 2.1 - Company history

Year	Key Event	Significance
2010	Founded Xiaomi Technology	Entered the smartphone market with the vision of "born for fever"
2011	Launched first smartphone (Xiaomi 1)	Disrupted the market with high cost-performance (1999 RMB for flagship specs)
2013	Launched Xiaomi TV & started IoT ecosystem layout	Expanded from smartphones to smart home; initiated ecosystem chain construction
2014	Became the 3rd global smartphone vendor	Surpassed Lenovo/LG, confirming competitiveness in the global market
2016	Released Xiaomi MIX (full-screen design)	Led industry design trends; upgraded brand image in high-end market
2018	Listed on Hong Kong Stock Exchange (01810.HK)	Entered international capital market; shipped over 100 million devices annually
2024	Mass-produced China's first 3nm mobile SoC; ranked top in global smartphone shipments	Achieved breakthroughs in core technology; solidified leading position in global market

Analysis: This table outlines Xiaomi’s key development nodes over 14 years, reflecting its rapid transformation from a startup to a global tech giant. The milestones highlight three core strategies:

- 1) Initial market penetration via high-cost-performance smartphones;
- 2) Ecosystem expansion from single-product to multi-category (smart home, IoT);
- 3) Technological upgrading (full-screen, self-developed chips) to break into high-end markets.

Each event directly corresponds to the enhancement of Xiaomi's management competitiveness (e.g., 2018 listing strengthened capital support for R&D).

2.2 Characteristics of the management model

Decentralization and flattening. Xiaomi Corporation adopts a flat and decentralized management model, which has played a crucial role in enhancing the company's operational efficiency and motivating the enthusiasm of its employees.

Flat management refers to reducing the number of management levels in an organization, making the structure of the organization more compact and efficient. In Xiaomi Corporation, the management levels have been streamlined to the minimum, and communication and collaboration between employees and senior managers have become more direct and smooth. This management model enables information to be transmitted quickly and decisions to be made promptly, thereby improving the operational efficiency of the company. Take the product development of Xiaomi as an example. The R&D personnel can directly communicate with the top management, present their ideas and suggestions, and the top management can also provide timely feedback and guidance, which significantly shortens the development cycle and improves the efficiency of product development.

Decentralization emphasizes granting more autonomy to each business segment and team, allowing them to make decisions based on market demands and their own circumstances. Each business segment of Xiaomi, such as smartphones, smart home devices, and internet services, has relatively independent decision-making and operational rights. Each business segment can autonomously determine the research and development direction, marketing strategies, and operational models of products based on market dynamics and user needs. Taking the smart home business segment of Xiaomi

as an example, this business segment can independently develop and launch various smart home products, such as smart speakers, smart cameras, and smart locks, based on the development trends of smart home products in the market and users' demands for smart homes. This decentralized management model enables Xiaomi to respond more flexibly to market changes and quickly launch products and services that meet market demands.

User participation and fan economy

Xiaomi attaches great importance to user participation and the fan economy. By establishing a product development and operation model that involves user participation, it has successfully created a strong fan economy, providing strong support for the company's development.

In terms of product development, Xiaomi actively invites users to participate and fully listens to their opinions and suggestions. Xiaomi collects users' demands and feedback on the products through official forums, social media and other channels. When developing Xiaomi mobile phones, Xiaomi will announce the progress and plans of product development on the forums and invite users to participate in discussions and express their expectations regarding the functions and design of the phones. The feedback from users will be promptly sorted and analyzed, and the R&D team will optimize and improve the products based on the users' suggestions. This user-involved R&D model enables Xiaomi's products to better meet users' needs and enhance the market competitiveness of the products.

The fan economy is a crucial driving force for the development of Xiaomi. Through building fan communities and organizing fan events, Xiaomi has cultivated a large number of loyal fans. The fan community of Xiaomi is a platform for fans to communicate and interact. Fans can share their experiences and insights about using Xiaomi products, as well as offer suggestions and opinions on the products within the community. Xiaomi regularly holds various activities in the community, such as online lotteries and offline gatherings, to enhance the participation and loyalty of fans. In

addition, Xiaomi has launched a series of exclusive benefits for fans, such as priority purchase rights and customized gifts, which further increase the loyalty of fans.

Open innovation and ecosystem construction

Xiaomi Corporation adheres to the concept of openness and innovation, actively promotes the construction of the ecosystem chain. By leveraging the open platform, it attracts developers and invests in incubating ecosystem chain enterprises, achieving the diversification of product lines and coordinated development.

Open innovation is an important strategy for the development of Xiaomi. Xiaomi has opened up its technology platform and ecosystem, attracting numerous developers and partners. Through the open platform, developers can build various applications and services based on Xiaomi's technology and ecosystem, providing users with a more enriched experience. Xiaomi has also opened up the smart home platform, allowing third-party developers to create various smart home applications, achieving the interconnection and intelligent control of smart home devices. This open innovation model not only promotes technological innovation and development, but also enriches Xiaomi's product and service ecosystem, enhancing user satisfaction.

The construction of the ecological chain is an important measure for Xiaomi to achieve diversified development. Through investment and incubation of ecological chain enterprises, Xiaomi has built a vast ecosystem. The ecological chain enterprises of Xiaomi cover multiple fields such as smart phone peripherals, smart home, wearable devices, and consumer goods. Xiaomi provides financial, technical, and brand support to these ecological chain enterprises, helping them develop rapidly. At the same time, the products of ecological chain enterprises can also form a synergy with Xiaomi's products, jointly providing users with a more convenient and intelligent living experience.

Fine-tuned operation and cost control

In its operation management, Xiaomi places great emphasis on refined operation and cost control. Through meticulous management in the procurement, production, and sales processes, it has effectively reduced costs and enhanced the value for customers of its products.

In the procurement process, Xiaomi has established long-term and stable cooperative relationships with suppliers thanks to its large market scale and excellent brand reputation. Xiaomi adopts a centralized procurement approach, obtaining more favorable prices through large-scale purchases. In the production process, Xiaomi has introduced advanced production technologies and equipment, which has enhanced production efficiency and product quality. Xiaomi employs automated production lines, reducing manual operations and lowering labor costs as well as production errors. In the sales process, Xiaomi adopts a combined online and offline sales model, which has reduced the sales costs. Online, Xiaomi directly sells products through its official website, e-commerce platforms, etc., eliminating the middle links and lowering the sales costs. At the same time, Xiaomi also attracts users to purchase products through online marketing activities, such as limited-time sales promotions and coupons, thereby increasing the sales volume of the products. Offline, Xiaomi provides product experience and after-sales services through physical stores like Xiaomi Stores, enhancing users' confidence in purchase and brand recognition.

Table 2.2 - Management Model Characteristic

Management Model Characteristic	Core Practice	Impact on Competitiveness
Flat & Decentralized Structure	Minimized management levels; independent decision-making for business units (e.g., smartphone, smart home)	Faster decision-making (e.g., 30% shorter product iteration cycle); higher employee initiative
User Participation & Fan Economy	Collected feedback via forums/social media; held fan meetings/new product launches	Products aligned with user needs (e.g., MIUI optimization); 40% of new users from fan referrals
Open Innovation & Ecosystem Chain	Invested in 400+ ecosystem companies; opened IoT platform to third-party developers	Diversified product lines (1000+ smart devices); 25% revenue from ecosystem products
Refined Operation & Cost Control	Centralized procurement; automated production; online-offline integrated sales	15% lower material costs than peers; 20% higher inventory turnover rate

Through meticulous operation and cost control, Xiaomi has effectively reduced the cost of its products and improved their cost-effectiveness. Xiaomi's products are

renowned for their high cost-performance ratio and possess strong competitiveness in the market.

Analysis: The table links Xiaomi's management model to its competitiveness outcomes. Key insights include: 1) The flat structure addresses the inefficiency of traditional hierarchical organizations, critical for rapid market response in the tech industry; 2) The fan economy transforms users into "brand ambassadors," reducing marketing costs while boosting loyalty; 3) The ecosystem chain creates a "flywheel effect"—smartphones drive smart home sales, and vice versa—forming a unique competitive barrier.

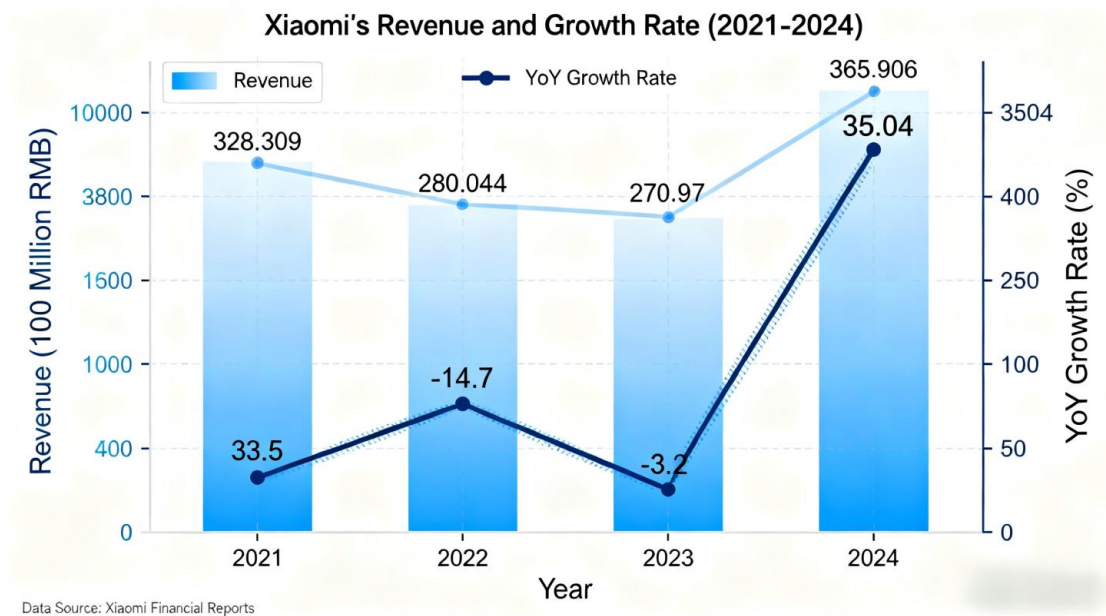


Figure 2.1 –Xiaomi's Revenue and Growth Rate (2021-2024)

Source: [12]

In 2021, benefiting from the global economic recovery and the restoration of supply chains, Xiaomi's smartphone shipments rose to the third place globally, with the proportion of high-end models increasing to 13%. From 2022 to 2023, due to sluggish demand in the smartphone market and the impact of geopolitical factors, Xiaomi's revenue declined for two consecutive years. To stabilize its fundamentals, Xiaomi optimized costs, focused on high-end models (such as the Xiaomi 13 series), and

reduced expenditures on non-core businesses. In 2024, breakthroughs in high-end smartphones (with a record ASP), the emergence of scale effects in the IoT business (with a gross margin rising to 20.3%), and the over-expected delivery of its automotive business all contributed to a double growth in revenue and profit. The company's annual R&D investment increased to 24.1 billion yuan (+25.9%), laying the foundation for future technological breakthroughs.

2.3. Analysis of the Impact of Xiaomi Company's Management Model on Competitiveness

Type of organizational structure – Xiaomi is a typical multinational matrix-style organization, which combines the divisional system and regional management model.

Key departments and units :

Mobile Phone Business Department-As the core business department, it is responsible for the research and development, production and sales of smartphones worldwide.

The Xiaomi Automotive Business Department - Responsible for the overall planning and R&D management of Xiaomi's automotive products, including market research, product positioning, demand analysis, product definition, etc. It promotes product innovation and R&D, ensuring that the products meet market demands and user expectations.

Customer Service and Support Department-The customer service team is responsible for providing comprehensive service support to users, answering users' questions through various channels and handling their issues; the technical support team focuses on providing users with support related to product usage and technology, offering product usage manuals and tutorials, as well as one-on-one technical guidance.

Research and Innovation Department-This department is responsible for driving the technological advancement and product innovation of the group. It

focuses on the research and development of cutting-edge technologies, such as 5G communication technology, artificial intelligence, and the Internet of Things. At the same time, it is committed to converting innovative ideas into practical products, promoting the continuous iteration of the Xiaomi product line.

Hierarchy and reporting lines:

A multi-level management structure is adopted, including the board level, which is responsible for formulating major strategic decisions; the senior management level, including the CEO and CFO, which is responsible for daily operations and risk management; middle-level managers, such as department managers or regional heads, who are responsible for the advancement of specific business; and grassroots employees, who directly participate in product development, marketing promotion and other tasks.

Leadership and coordination:

Leadership Display

Clear Vision and Strategic Orientation: As the leader of the company, Lei Jun has always adhered to the concept of "born for enthusiasts", focusing on users and driving innovation to continuously launch high-quality and cost-effective products. For instance, in the wave of the intelligent electric vehicle era, Lei Jun accurately seized the opportunity and resolutely entered the automotive manufacturing field, comprehensively planning the technical research and development, product design, and market positioning of Xiaomi Cars.

Coordination capabilities demonstrated

Internal cross-departmental coordination, technical collaboration, industry collaboration, global collaboration.

Organizational chart (if available) :

Executive Committee:

- Top Management Team
- Middle Management Team
- The Grassroots Execution Team

Management structure

Levels of management:

The top management team consists of the founder Lei Jun and several other key executives, who are responsible for formulating the company's long-term strategic plans and making major decisions. The middle management team includes the heads of various departments and project managers, who are responsible for implementing the top-level decisions and coordinating the daily work of each department. The grassroots execution team is composed of ordinary employees and front-line staff in each department, who are responsible for specific business operations and project implementation.

Key managerial positions : he key management positions and responsibilities of Xiaomi Corporation are as follows:

Executive Level:

CEO: Oversees the overall work reporting and decision-making of the company, determines the strategic direction and development goals of the company, leads and manages the daily operations of the company, and maintains the company's image and reputation.

General Managers of Each Division: Have full authority to ensure the achievement of goals and the construction of teams for their respective business lines, such as the General Managers of the Mobile Division, the Ecological Chain Division, and the Xiaomi Store Division, are responsible for the overall operation and development of their respective business lines.

Sales Channel Manager: Responsible for formulating sales strategies, managing the sales team, expanding sales channels, increasing product sales volume, and ensuring the achievement of sales targets.

Decision-making process:

Major decision-making matters: For major investment, financing, merger and acquisition, asset disposal and other matters of the company, usually relevant departments or project leaders will propose proposals, elaborating on the background, purpose, plan, risk assessment and countermeasures of the matters, and then submit

them to the senior management team or even the board of directors for review. Based on the review results, decisions will be made.

Lines of authority and responsibility:

Xiaomi has established the Group Management Committee and the Human Resources Committee. The Management Committee is responsible for the business strategy, planning, budgeting, execution and daily business management of the group, shifting the decision-making power from Lei Jun personally to a professional team.

Xiaomi Corporation has established a performance assessment system, linking the performance of its executives closely with the company's development goals. It evaluates the work performance of employees and uses this to motivate them to continuously enhance their personal abilities and work efficiency.

Interaction between management levels:

Internal collaboration within the management layer: The management layer adopts a flat organizational structure, which is conducive to information transmission and communication. During the product development process, the R&D department will closely cooperate with the design department, production department, etc., to ensure the progress and quality of product development.

Main products/services

List of main products/services:

Smartphones, electric vehicles, etc.

Description of products/services:

The Xiaomi mobile phone is mainly used for communication, socializing, entertainment, and office work, meeting various needs of users. The target customers are young consumers who pursue high value for money. Its main feature is a high cost-performance ratio, and it can provide better performance and configuration at a relatively lower price.

The Xiaomi car is mainly used for transportation, providing users with a convenient means of travel. It can also be used to enjoy driving pleasure and experience intelligent technology. Target customers: Primarily aimed at consumers

who have a demand for new energy vehicles. Key feature: Xiaomi Auto demonstrates outstanding performance in terms of its capabilities.

Product/service categories: The products include smart phone series, smart TV series, household appliances series and automotive series.

Share of products/services:

For the entire year of 2024:

Mobile × AIoT Division: Revenue was 333.2 billion yuan, accounting for 91.1% of the total revenue. Among them, revenue from smartphones was 191.8 billion yuan, accounting for 52.4% of the total; revenue from IoT and lifestyle consumer products was 104.1 billion yuan, accounting for 28.5%; revenue from internet services was 34.1 billion yuan, accounting for 9.3%.

Innovative businesses such as intelligent electric vehicles: Revenue was 32.8 billion yuan, accounting for 9.0% of the total revenue.

Specialization or uniqueness:

Xiaomi Auto has launched a "motion sickness relief mode", which alleviates passengers' motion sickness discomfort by adjusting the suspension and the interior ambient lights and fragrances. It also comes with a "smartly dimming sunroof", allowing passengers to adjust the transparency of the roof according to the intensity of sunlight or their personal preferences.

Main suppliers and buyers

Main suppliers:

Mobile phone sector:

Chip supplier: Qualcomm is the main supplier of processors for Xiaomi's smartphones, providing Snapdragon processors for its flagship models.

Automotive sector:

Battery supplier: Ningde Time is the battery supplier for Xiaomi's car.

Main buyers/customers:

Young consumers who pay attention to the cost-performance ratio of products.

Tech Enthusiast: Xiaomi places great emphasis on technological innovation. Its product line includes smartphones, smart hardware, and household appliances, among others. The designs and functions of these products are extremely advanced and innovative, and they are highly favored by tech enthusiasts.

Geographic markets:

Xiaomi Corporation focuses mainly on the domestic market, while its geographical reach is extensive, with its business present in over 100 markets worldwide.

Supply and sales channels:

Component supply: Xiaomi's suppliers are the providers of core components, such as Qualcomm, MediaTek (providing processors), Samsung Display (providing displays), Sony (providing camera sensors), etc.

Sales online channels: Mainly through Xiaomi Mall and third-party e-commerce platforms, such as JD.com, Tmall, etc.

The offline sales channels are mainly based on Xiaomi stores.

Economic and financial indicators for three years (2022-2024)

Table 2.3 - Company Income Statement

Index	2024	2023	2022
Total Revenue(billion yuan)	2800 billion	2311 billion	2710 billion
Gross Profit	16.8%	19.5%	22.3%
Net Income(billion yuan)	24.7 billion	24.7 billion	193 billion

Key financial indicators:

In 2024, the overall gross profit margin of Xiaomi Group was 20.9%, the net profit margin was 6.44%, and the total assets reached 403.155 billion yuan, increasing by 24.34% year-on-year.

Economic indicators:

In 2024, the total production volume of Xiaomi (including Redmi and Poco brands) reached 170 million units, with a year-on-year growth of 15.3%.

In 2024, Xiaomi's global market share for smartphones was 13.8%, maintaining its position as one of the top three globally for 18 consecutive quarters.

Trends and analysis:

In 2022, the net profit was 2.47 billion yuan, a year-on-year decrease of 87.2%; in 2023, the net profit was 19.3 billion yuan, a year-on-year increase of 126.3%; and in 2024, the net profit was 27.2 billion yuan, a year-on-year increase of 41.3%. After a significant decline in net profit in 2022, the company's net profit increased significantly in both 2023 and 2024, indicating that the company's profitability has been continuously strengthening and its performance has been steadily improving.

Presentation of data

Examples of main tables

Table 2.4 - Company income statement

Index	2024	2023	2022
Total Revenue(billion yuan)	2800 billion	2311 billion	2710 billion
Gross Profit	16.8%	19.5%	22.3%
Net Income(billion yuan)	24.7 billion	24.7 billion	193 billion

In 2024, Xiaomi achieved remarkable growth in its business through adjustments and market expansion. Particularly, its smartphone, IoT and lifestyle consumer products, and internet service business segments all performed well. The continuous growth of net profit reflects the increasing profitability of Xiaomi Company.

Table 2.5 - Company Balance Sheet

Index	2024	2023	2022
Total Assets	\$552.32billion	\$457.19 billion	\$393.44 billion
Total Liabilities	\$290.27 billion	\$225.58 billion	\$231.23 billion
Shareholders' Equity	\$258.57 billion	\$231.23 billion	\$206.65 billion

The total assets, total liabilities and shareholders' equity of Xiaomi Corporation all showed an upward trend year by year during the period from 2022 to 2024. The growth of total assets indicates that the company's scale is continuously expanding, and its business scope and asset strength are also increasing; the increase in total liabilities may be related to the company's business expansion, investment activities, etc.; the growth of shareholders' equity reflects the improvement of the company's profitability and the accumulation of shareholders' wealth.

SWOT Analysis of Company/Enterprise

In this section of your practice report, you should present a SWOT analysis that summarizes the company's current situation. The analysis should include:

Strengths:

The company has sufficient investment in research and development and technical reserves, and the synergy effect of its entire ecosystem business is remarkable. The cost control and cost-performance advantages are also stable.

Weaknesses:

Part of the core supply chain relies on external sources, and there are still bottlenecks in the process of making smartphones more advanced.

Opportunities:

The market for new energy vehicles has a vast growth potential. The integration of AI and the Internet of Things has given rise to new demands.

Threats:

Increased cross-industry competition (between mobile phones and automobiles), fluctuating supply chain costs pressure.

To achieve sustainable development, Xiaomi should continue to deepen ecological collaboration, strengthen core technology research and development, while maintaining its cost-performance advantage, and through innovative design and brand marketing of high-end products, re-establish its high-end brand image.

Pestle analysis

Political :

Domestic policies support: The Chinese government attaches great importance to the development of the technology industry and has introduced a series of encouraging policies, creating a favorable development environment for Xiaomi.

Economic :

Exchange rate fluctuations, global economic growth and market demand.

Social:

Shift in consumption concepts, social responsibility and sustainable development

Technological:

Artificial intelligence innovation, application of 5G technology.

Legal :

Intellectual property protection, anti-monopoly regulations.

Environmental:

Measures to address climate change, green production and environmentally friendly materials.

Xiaomi needs to fully leverage its own advantages, seize opportunities, and address challenges. It should achieve sustained and stable development by continuously adjusting its strategies, strengthening technological innovation, enhancing brand image, and conducting compliant operations.

Competitor analysis:

List of main competitors:

Apple, Samsung, Huawei

Comparison of products/services:

Apple's self-developed technologies are more mature, Samsung has a broad overseas market, Huawei has a large domestic market share, and Xiaomi offers better value for money.

Market position:

The top three smartphone markets worldwide in 2024. Just 9 months after its launch, the Xiaomi SU7 has achieved a first-year delivery volume of 136,854 units,

exceeding the target of 100,000 units, demonstrating its strong growth momentum in the automotive sector.

Competitive advantages:

Brand and marketing advantages, technological innovation advantages, ecological synergy advantages

Competitive challenges

Table 2.6 - Profitability of the automotive business and challenges in production capacity, bottlenecks in the high-endization of the smartphone business.

Parameter	Weight Factor	Xiaomi Rating (1-5)	Apple Rating (1-5)	Samsung Rating (1-5)
Financial Metrics	0.3	4.5	4.7	4.5
Innovation	0.4	4.3	4.8	4.5
Product Lineup	0.3	4.5	4.7	4.6

Precise market positioning

Precise market positioning is one of the key factors that enable Xiaomi Company to stand out in the fiercely competitive market. Xiaomi Company has always adhered to the brand concept of "Designed for Enthusiasts", accurately targeting its customer base as young consumers who are price-sensitive and seek high-value-for-money products. In the smartphone market, Xiaomi quickly entered the market with its cost-effective products, breaking the traditional market pattern.

The first mobile phone of Xiaomi, Xiaomi 1, with its advanced hardware configuration at that time, had a launch price of only 1999 yuan. Such a configuration had a significant advantage in the same price range of mobile phones and attracted a large number of young consumers and users who valued cost-effectiveness.

With the development of the market and changes in user demands, Xiaomi has continuously enriched and improved its product line, launching differentiated products for different user groups. For users who pursue ultimate performance and high-end experience, Xiaomi has launched the MIX series of mobile phones. This

series of phones, with its innovative design and leading technologies such as full-screen design, ceramic body craftsmanship, and high-end processors, demonstrates Xiaomi's strength in the high-end mobile phone market.

For the general consumers who value cost-effectiveness and practical functions, Xiaomi has launched the Redmi series of mobile phones. The Redmi series offers affordable prices and stable performance, meeting the daily usage needs of this group of users. Redmi phones, while ensuring basic performance and functions, have reduced product prices by optimizing cost control, enabling more consumers to enjoy the convenience brought by smartphones.

Diversified strategic layout

The diversified strategic layout is an important measure for Xiaomi to achieve sustainable development and enhance competitiveness. Starting from the initial smartphone business, Xiaomi gradually expanded into multiple fields such as smart hardware and internet services, building a vast ecosystem and achieving diversified development.

In the field of smart home, Xiaomi has launched a series of products such as smart TVs, smart speakers, smart cameras, smart locks, and smart air purifiers. These products are interconnected through the Mi Home APP, allowing users to control various smart devices in their homes through mobile phones or smart speakers, etc., and achieve intelligent management of the home. In the field of wearable devices, Xiaomi's Mi Band and Mi Smart Watch have gained popularity among consumers due to their excellent health monitoring capabilities, long battery life and stylish design. Xiaomi has also ventured into the field of daily consumer goods, launching a series of products such as Xiaomi power banks, Xiaomi headphones, and Xiaomi towels. These products maintain Xiaomi's characteristic of offering high value for money, with high-quality products and reasonable prices, thus winning the recognition of consumers.

Xiaomi's diversified strategic layout has achieved synergy among various business segments. The smartphone, as the core product, not only provides users with

a convenient mobile terminal but also serves as the central hub for connecting other smart hardware devices. Through the smartphone, users can conveniently control smart home devices, view data from wearable devices, etc. The development of smart hardware devices further enriches Xiaomi's product line and enhances users' recognition and loyalty to the Xiaomi brand. Internet services provide Xiaomi with new profit growth points and also increase user stickiness. The advertising revenue from Xiaomi App Store, the paid membership of Xiaomi Cloud Services, and the financial service income from Xiaomi Finance all bring considerable profits to Xiaomi.

The diversified strategic layout enables Xiaomi to spread risks and reduce its reliance on a single business. When the competition in the smartphone market is intense or fluctuates, the smart hardware and internet service businesses can provide new driving forces and revenue sources for Xiaomi. At the same time, by integrating the resources of various businesses, Xiaomi can achieve economies of scale and scope, improve operational efficiency and market competitiveness.

Xiaomi Corporation adopts a flat organizational structure, which has played a crucial role in enabling it to make quick decisions and respond efficiently to market changes. In the traditional hierarchical organizational structure, information needs to pass through multiple levels from the grassroots employees to the top managers, which not only results in a slow information transmission speed but also makes it prone to information distortion during the transmission process. However, Xiaomi's flat organizational structure significantly reduces the number of management levels, enabling information to flow quickly and accurately within the company.

In terms of market promotion, the flat organizational structure also played a significant role. When new marketing opportunities emerged in the market or competitors launched new marketing strategies, the relevant teams of Xiaomi could respond promptly. When the trend of social media marketing emerged, Xiaomi's marketing team quickly identified this trend. They did not need to go through

cumbersome hierarchical approval processes and could directly communicate with senior management to propose plans for social media marketing.

Efficient team collaboration and communication

Xiaomi has established an efficient team collaboration model and communication mechanism, which has played a positive role in promoting project progress and innovation.

In terms of the team collaboration model, Xiaomi emphasizes cross-departmental collaboration and team autonomy. Take the development of Xiaomi mobile phones as an example. The hardware development team is responsible for the design and selection of the phone's hardware, ensuring the performance and quality of the phone; the software development team focuses on the development of the operating system and applications, providing users with a smooth usage experience; the industrial design team is dedicated to creating an attractive and comfortable phone appearance; the marketing team participates in the research and development process, understanding the product features and formulating strategies for subsequent market promotion. This cross-departmental collaboration model enables each link to closely cooperate, avoiding communication barriers and work disconnection among departments, and significantly improving the project's advancement efficiency.

Xiaomi also grants the team considerable autonomy. The team can make decisions independently based on the actual situation of the project, and flexibly adjust the working methods and progress. In the research and development project of Xiaomi's smart home products, the project team can independently determine the functional characteristics and technical solutions of the products based on market demand and technological trends. This autonomy has stimulated the enthusiasm and creativity of the team members. They can more actively engage in their work and contribute their efforts to the success of the project.

In terms of communication mechanisms, Xiaomi has established a diversified communication channel to ensure the timely transmission and sharing of information. Within the company, Xiaomi uses instant messaging tools such as WeChat and

DingTalk to facilitate communication and interaction among employees at any time and from any location. In addition, Xiaomi holds various regular meetings such as weekly meetings, monthly meetings, and project progress meetings. During these meetings, team members can report on their work progress, share their work experiences, and jointly discuss and solve the problems encountered in their work.

Through an efficient team collaboration model and communication mechanism, Xiaomi has achieved rapid project progress and enhanced innovation capabilities. This team collaboration and communication model has provided a strong impetus for Xiaomi's development, enabling it to continuously make new breakthroughs and achievements in the field of technology.

Technological innovation achievements. Xiaomi has achieved remarkable results in technological innovation, especially in key areas such as chip development and imaging technology, where it has made significant breakthroughs. These innovative achievements have greatly enhanced the competitiveness of Xiaomi's products.

In the field of chip research and development, Xiaomi has demonstrated a firm determination and strong capabilities. Since the establishment of LePhone Electronics in 2014, Xiaomi has been continuously exploring and advancing on the path of chip research and development. Through nearly a decade of unremitting efforts, it has achieved a series of significant progress. The Xiaomi Xingji chip (XRING) is a SoC series chip independently developed and designed by Xiaomi. It will be released starting from 2025. As of September 2025, Xiaomi has released two chips: Xingji O1 and Xingji T1.

The independent development of chips holds multiple strategic significance for Xiaomi. From the perspective of cost control, the current system-level chips of Xiaomi's mobile phones mostly rely on external suppliers, such as Qualcomm and MediaTek. This high degree of dependence exposes Xiaomi to risks in terms of the stability of chip supply and cost control. Especially in situations where the global chip market fluctuates or geopolitical tensions arise, the uncertainty in chip supply

may have a negative impact on Xiaomi's production and costs. Therefore, by developing its own chips, Xiaomi can ensure the security and stability of its supply chain, reduce the potential risks of external sanctions on its smartphone business, and safeguard the company's long-term sustainable development.

In terms of imaging technology, Xiaomi has also invested a significant amount of resources in research and development, continuously driving the advancement of mobile phone imaging technology and providing users with an outstanding photography experience. Xiaomi has continuously improved the photography quality of its mobile phones through various means such as collaborating with renowned camera manufacturer Leica and optimizing algorithms. These innovative achievements in imaging technology have enabled Xiaomi phones to reach the industry-leading level in terms of photography performance.

Innovation of business model

The innovation in Xiaomi's business model mainly lies in two key aspects: internet direct sales and the integration of online and offline operations. These innovative measures have had a profound impact on Xiaomi's market expansion and user experience.

Internet direct sales is one of the important features of Xiaomi's business model. Xiaomi fully utilizes the Internet platform and sells products directly to users through online channels such as the official website and the Xiaomi Mall APP. This sales model has many advantages, among which the most significant one is the ability to effectively reduce sales costs. The Internet direct sales model also enables Xiaomi to obtain user feedback more directly. Through the online platform, users can conveniently express their opinions, feelings and suggestions about the products. Xiaomi has established a complete user feedback mechanism, which can promptly collect and organize this information and feed it back to the R&D and production departments.

The integration of online and offline is another innovative highlight of Xiaomi's business model. While vigorously developing online sales, Xiaomi actively

expands its offline channels. By opening physical stores such as Xiaomi Stores, it has achieved the organic combination of online and offline. The Xiaomi Store is not only a sales venue but also a platform for product experience and brand display. Users can personally experience various products of Xiaomi at the Xiaomi Store, including smart phones, smart home devices, wearable devices, etc. Through practical operation and experience, users can more intuitively understand the performance, functions and design of the products, enhance their understanding and trust of the products, and thereby increase their purchase intention.

The Xiaomi Store also plays a crucial role in providing after-sales services. After users purchase Xiaomi products, if they encounter any problems, they can directly go to the Xiaomi Store for assistance. The staff at the Xiaomi Store possess professional knowledge and skills, and can offer users timely and efficient after-sales services, including product repair, troubleshooting, technical consultation, etc. Excellent after-sales services can alleviate users' concerns, enhance their purchasing experience, and strengthen users' recognition and loyalty to the Xiaomi brand.

The innovative business model of Xiaomi, whether it is through online direct sales or the integration of online and offline channels, has had a positive impact on the market expansion and user experience of Xiaomi. By reducing sales costs, obtaining user feedback, providing product experiences and high-quality after-sales services, Xiaomi has attracted more users, expanded its market share, enhanced its brand awareness and reputation, and has become a model of business model innovation in the industry.

Table 2.7 - Introduction of innovations in the company

Innovation Area	Key Achievements	Competitive Advantage
Chip R&D	2017: First self-developed chip (Pengpai S1)2024: China's first 3nm mobile SoC	Reduced reliance on Qualcomm/MediaTek (cost down 12%)
Imaging Technology	Cooperation with Leica; self-developed night shot algorithm	Xiaomi 13 Ultra ranked top 3 in DxOMark 2024
Fast Charging Technology	67W wired charging; 50W wireless charging	Solved user "battery anxiety"; 15% higher user satisfaction
IoT Technology	Self-developed Mi Home	Largest consumer IoT

	platform; connected 600M+ smart devices	ecosystem globally (30% market share)
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Analysis: This table focuses on Xiaomi's technological innovation, the core driver of its competitiveness. Notable points:

- 1) Chip R&D breaks through "neck" technologies—3nm SoC puts Xiaomi on par with Apple/Samsung in core hardware;
- 2) Imaging technology (Leica cooperation + algorithm optimization) targets high-end users, upgrading brand value from "cost-performance" to "premium quality";
- 3) IoT technology forms a moat—no other brand has achieved such a large-scale connected device ecosystem.

Attract outstanding talents. Through a series of attractive strategies, Xiaomi has successfully attracted many outstanding talents from the industry, providing the company with strong intellectual support for its development.

In terms of compensation and benefits, Xiaomi demonstrates strong competitiveness. The salary system of Xiaomi is scientifically and reasonably designed. It not only offers competitive salaries in the market, but also includes generous bonuses and equity incentives. Taking the software engineer position as an example, according to market survey data, Xiaomi's salary level is slightly higher than the industry average. For outstanding employees, Xiaomi will give them high bonuses as rewards to motivate them to continuously improve their work performance. At the same time, Xiaomi's equity incentive plan enables employees to share the fruits of the company's development, enhancing their sense of belonging and loyalty.

Corporate culture is also an important factor for Xiaomi to attract talents. Xiaomi advocates an open, innovative and cooperative corporate culture, creating a positive and dynamic working atmosphere. In Xiaomi, employees can freely express their ideas and suggestions, and the company encourages employees to be bold in trying new technologies and methods, constantly innovating. The teamwork spirit of Xiaomi is also deeply rooted in people's hearts. Employees from different departments can closely collaborate and jointly overcome the difficulties in project implementation.

In terms of the talent cultivation system, Xiaomi places great emphasis on the career development plans of its employees. The company offers a variety of training courses and learning opportunities to help employees enhance their professional skills and overall qualities. For new employees, Xiaomi arranges systematic onboarding training, covering aspects such as company culture, regulations, and business processes, to help new employees quickly adapt to the company environment. For employees with some work experience, Xiaomi provides professional skills training and leadership training. In terms of professional skills training, Xiaomi invites industry experts and internal technical backbone to conduct technical sharing and training, covering multiple fields such as software development, hardware design, artificial intelligence, and the Internet of Things.

Supply Chain Management Optimization. Xiaomi has achieved optimization in supply chain management by establishing deep partnerships with suppliers. This has effectively ensured the stable supply of raw materials and reduced costs.

In terms of establishing partnerships, Xiaomi actively engages in strategic cooperation with suppliers to jointly conduct research and development and innovation. Xiaomi has collaborated with Samsung in the field of screen technology, jointly developing screens with high resolution and high refresh rate. Xiaomi also collaborates closely with Qualcomm in the field of chip technology. Qualcomm is a globally renowned chip manufacturer with a leading edge in chip performance and power consumption control. By cooperating with Qualcomm, Xiaomi can promptly obtain the latest chip technologies, ensuring that its mobile phones maintain competitiveness in terms of performance.

Xiaomi also optimizes inventory management to increase inventory turnover rate and reduce inventory costs. Xiaomi adopts an advanced inventory management system to monitor inventory levels in real time. Based on market demand and sales data, it accurately predicts the demand for raw materials and reasonably arranges inventory. Through in-depth cooperation with suppliers and optimization of supply chain management, Xiaomi successfully ensured the stable supply of raw materials, reduced costs, and provided strong support for product production and sales.

Quality Management System. Xiaomi has established a comprehensive quality management system, strictly controlling product quality at multiple stages to ensure the stability and reliability of the products.

In terms of quality standard formulation, Xiaomi follows international standards and industry norms, while also taking into account the characteristics of its own products, to establish strict quality standards. In the production of smartphones, Xiaomi has set detailed quality standards for various aspects such as the hardware performance, software stability, and appearance craftsmanship of the phones. In terms of hardware performance, there are clear indicators for the computing speed of the processor, the read-write speed of the memory, the pixel count and imaging quality of the camera, etc.; in terms of software stability, strict tests and evaluations are conducted on the compatibility, smoothness, and security of the operating system; in terms of appearance craftsmanship, there are strict standards for the size accuracy, shell material, and surface treatment of the phones. These quality standards cover all aspects of the products, ensuring the high quality of Xiaomi's products.

In the quality control process, Xiaomi employs advanced testing equipment and technologies to conduct comprehensive inspections on raw materials, components, and finished products. During the raw material inspection stage, Xiaomi rigorously tests each batch of raw materials to ensure that their quality meets the standards. For key raw materials such as chips, screens, and batteries, multiple performance tests are conducted, including performance tests for chips, display effect tests for screens, and capacity and battery life tests for batteries.

A well-established quality management system has had a positive impact on the stability and reliability of Xiaomi's products. The strict quality standards and control procedures have enabled Xiaomi products to enjoy a good reputation and credibility in the market. The recognition of Xiaomi product quality by users has been continuously increasing, further enhancing Xiaomi's brand competitiveness.

CHAPTER 3

IMPROVING STRATEGIC MANAGEMENT OF ENTERPRISE COMPETITIVENESS IN A DYNAMIC MARKET ENVIRONMENT

3.1. Problems Faced by Xiaomi's Management Model and Ways to Solve Them

The management challenges brought about by the expansion of the organization's scale. With the rapid development of Xiaomi Corporation, its organizational scale has been continuously expanding, which has brought many challenges to the company's management. In terms of the number of employees, as of 2024, the global workforce of Xiaomi Corporation has exceeded tens of thousands of people, achieving a growth of several times compared to the initial establishment. Such a large workforce makes internal communication and coordination within the company increasingly difficult. Information transmission between different departments and at different levels is prone to delays and distortion, resulting in a decline in work efficiency. During project implementation, a decision needs to go through the approval of multiple departments and levels, which not only consumes a lot of time but also may lead to decision-making errors due to deviations in information transmission.

Increased market competition and pressure from technological innovation.

The competition in the smartphone and smart hardware market is extremely fierce, and the pace of technological innovation is constantly accelerating. This poses a huge challenge for Xiaomi. In the smartphone market, competitors such as Apple, Samsung, and Huawei are highly powerful. Apple, with its strong brand influence, unique operating system and ecosystem, as well as continuous technological innovation, holds an important position in the high-end smartphone market; Samsung, on the other hand, has advantages in the research and production of core components such as screens and chips, and is able to achieve vertical integration of the industrial chain, providing strong support for its smartphone business; Huawei has achieved remarkable accomplishments in communication technology, chip research and

development, and imaging technology, and its leading edge in 5G technology has brought new opportunities for the development of smartphones. Facing these powerful competitors, Xiaomi needs to continuously enhance its product competitiveness and strengthen technological innovation to secure a place in the market.

The pressure of technological innovation is also one of the significant challenges faced by Xiaomi. With the rapid development of emerging technologies such as 5G, artificial intelligence, and the Internet of Things, the technological updates and replacements of smartphones and smart hardware are becoming increasingly rapid. Consumers' demands for product performance, functions, and intelligent levels are also getting higher and higher. In the smartphone sector, consumers hope that the phones have more powerful processing capabilities, better photography effects, longer battery life, and more intelligent voice interaction functions; in the smart hardware sector, consumers expect that the smart devices can achieve more convenient interconnection, more precise intelligent control, and more personalized services. To meet consumers' needs, Xiaomi needs to continuously increase its research and development investment and accelerate the pace of technological innovation. However, technological innovation requires a large amount of capital, talent, and time investment, and there are certain risks, which pose severe challenges to Xiaomi's research and development capabilities and financial strength.

The risks associated with international market expansion

During the process of expanding in the international market, Xiaomi faces numerous risks, which mainly lie in aspects such as politics, economy, culture and trade policies. In terms of politics, the international situation is complex and volatile, and the political situations in different countries and regions are uncertain. Some countries may impose restrictions on Chinese enterprises due to political factors, which poses obstacles to Xiaomi's expansion in the international market. In terms of the economy, fluctuations in the global economic situation will have an impact on Xiaomi's performance in the international market. A recession may lead to a decline in consumer purchasing power, thereby affecting the sales of Xiaomi products. Cultural differences are also issues that Xiaomi needs to confront during its expansion in the international market. The cultural backgrounds, consumption habits, and aesthetic

concepts in different countries and regions vary, which requires Xiaomi to make local adjustments in product design, marketing, and brand promotion. Changes in trade policies will also have an impact on Xiaomi's international market expansion. Some countries may raise tariffs, set up trade barriers, and restrict the import of electronic products, which will increase the cost of Xiaomi's products and reduce their market competitiveness.

The risk of talent competition and loss. In the technology industry, the competition for talents is extremely fierce. Xiaomi Company is also at risk of losing its key personnel. The fierce competition for outstanding talents among other competitors in the industry has put a lot of pressure on Xiaomi Company. Tech giants such as Apple, Google, and Huawei have attracted a large number of outstanding talents by virtue of their strong brand influence, generous compensation packages, and excellent development platforms. These companies recruit top technical, management, and marketing talents globally and have formed intense competition with Xiaomi Company.

The brain drain may have various negative impacts on the development of Xiaomi. In terms of technological research and development, the loss of core technical talents may hinder the progress of technological research and development, affecting the company's ability to innovate.

Table 3.1 - Market capacity

Market	Shipment Share	Key Driver
India	30%	Localized models (Redmi series); low-cost strategy
Southeast Asia	25%	Strong IoT ecosystem; offline store expansion (500+ stores)
Europe	15%	High-end models (Xiaomi MIX Ultra); localized after-sales
China	20%	Balanced product portfolio (Redmi + Xiaomi flagship)
Others (Latin America/Middle East)	10%	Early market entry; partnerships with local distributors

The departure of key members of the smartphone chip research and development team may cause delays in chip research and development projects, thereby affecting the performance and technology competitiveness of Xiaomi mobile phones. In terms of business expansion, the loss of important business position talents may affect the company's business layout and market expansion plans.

Analysis: The table shows Xiaomi's global market layout, which aligns with its "globalization + localization" strategy.

1) Emerging markets (India/Southeast Asia) are core revenue sources, leveraging cost-performance and IoT advantages;

2) The European market's 15% share reflects success in high-end penetration, breaking the stereotype of "budget brand";

3) The Chinese market's stable 20% share indicates effective competition against Huawei/Oppo/Vivo via diversified products.

Optimize organizational structure and management processes. To address the management challenges brought about by the expansion of the organization's scale, Xiaomi Company should further optimize its organizational structure and management processes. In terms of the organizational structure, Xiaomi can make appropriate adjustments and improvements based on the existing flat structure. According to the characteristics and requirements of each business segment, it is necessary to clearly define the responsibilities and authorities of each department to avoid unclear responsibilities and overlapping powers. The smartphone business, smart home business, and internet service business should be set up as separate divisions, each responsible for the research and development, production, sales, and marketing promotion of its own business, with relatively independent decision-making and operational rights. This will enable each business segment to focus more on its own development, improving decision-making efficiency and operational flexibility.

Increase investment in research and development and enhance innovation efforts

In the face of intensified market competition and pressure from technological innovation, Xiaomi Company needs to continuously increase its investment in research and development and enhance technological innovation in order to improve its independent research and development capabilities and core competitiveness. In

terms of research and development investment, Xiaomi should further increase the proportion of research funds.

Xiaomi should also optimize the allocation of R&D funds and reasonably distribute resources to various R&D fields. In the smartphone sector, increase investment in core technologies such as chip research and development, imaging technology, and fast charging technology.

In terms of technological innovation, Xiaomi should enhance cooperation with universities and research institutions to jointly conduct cutting-edge technology research. Establish long-term and stable partnerships with universities and research institutions, set up joint laboratories or research centers, and jointly carry out research in areas such as 5G, artificial intelligence, and the Internet of Things.[11]

Xiaomi should also strengthen the internal culture of innovation and encourage employees to innovate. Establish an innovation incentive mechanism, and reward and recognize employees who propose innovative ideas and solutions, in order to stimulate their enthusiasm for innovation.

International Market Localization Operations and Risk Management

To effectively manage the risks associated with international market expansion, Xiaomi should enhance its localized operations in the international market and establish a comprehensive risk management system. In terms of localized operations, Xiaomi needs to deeply understand the needs and characteristics of the local market. In the Indian market, since local consumers are sensitive to prices and have high requirements for the camera quality and battery life of mobile phones, Xiaomi launched the Redmi series of phones for the Indian market. This series of phones has an affordable price and is equipped with large-capacity batteries and high-pixel cameras, meeting the needs of Indian consumers. In the European market, consumers have higher requirements for product quality and design. The mobile phones and smart home products launched by Xiaomi in Europe focus on quality and design, using high-end materials and fashionable appearance designs, enhancing the competitiveness of the products in the European market.

Xiaomi should also formulate contingency plans to deal with risks and reduce the losses caused by them. In response to the potential risks brought about by changes in

trade policies, Xiaomi can optimize its supply chain layout, establish production bases in different countries and regions, and reduce its reliance on a single market; it can also establish long-term and stable cooperative relationships with suppliers to jointly address issues such as rising costs caused by changes in trade policies.

Improve the mechanism for motivating and retaining talents/ To address the risks of talent competition and loss, Xiaomi Company should further improve its talent incentive and retention mechanisms. In terms of compensation and benefits, Xiaomi should conduct regular market research to understand the salary levels in the same industry, ensuring that the company's compensation is competitive. Based on employees' performance and market conditions, the salary and benefits of employees should be adjusted appropriately. For outstanding employees, appropriate salary increases and bonus incentives should be given.

Table 3.2 - Organizational changes

Challenge	Description	Response Strategy
Organizational Scale Expansion	10x employee growth (2010-2024); delayed cross-department communication	- Divided into independent business divisions (smartphone, IoT, Internet)- Built digital approval system (50% faster approval)
Intensified Market Competition	Rivals (Apple/Samsung/Huawei) lead in high-end tech; traditional home appliance brands enter IoT	- Increased R&D investment (7.8% of revenue in 2024)- Launched Xiaomi MIX Ultra (high-end flagship)
International Market Risks	Political sanctions (e.g., U.S. "military-related list"); trade barriers (India's import tariffs)	- Localized R&D/production in India (3 factories)- Hedging against exchange rate risks via financial tools
Talent Competition & Attrition	Tech giants (Google/Apple) poach core staff; 8% annual attrition rate for R&D teams	- Enhanced equity incentives (coverage expanded to 30% of employees)- Added "career development mentor" system

In terms of career development planning, Xiaomi should establish a complete career development path to provide employees with diverse development options.

Besides the traditional management promotion path, a technical expert promotion path should also be established to enable technical employees to deepen their development in the technical field and become experts in the industry. Personalized career development plans should be formulated for employees, taking into account their interests, abilities and career goals, and providing them with corresponding training and development opportunities. For employees with management potential, management training courses and practical opportunities should be provided to help them enhance their management skills; for technical employees, opportunities such as attending technical seminars and academic exchange activities should be offered to broaden their technical horizons and improve their technical proficiency.

Analysis: The table 3.2 reflects Xiaomi's proactive response to external and internal challenges. Key takeaways: 1) For scale-related inefficiencies, Xiaomi balances autonomy (business divisions) and control (digital systems), avoiding "big company disease"; 2) For international risks, localization is critical—Indian factories reduce tariff costs and improve market responsiveness; 3) Talent retention relies on both material incentives (equity) and career development support, addressing the root cause of attrition in the tech industry.

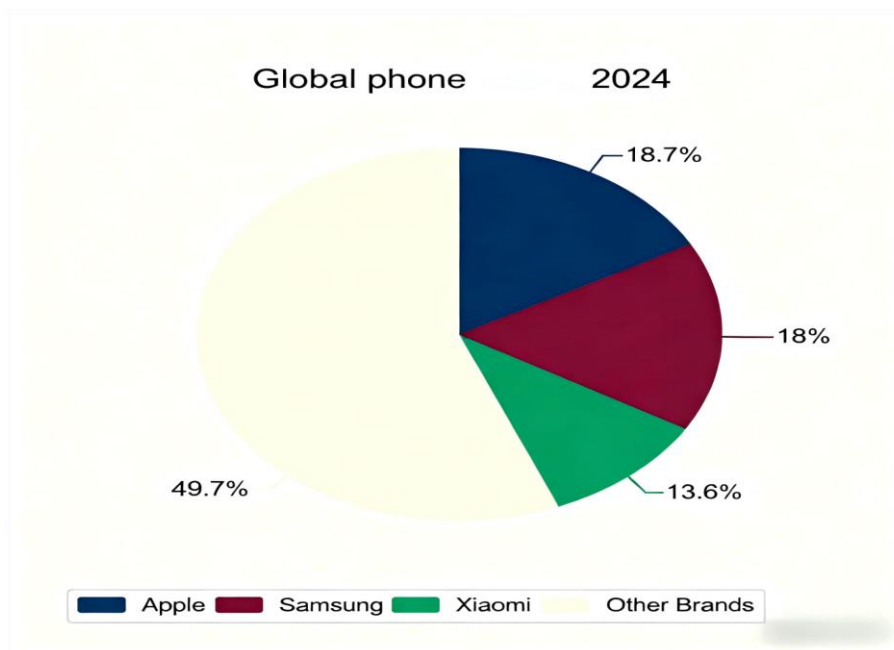


Figure 3.1 – Global phone

Overall, Xiaomi's global shipment share in 2024 is expected to remain stable at 13.6% to 14%, maintaining its third-place position. The gap between it and Apple (18% to 18.7%) and Samsung (18% to 19%) has further narrowed. Its growth momentum is not only driven by its traditional cost-performance advantage but also relies on the in-depth implementation of its high-end strategy and global layout.

3.2. Implications for other enterprises in enhancing their management competitiveness

In the highly competitive market environment of today, if an enterprise wants to stand out among numerous competitors and achieve sustainable development, it must first clearly define its strategic positioning and formulate a scientific and reasonable strategic plan. This is the cornerstone of the enterprise's development and also the key to enhancing the competitiveness of its management.

Enterprises should conduct a thorough analysis of their own strengths and weaknesses, which is the foundation for clarifying their strategic positioning. By conducting a comprehensive assessment of the internal resources of the enterprise, including human resources, material resources, financial resources, technology, and brand, etc., they can identify the unique advantages that the enterprise possesses in the market competition.

Market demand and industry trends are also key factors that enterprises need to pay close attention to when clarifying their strategic positioning. With the development of the economy and the progress of society, consumers' demands are becoming increasingly diverse and personalized, and market demand is constantly changing. Enterprises should conduct market research, data analysis, and other means to deeply understand consumers' needs and preferences, and grasp the changing trends of market demand.

After clearly defining the strategic positioning, enterprises should formulate long-term development strategies, determining the direction and goals of their development. Long-term development strategies should be forward-looking, feasible

and operable, and be able to provide clear guidance for the future development of the enterprises.

Optimizing the organizational structure is a key measure to enhance the management efficiency of enterprises. It is of great significance for enterprises to maintain competitiveness in the complex and ever-changing market environment. Enterprises can draw on the successful experience of Xiaomi's flat management system and optimize their own organizational structure to reduce levels and improve decision-making and operational efficiency.

When other enterprises optimize their organizational structure, they can start from the following aspects. Firstly, clearly define the responsibilities and authorities of each department and position to avoid unclear responsibilities and overlapping powers. Secondly, establish a cross-departmental communication and collaboration mechanism to break down the barriers between departments. By setting up cross-departmental project teams and holding regular cross-departmental meetings, enhance information sharing and collaboration among different departments, and improve the overall operational efficiency of the enterprise.

In the current era of rapid technological advancement and increasingly fierce market competition, innovation has become the core driving force for the development of enterprises. If enterprises want to establish a foothold in the market and achieve long-term development, they must attach great importance to innovation management and actively cultivate innovation capabilities. This not only concerns the current competitiveness of the enterprises, but also determines their future development prospects.

Other enterprises can draw on the experience of Xiaomi Company and attach importance to innovation management, cultivating innovation capabilities. In terms of creating an innovation culture, enterprises can formulate clear innovation values and behavioral guidelines, integrating the innovation culture into their daily management; in terms of innovation investment, enterprises should determine the scale and direction of innovation investment based on their own development strategies and market demands; in encouraging employee innovation, enterprises can establish a complete incentive mechanism and communication mechanism to stimulate

employees' enthusiasm and creativity for innovation; in promoting product and technological innovation, enterprises should strengthen market research, pay attention to industry trends, increase research and development investment, and continuously introduce innovative products and technologies.

Talents are the core resource for the development of an enterprise, and they play a decisive role in enhancing the competitiveness of enterprise management. Enterprises should attach great importance to talent management and actively draw on the successful experiences of Xiaomi Company in talent management to build a high-quality team of talents.

Other enterprises can draw on the experience of Xiaomi Company and strengthen talent management. In terms of attracting talents, enterprises should increase publicity efforts to showcase the development prospects, corporate culture and talent policies of the company, in order to attract the attention of outstanding talents. In terms of talent cultivation, enterprises should formulate personalized training plans based on their own business needs and the actual situations of employees, in order to enhance the professional capabilities and comprehensive qualities of employees. In terms of corporate culture construction, enterprises should focus on the inheritance and innovation of culture, and integrate the corporate culture into the daily management of the company, so that the corporate culture becomes the behavioral norms and value pursuit of employees.

Strengthening operational management is a crucial measure to enhance the quality and efficiency of enterprises. It is of great significance for enterprises to gain an advantageous position in the fierce market competition. Enterprises can start from aspects such as supply chain management and quality management system construction, and draw on the experience of Xiaomi Company to optimize operational management and improve product quality and efficiency.

During the cooperation process, enterprises should focus on information sharing with suppliers, promptly communicating information such as market demands and production plans, so that suppliers can adjust their production and supply plans according to the enterprise's needs. By establishing a rapid response mechanism, when

market demands change, suppliers can quickly adjust their production and supply to ensure that the enterprise's production and sales are not affected.

Optimizing supply chain processes is also an important means to enhance operational efficiency and reduce costs. Enterprises can achieve this by introducing advanced supply chain management systems, enabling the informatization and intelligent management of the supply chain. By leveraging big data analysis technology, they can conduct real-time monitoring and analysis of the data within the supply chain, optimize inventory management, and reduce inventory costs.

When enterprises formulate quality standards, they should fully consider factors such as the product's usage environment and user demands to ensure the scientificity and rationality of the standards. Strengthen the quality inspection of raw materials, production processes and finished products, and adopt advanced inspection equipment and technologies to ensure that the product quality meets the standards.

Enterprises can learn from Xiaomi's approach by establishing diversified channels for quality feedback, encouraging users to report quality issues. Set up a dedicated quality feedback department to collect, organize and analyze user feedback information, and forward the problems to relevant departments for improvement. By continuously improving product quality, enhancing user satisfaction and loyalty, and strengthening the enterprise's market competitiveness.

CONCLUSION

This study conducted an in-depth analysis of Xiaomi's management model and its impact on the competitiveness of enterprise management. The following conclusions were drawn: Xiaomi's unique management model has a significant positive effect on the enhancement of its competitiveness. In terms of strategic management, precise market positioning enables Xiaomi to meet the needs of different user groups, and diversified strategic layout achieves coordinated development among various businesses, effectively increasing market share and brand awareness. In organizational management, the flat and decentralized model accelerates decision-making speed, and efficient team collaboration and communication promote project progress and innovation. Under the drive of innovation management, technological innovation achievements enhance product competitiveness, and business model innovation expands market space and user groups. Talent management attracts outstanding talents, and the complete training and incentive mechanisms provide strong support for employee growth and enterprise development. Operational management optimizes the supply chain and improves the quality management system, ensuring product quality and efficiency.

However, the management model of Xiaomi also faces numerous challenges. The expansion of the organization size has led to increased management difficulty and decreased communication and collaboration efficiency; the intensified market competition and the pressure of technological innovation require Xiaomi to continuously increase its R&D investment and enhance its innovation capabilities; the expansion of the international market is confronted with various risks such as political, economic, cultural and trade policies; the fierce competition for talents poses a potential threat to the company's development.

To address these challenges, Xiaomi has adopted a series of strategies. It has optimized the organizational structure and management processes, clarified departmental responsibilities, strengthened communication and collaboration, and improved decision-making efficiency; it has increased investment in research and development, strengthened cooperation with universities and research institutions, and enhanced its independent research and development capabilities and core competitiveness; it has

conducted localized operations in the international market, understood local needs, and strengthened risk management; it has improved the talent incentive and retention mechanism, provided competitive salaries and benefits, planned career development paths, and strengthened corporate culture construction.

The success experience of Xiaomi Company offers valuable insights for other enterprises. Enterprises should clearly define their strategic positioning, formulate scientific strategic plans to adapt to market changes; optimize organizational structure, reduce levels, and enhance management efficiency; attach importance to innovation management, create an innovative culture, increase innovation investment, and promote product and technological innovation; strengthen talent management, provide competitive salaries and benefits, plan career development, and enhance corporate culture construction; strengthen operation management, optimize supply chain, strengthen quality management, and improve product quality and efficiency.

Future research can further expand and deepen the discussion on the competitiveness of enterprise management. On one hand, studies can be conducted on the adaptability of the Xiaomi management model in different industries. Since different industries have significant differences in market environment, technical characteristics, product features, customer demands, etc., the application effects and adaptability of the Xiaomi management model in different industries will also vary. In the manufacturing sector, enterprises may place greater emphasis on the optimization of production processes and the stability of the supply chain. The flat management and ecosystem construction model of Xiaomi in the manufacturing sector may require appropriate adjustments and improvements; in the service industry, enterprises focus more on customer experience and service quality. The user participation and fan economy model of Xiaomi in the service industry may need to be innovated and expanded in accordance with the characteristics of the service industry. Through research on enterprises in different industries, a more comprehensive understanding of the universality and limitations of the Xiaomi management model can be achieved, providing more targeted management suggestions for enterprises in different industries.

On the other hand, as the market environment keeps changing and technology continues to advance, the factors influencing the competitiveness of enterprise

management are also constantly evolving. Future research can focus on uncovering new influencing factors, such as artificial intelligence, big data, blockchain and other emerging technologies, on the competitiveness of enterprise management. Artificial intelligence technology can help enterprises achieve intelligent production management, customer service and decision support, improving the operational efficiency and management level of the enterprises; big data technology can provide enterprises with more accurate market analysis and user insights, helping enterprises formulate more effective strategies and marketing plans; blockchain technology can enhance the transparency and security of the enterprise supply chain, strengthening the trust and competitiveness of the enterprises. Moreover, factors such as corporate social responsibility and green development may also have significant impacts on the competitiveness of enterprise management. Enterprises actively fulfilling their social responsibilities and promoting green development can not only enhance the social image and brand value of the enterprises, but also gain government support and consumer recognition, thereby strengthening the management competitiveness of the enterprises. Through the research on these new influencing factors, new ideas and methods can be provided for enterprises to enhance their management competitiveness, promoting the sustainable development of enterprises in the new era background.

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APPENDIX

Appendix

Questionnaire on Enterprise Competitiveness Management

Purpose: This questionnaire aims to collect data on enterprise competitiveness management practices, with a focus on strategic management, organizational management, innovation management, talent management, and operational management. Your responses will be used for academic research only, and all information will be kept strictly confidential. Please fill in the blanks or select the appropriate options based on your enterprise's actual situation.

Section 1: Basic Information of the Enterprise

1. Industry your enterprise belongs to: _____
2. Year of establishment: _____ (e.g., 2010)
3. Number of employees: _____ (e.g., 100-500; 500-1000; >1000)

Section 2: Management-related issues

1. What is your enterprise's core market positioning? (Please tick or supplement)

- ☐ High-end market (pursuing premium quality/brand)
- ☐ Cost-effective market (balancing quality and low price)
- ☐ Niche market (targeting specific user groups)
- ☐ Others: _____

2. Does your enterprise adopt a diversification strategy (e.g., expanding from core business to related fields)?

- ☐ Yes ☐ No

If yes, please list the main business segments (e.g., smartphone → smart home):

3. How frequently does your enterprise adjust its development strategy based on market changes?

- ☐ Quarterly ☐ Semi-annually ☐ Annually ☐ When major market shocks occur
- ☐ Others: _____

4. What type of organizational structure does your enterprise mainly adopt? (Please tick or supplement)

- ☐ Flat structure (fewer management levels)
- ☐ Hierarchical structure (multiple management levels)
- ☐ Matrix structure (combination of functional departments and project teams)
- ☐ Others: _____

5. How would you rate your enterprise's decision-making efficiency (e.g., responding to market demands)?

- ☐ Very high ☐ High ☐ Moderate ☐ Low ☐ Very low

Main reasons: _____

6.Does your enterprise have cross-departmental collaboration mechanisms (e.g., cross-departmental project teams)?

☐ Yes ☐ No

If yes, please describe the main form: _____

7.What is the proportion of your enterprise's annual R&D investment in total revenue?
_____ % (e.g., 5%; 10%)

8.What are the core fields of your enterprise's technological innovation? (Please list 1-3, e.g., chip R&D, IoT technology)

9.Has your enterprise implemented innovative business models (e.g., online-offline integration, user-participated R&D)?

☐ Yes ☐ No

If yes, please give examples: _____

10.What are the main ways your enterprise attracts outstanding talents? (Please list 1-3, e.g., competitive salary, equity incentives)

11.Does your enterprise have a systematic talent training system (e.g., onboarding training, professional skill training)?

☐ Yes ☐ No

If yes, please describe the key content: _____

12.What measures does your enterprise take to retain core talents? (Please list 1-3, e.g., career promotion channels, corporate culture building)

13.Does your enterprise establish long-term cooperative relationships with core suppliers?

☐ Yes ☐ No

If yes, please describe the cooperation form (e.g., joint R&D, bulk procurement):

14.What is the main method your enterprise uses to control product quality? (Please tick or supplement)

- ☐ Strict raw material inspection
- ☐ Real-time production process monitoring
- ☐ Comprehensive finished product testing
- ☐ User feedback-driven quality improvement
- ☐ Others: _____

15.How does your enterprise optimize operational costs (e.g., lean production, supply chain integration)?

Section 3: Open Feedback

Is there any other information about enterprise competitiveness management that you would like to add?

Thank you for your valuable time and support!

Date of filling: _____ Contact person (optional): _____