

ABOUT BUSINESS INNOVATION

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Abstract: Business is a kind special economy organization of community. It is a notion of history, is a resultant of commodity production and exchange. In order to survive and develop, enterprises are supposed to adapt to the market and innovate in the field of notion, technique, and administration to keep them alive and vivid.

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Business is a kind special economy organization of community. It is a notion of history, is a resultant of commodity production and exchange. In other words business is entity of micro social organization, which meet the material need of community and some kind of people. It is a dynamic course, persistently lockstep, that results in lack of source of vitality. Thereupon, once business is set up, its most importance, also most urgent object is to ensure its survival and development. In order to realize this object, all the business has to innovate according to various subjective and objective conditions; otherwise they will be bowled out by the market economy.

As a craft of salt, it relates national's welfare and people's livelihood, it is amid most sensitive branch in the economic life of the country, it also close to industry, agriculture, herding, fishing etc. It also concerns personal health. And it has a significant mission of elimination of disease caused by scarcity of iodination. Thereupon, salt industry has to follow traditional orders of superiority. It is supposed to melt in modern economic sphere and deepen reform, discard the old-fashioned and develop the new, to adapt the market with a strong shape.

1. notion needs innovation

Any physical production, subsistence contents and its mode of advancement, always

accompanies update notion of the mind, so does the development of Business and economy. Salt craft has come out of the old rut of traditional official selling, it becomes an organic association with the combination of project control and market economy. This is a course of self-denial self-surpassing. Nowadays the market economy is flourishing, more new ideas are needed.

1.1. Notion of pursuit of knowledge

Development of future business depends not only just on the advanced equipment and superb technique, but also on the talented persons. Every employee in the United States Microsoft cooperation has an office of only 5 square meters, with only a chair, a computer in it. They engage in the intangible international trade with massive value, so that Microsoft share capital was once up to 90 billion USD, and its market share worth about 20 billion USD, about 4 times of market value US General Motor Corporation

made. Because MS is composed of doctors, masters and graduates. Its capital is called "intelligence capital". Therefore knowledge ready-made answer is not completely formulas, definitions and ready-made answers from books, but capabilities of detection, linking and response to the various opportunities on the base of development of the human community.

Training of 21 century requests everyone should have strong capacity of willingness, criterion capability and innovation capability.

Hunan salt industry has been shaping very quickly these years. Individual value is also respected. For this, head selectmen, intermediate cadres, even average employees have dissimilar level of training and reeducation per annum in Hunan light Salt Corporation. As far as new comers are concerned, they are trained according to dissimilarity of demand or variant concrete requests. Procedure norms and stringency of pass are required to make new employees' synthesis diathesis to conform business' being hard up for.

1.2. Recognition of notion of human resources

Japan submitted a slogan of "supervision of human standard" in 60s, which had been paid much attention to by domestic and international business by the end of 80s. The president of Sony Company of Japan, Mortakiilato said, "If there is a secret in Japan trade, it is called human being, who is fundamental. The director of Panasonic who is famed for "omniscience in trade" once said "business is human being scilicet", asserted many times "if you want to make products, first you must make a body". Ecoff of Ford Corporate of the United States drew a conclusion after long-term experience of supervision, that is "The key of successful business lies in body, lies in those managerial professionals full of passion and conscience."

In our country, traditional personnel administration regards manpower as cost. It circles the facts, and pays attention to supervision of existing personnel. But market economy requests business respect human resources and their exploitation and use. It accentuates the center of human being, and scoop out latent energy of body.

There are two features in personal supervision in our provincial salt industry system. The first is practical reinforcement of post training. According to posts of dissimilarity, batching of different study class is held. An inflexible rule is known to all that if the trainees fail in the course-completion examination, they will get a change to the subordinate post, or retrain themselves at their own expenses. The second is encouragement of self-education on the post of foothold.

Diplomas are paid a lot attention, but not the only attention. The employees with low academic qualification can also be put in the important positions if they are diligent, working hard, good at reasoning and fruitful. They will also be given award to. And "award fund" for the self-educated is suggested. Those who work hard in the self-education are courage

1.3 Notion of sustainable development of business

Sustainable development is a fundamental request to a business. Though it is closely related to the exterior atmosphere of the trade, whether business is superior or inferior is decided by its interior factor in the same atmosphere of market economy.

Because of its specialty, common salt is controlled by a particular department in the country. There are two trends in the management of salt currently. One is that they should not worry about its market, which results in the scarcity of pursuance and carelessness. Another is that the monopolization of salt will be cancelled with bombardment of market economy wave, which results in devaluating, not cherishing the policy related to the salt. These two trends are harmful to Sustainable development. We should take good use of the policies of the monopolization of salt, reinforce control of the project. We are also supposed to be conscious of market economy, to band the producing and selling together organically.

Thereupon, Hunan salt industry should constitute long-term, mid-term, short-term objectives according to the developing state of the domestic and the abroad. As to the long-term, mid-term objectives, scientific calculation is needed without hitching wagon to a star or lacking insights. And mid-term, long-term objectives requested that on the base of supervision principle at least 70%—80% of digit target be carried out gradually. Policy of sustainable development is a kind of activation and a spur to the employees, which is like a terminating of track and field, ballistic target center. Policy of sustainable development makes employees be aware of cohesiveness.

1.4. Notion of good business culture

Business culture has gradually come out from the theory of business administration and formulated a new one since 80s. Many scholars from domestic and abroad regard it as "the fourth revolution" "in the development of management science. Some western scholars even alleged that the reform of the model of 21 century business administration business moves towards update civilization, creation and osmosis of corporate culture.

As salt craft has long history, we are justified that we can construct good corporate culture. First we should concentrate on the frame of enterprise value. Because nucleus of corporate culture is spirit of enterprise, whose nucleus is enterprise value, which means total notion and total appraisal of the employees to the objects produced and operation activity. Enterprise value is also a deposition of workers' concept of value in their work. Business without accurate value is like a person without a soul. The reason why the country salt craft has a very strong cohesiveness is that its value is integrate and transmittable in the history and it gets a recognition in the process of producing and selling. Second we should give prominence to individuality of salt industry. Nowadays competition of market is fierce, if business has no special features; supervision has no characteristics, products have no characteristics, which can't make consumer feel different from others, it's very difficult for them to survive in the market. For example, refine salt with iodination from Xiang Li mine, Xiang Heng mine, its feature is white, pure, with good quality, which has a good reputation in southern area; Sea salt from Fujian province is popular with Hunan people, who traditionally use it to pickle foodstuff (such as hot pepper, fermented bean curd, bean pod etc.), especially people in rural areas rely on the salt from Fujian to pickle things. Third we should value promotion of salt industry to formulate salt culture. According to existing historical data, salt has a history of 7000 year. It existed in different lays in the history, where we can trace salt culture. But so far we can't find entire salt civilization. Release of *history of Chinese salt industry* is a big event. But after browsing it, I feel it scarce and simple. It is suggested that when reissued, books should be arranged according to sea lake salt, well salt with more details respectively. Furthermore the number of the

books should be enlarged. Now there is only 3000 volume far from the need. In the meantime we should take advantage of modern publicity media such as newspaper, magazine, broadcast, television to promote salt industry; each underling of provincial salt industry can edit salt history and scarcity records on the base of their own characteristics.

2. Innovation of System

For majority of enterprises, whose systems have a trace of feature of the past planning time, which results in lagging behind the development of market economy. Incomplete equities system reform, incomplete system of administration, and laggard economic system, have become a fetter to the innovation of technique, products, and market. Because of being scarcity of guarantee of business innovation system, some business can't really approach the market. System innovation is a dynamic course, which requires that we constantly adjust structure of business organization, power and responsibility, operating regulations and supervision regulation etc. to make it adapt to the market. Business system is mainly composed of system of property right, system of trade and system of administration.

2.1 System of Property Right

System of property right is a fundamental system, which states the owners' oblige, profit and responsibility. On the basis of the mode of resource allocation, there are two forms. One is state-owned unit in the scheming economy. The other is the system of business in the market economy. There are three types on the basis of equities attribute and evolution order in history named system of ownership, system of partnership and system of company. System of company is adapted since Hunan provincial salt industry was set up, which refers that on the base of separation of two authorities, total contract of work-effect-link is implemented to the provincial finance bureau. After the merge of light industry and salt industry, Hunan provincial salt industry is responsible for its own profit or losses by the authority of provincial country-property committee.

2.2 System of Trade

System of Trade is also called mechanism of trade, which is concerning about the principle statement of attribute and enforcement of right in trade related to condition range, restriction etc. It constitutes corporate interior management structure including object mechanism, activation mechanism and discipline mechanism. Hunan light and salt industry group should innovate without fail according to request of market economy, and corresponding oblige-right; constitute and implement object mechanism, activation mechanism and discipline mechanism in concordance both with request of market economy and practice.

2.3 System of administration

System of administration is to exercise a right in trade. It is a generic name of regulations related to day-to-day concrete trade, including acquirement and use of various factors such as staple, capital, assets, equipment, work force etc. Distribution system is one of the most important contents in the system of administration, which has to adapt to equities system and system of trade. Its variance is straight, and can be felt by employees. For example quality control of products (QC) has variant in different stage of history.

3. Technique Wants Innovation

Nowadays technologies change with day passing, shortening consumedly the period of technique life. With development of high technology and fierceness of market rivalry, only by means of technical innovation and update of products continuously can enterprise meet the demand of consumers and change of market. Salt industry should refer to think over innovation of products, craft and package.

3.1 Products Needs innovation

Consumers of today request very high about the articles, nit-picking, selecting meticulously, which also submits a rigorous topic to the departments of Salt industry related to producing and selling. First everybody should be aware that none of articles have persistent salability in the market.

From 1949 to the early days of 80s, salt which is unpackaged in magnetic jars is sold in the stores of cities and in the supply and marketing agency of villages. If Consumers want to buy salt, the agent has to weigh it with a steelyard, wrap it with a piece of paper, tie it down with ropes made of leaves of palm trees. This scene has passed but impressed all of us for a long time. Things changed and history will not recapitulate any more. Today articles and packages update with the time and make people dazzling, so does edible salt. Besides refine salt added with iodination, there are also salt for health care coming out added with various microelements such as potassium, calcium, magnesium, zinc, selenium, low sodium etc. They are resultants of market economy, but far from enough. In addition, salt enterprise of producing and selling should fix their eyes on market to watch the market quotation carefully. They should produce when the market needs, innovate when the market changes, because life of business and development of business are finally decided by its products. If business wants to satisfy consumers, they have to triturate new products adapting to the market continuously.

3.2 Craft wants innovation

If business wants to have product innovation, economy energy, reduction cost, it has to change technique in commodity production, including innovation of new craft, new equipment. Product innovation lays particular emphasis on the labor objects, while craft innovation lays particular emphasis on means of labor. Acquirement of new equipment requires that business have accumulation, while replacement and alteration of new technique can be combined with practice. Xiang Li salt mine, Xiang Heng salt mine can cooperate with institutes and universities to remold systems of energy supply and salt making with less invest and make present equipage have full burden capacity. Marketing system is gradually popularizing setup and use of small packing machine, which is a significant change from handicraft package to automation package. This is milestone in the history at salt craft development.

3.3 Package wants innovation

Unpackaged salt has been sold with a

wrap of plain paper for nearly 30 years since the found of the People's Republic of China. Then plastics bags made of polyethylene have been used for package of 1000 grams of salt by 80s, later for 500 grams of salt by 90s. Soon afterward fake-proof brand of laser is stuck to the bags. This variance from plain paper to plastic bags is called qualitative leap, including technologies contents, addition value and market economy elements etc. From the end of 90s to the beginning of the new century, the small plastics bags sacked with 500 grams salt are turned into composite membrane bags with inner membrane as a liner. These two years, new container bags sacked with 350 grams salt have come out, made by Hunan light salt group, which are made from compound of paper and plastics. This is an innovation in salt package. At the same time, hemp sacks which have a load of 50 kilograms have been changed into polypropylene weave bags by the salt-making and salt-conveying business, having avoided tedious manual labor of washing, basking, repairing, and recycling. Implementation of salt added with iodination and being far away from manual labor are big happy events to both the consumers and the enterprises. But the enterprises should not be satisfied with the achievements. They are supposed to be ware science, which carried out the conversion from thing-centered rigid management to person-centered gentle management. This conversion also made full preparation for creation and formation of theories of modern management.

Since 60s, with quick growth of industry, enlarging of the enterprise size, speeding of technique progress, schools of thought contended in the field of modern management. Though there are numerous schools, basically they are different synthesis of rigid management and gentle management.

After ascertaining development of business administration, we find that it has operation significance to study the current level of management of salt producing-selling business and new ways of innovation of supervision.

Level of administration of making-conveying salt business in Hunan province is approaching to that of western countries in 90s. Quality control of products, QC, in Xiang Li mine and Xiang Heng mine have already been in the situation of overall quality assurance: Contents of sodium chloride have been steadily rising; Energy consumption has gradually drooped; output

of the gaps between domestic package and abroad package, and should pay attention to the market quotation to keep up with the advanced in package.

4. Supervision Wants Innovation

Since the name of *science management* put forward by American Taylor came out at the end of 19th century and the beginning of 20th century, management has always been everlasting hot topic of business. The theory evolved from embryo to modern one gradually. From the end of 17th century to the beginning of 19th century, business appeared mostly as handicraft workshops, where system of earlier period supervision of factory is implemented (It's also called experience supervision). The related representatives are British Watt, Bolton, and Adam Smith. At the end of 19th century and the beginning of 20th century industry arose, existed with handicraft workshops. Then classic management theory (It's also called science management) was established by American Taylor who had a reputation of Father of Management and French Fayol. The early and middle days of the 20th century saw the famous Hosan's Experiment, science of industrial interpersonal relation set up by Mayo and behavioral with quality guarantee has been raised year by year. Network of wholesale link in marketing system becomes sound. Retail link is taken by both the supply and marketing agency in the country and individual household in the city.

Supervision innovation in Hunan provincial salt industry should be considered with domestic and international economical situation. In the meantime the expansion of salt industry should also be considered from the aspect of strategy supervision. Therefore I would like to give some suggestions.

Firstly, Xiang Li salt mine, Xiang Heng salt mine can be combined to implement macro-supervision. In short, two independent accountability units can be turned into one unit. Xiang Li salt mine has superiority of talents and supervision. Xiang Heng salt mine have advantages of abundant resources, and convenient transportation. If cooperated, some stubborn malpractices which both of have can be eliminated. For example, railway transportation isn't convenient in Xiang Li salt mine. It's impractical to extend railroad to the mine from Xin'an railway station in several years or a long time. Each unit in charge of salt selling plans to give orders to Xiang Heng salt mine because of high cost of

transportation in Xiang Li salt mine. If they are cooperated, they can complement their advantages to avoid contention for invest, items, schemes, markets. Human resources and substance in Xiang Li salt mine can be transferred by degrees to Xiang Heng salt mine. Output in Xiang Heng salt mine should be raised while output in Xiang Li salt mine should be reduced. If this coalition comes into reality, the economic benefit acquired will be great.

Secondly, producing-selling schemes of Hunan salt industry should have scientific management. Scheme of salt production & sales is expected to be decided by the state. Implementation of program should be solemn. Meanwhile practice situation and synthesis element should also be taken into consideration. It's suggested that specialized panels be organized to calculate how many tons of salt produced can be economic and profitable in Xiang Li and Xiang Heng two mines. In the meantime, requisition scheme of salt to Xiang Li, Xiang Heng two mines should be decomposed to branch office of salt industry in all quarters. With the general quantity of salt invariable, overall calculation should be done in every quarter of Hunan

province, including branch office or county corporate of salt industry, according to way of salt conveying (by train, by ship or by truck), mileage of salt conveying, transference times and sundry charges to ensure great entire benefit.

Thirdly, business administration experience of domestic and international salt craft should be summarized and generalized in time. Nowadays progress of market economy globalization is quickened. Domain division of labor range is becoming thinner and thinner. Epiboly is widely accepted. Collaboration in the world range results in organization system being more and more open. Large scale appliance of internet makes communication of information faster and new models of business come out continuously. Hunan light work and salt industry group should be good at generalizing and study the advanced experience and supervision mechanism from domestic and international craft industry to adapt to the new situation. She is supposed to learn others' strong points and try to overcome her own shortcomings to make her advance with the times and surf in the tide of market economy.