

# Research on Innovative Development Strategy of Innovative Enterprises Based on the Construction of Modern Economic System

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**ABSTRACT.** Innovation is the strategic support for building a modern economic system. The realization of the goal of building an innovative country depends on the construction and development of innovative enterprises. Implementing the strategy of innovation and development in an all-round way, accelerating the construction of innovative enterprises, and creating a large number of innovative enterprise groups with strong independent innovation capability and strong international competitiveness are the basic projects and fundamental tasks of building an innovative country. This paper analyzes the connotation and characteristics of creating new enterprises in the construction of modern economic system, and puts forward some ideas for the innovative development of private enterprises, hoping to play a certain role in promoting the development of private enterprises in China.

**KEYWORDS:** Modern economic system, Innovative enterprises, Innovative development

## 1. Introduction

High quality, high efficiency, high innovation and high flexibility are the foundation of innovative enterprises. A large number of high-level innovative enterprise groups are the important support and decisive force for building an innovative country. Building an innovative country calls for the emergence of a large number of innovative enterprises [1]. It is an important support for maintaining long-term stable and rapid economic development, adjusting economic structure, transforming economic growth mode, and improving China's international competitiveness and anti-risk ability. The realization of the goal of building an innovative country depends on the development of innovative cities and enterprises [2]. As a major strategy for the future. The realization of the goal of building an innovative country depends on the development of innovative cities and enterprises. Only innovative enterprises with sufficient quantity and quality can form the foundation of an innovative country.

## 2. Connotation and Characteristics of Innovative Enterprises

### 2.1 Connotation of Innovative Enterprises

Innovation of innovative enterprises involves many aspects, which is a complex system composed of technological innovation, management innovation and institutional innovation, which are interdependent and mutually supportive. Such as technology, organizational structure, management mode and other conditions as the content, with the result of forming and improving the competitiveness of enterprises' products or services, and with the aim of enhancing the position of enterprises in the market. We should not only consider the recent increase in profits and the expansion of market share, but also consider the sustained and long-term profit growth, and also consider the coordinated development with nature, resources, ecological environment, society, technology and manpower [3]. Introduce a new combination of production factors and conditions into the production system, so as to realize the new combination of production factors or conditions. Only by continuously advancing the technological progress of enterprises with technology as the core can enterprises continuously enhance their market competitiveness and win in the fierce competition. It can be seen that the competitiveness of enterprises comes from technological innovation, which is the core part of promoting the development of innovative enterprises.

### 2.2 Characteristics of Innovative Enterprises

Innovative enterprise is a new type of enterprise emerging with the development of new economy, so it has some characteristics different from conventional enterprises, including: comprehensive innovation; Knowledge capitalization; Autonomy and continuity of innovation; Excessiveness of benefits and risk of capital.

For enterprises, this kind of innovation is mainly manifested in the comprehensive innovation of science and technology innovation, system innovation, management innovation and cultural innovation. Innovation activity is the center that dominates other activities of the whole enterprise, while other activities play an auxiliary and supporting role around innovation activities. On the one hand, the sustainable development of innovative enterprises is restricted by the sustainable development of economy and society, on the other hand, it will also promote the sustainable development of economy and society. People are increasingly aware that innovation is a multi-faceted, multi-dimensional and multi-level process of abandoning the old and promoting the new, including both technological innovation and institutional innovation; Therefore, we must unswervingly push forward the supply-side structural reform, expand effective demand, accelerate scientific and technological innovation and institutional innovation, and promote economic and social development to a higher quality, more efficient, fairer and more sustainable direction, so as to lay a solid foundation for building a socialist modern power [4].

### **3. Innovative Development Strategy-the Core Development Strategy That Determines the Survival and Development of Innovative Enterprises**

Enterprise development strategy is a long-term and fundamental design and plan for enterprise development in order to achieve strategic goals and achieve long-term survival and sustainable development. Facing the challenge of economic globalization, in order to make innovative enterprises have core competitiveness, maintain competitive advantage and realize sustainable development, it is necessary to fully implement the strategy of sustainable innovation and development [5]. In the general sense, technological innovation of enterprises can not make enterprises gain stable growth of economic benefits, nor can they get rid of difficulties and embark on the road of sustainable development: only continuous innovation is the feasible source of sustained growth of economic benefits of enterprises and the fundamental way of enterprise development; Due to market access and other factors, private enterprises are mostly engaged in the operation and production of traditional industries, which indicates that private enterprises will still have great pressure to survive in the next few years.

Building a modern economic system is an inherent requirement to adapt to the new normal of China's economic development and achieve a new level of economic aggregate. Consider the sustained and long-term profit growth, and also consider the coordinated development with nature, resources, ecological environment, society, technology and manpower. Building a modern economic system is the urgent requirement of crossing the gateway and the strategic goal of China's development. Innovation is the first driving force to lead development, and it is the strategic support for building a modern economic system. Give full play to the role of innovation in supporting the construction of a modern economic system [6]. Enterprise innovation should be a diversified ecosystem, an organization that is too homogeneous and cannot adapt to the rapidly changing environment. The diversity of organizations provides conditions for innovation. Only by combining the advantages of technology, innovation, resources and talents can we truly realize independent innovation and long-term competitive advantage. The core development strategy with enterprise innovation and development as the core is the soul of enterprise innovation and development, which determines the survival and sustainable development of enterprises.

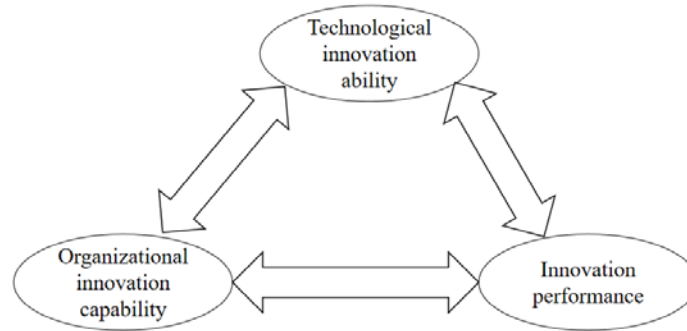
### **4. Innovative Development Strategy of Innovative Enterprises in the Construction of Modern Economic System**

#### **4.1 Space and Opportunity for Innovation and Development**

Although the transformation of economic system makes private enterprises in China face many difficulties and challenges at present, it also brings a lot of development space and opportunities for private enterprises. Accelerating the transformation of private enterprises to adapt to the new economic situation will bring about a new outbreak of private enterprises, which is best illustrated by the rapid growth of the number of newly registered enterprises. With scientific and technological innovation to support and lead the optimization and upgrading of industries, focusing on improving the property rights system and market-oriented allocation of elements, and on the basis of strengthening the protection and application of intellectual property rights, it is oriented to improve the technological content, extend the industrial value chain, increase the added value and enhance the competitiveness. Sustainable innovation development strategy is a core development strategy with sustainable innovation development as its core, and it is an important measure to enhance the independent innovation ability and international competitiveness of innovative enterprises.

Because the innovative enterprise system is a very complex nonlinear system, many factors can not be quantitatively analyzed [7]. Therefore, if all the internal elements of the system are taken into account when establishing the dynamic

model, it is difficult to guarantee the effectiveness of the model. Therefore, in order to simplify the analysis, we divide the innovation behavior system of innovative enterprises into three subsystems: organizational innovation subsystem, technological innovation subsystem and enterprise performance subsystem. (as shown in fig. 1).



*Fig.1 Model Diagram of Innovation Subsystem of Innovative Enterprise*

Under the market economy environment, enterprises will engage in technological innovation under the incentive of market mechanism. Entrepreneurs will play an irreplaceable role by combining production factors and production conditions and introducing them into the production system. Establishing the system and mechanism of independent innovation and innovation development of enterprises is conducive to breaking and eliminating various obstacles affecting the innovation development of enterprises from the system and mechanism. The scientific and technological revolution can always profoundly change the world development pattern, and every major scientific and technological progress, especially the emergence and application of major disruptive technologies. To shift to total factor productivity driven by efficiency such as technological progress. Therefore, taking innovation as the first driving force to lead the construction of a modern economic system is the core of achieving higher quality and higher efficiency economic development.

#### ***4.2 Effectively Implement the Strategy of Innovative Talents and Fully Stimulate the Innovative Potential of Talents***

Innovative enterprises are knowledge- and technology-intensive enterprises, and their survival and development depend on innovative talents with innovative consciousness, thinking and ability. Establish and improve the training network of small and medium-sized enterprises, and cultivate high-level innovative talents by using various personnel training carriers. Concentrate resources to increase R&D investment, introduce high-end technical talents, and continuously improve the innovation ability of enterprises. Therefore, China should give priority to the development of talents, attach importance to the training and use of talents in major national scientific and technological research, and take the knowledge value and innovation value of scientific and technological personnel as a clear social orientation, so as to train and bring up a large number of strategic scientific and technological talents with international level, leading scientific and technological talents and high-level innovative teams. Institutional innovation has a long-term and fundamental impact on sustained economic growth and quality improvement. Technological innovation behavior depends on economic rules and institutions, and the key to cultivating new kinetic energy of economic growth lies in institutional innovation.

#### ***4.3 Implement the Strategy of Continuous Technological Innovation and Enhance the Core Competitiveness of Enterprises***

Technological innovation is the only way for Chinese enterprises to grow and develop. Technological innovation requires a high degree of autonomy, high-intensity and continuous investment in research and development, and the support of high-tech technical talents. Innovative enterprises need careful organization and effective implementation of entrepreneurs with innovative spirit and ability to implement innovative development strategies, effectively develop and integrate innovative resources, adapt to changes in competitive environment and innovate development strategies, and form dynamic strategic competitiveness. After positioning analysis, it provides the basis for enterprises to modify brand strategy or design brand-new strategy. Make brand tactics of innovative enterprises, compare and contrast the influencing factors of brand value, analyze the influence degree of each factor, and focus on making tactical strategies for the factors with great influence degree. Form an innovation governance pattern dominated by science and technology departments and involving multiple subjects such as industrial departments, economic departments and local

governments, constantly stimulate the innovation vitality of enterprises, universities, scientific research institutions and financial institutions, and promote the construction of national innovation system.

#### ***4.4 Implement the Strategy of Deepening Enterprise System Innovation and Speed Up the Process of Establishing and Perfecting Modern Enterprise System***

Enterprise system innovation is the premise and fundamental guarantee for the innovative development of innovative enterprises. Enterprises should establish an independent intellectual property protection system on the basis of innovation, know how to protect intellectual property rights for products independently developed, strengthen the training of intellectual property rights knowledge for employees, and create a good legal environment within enterprises. The core of implementing intellectual property strategy in new enterprises is to establish an independent intellectual property protection system and strengthen the protection of independent intellectual property rights.

In 2010, the number of overseas M&A transactions of private enterprises continued to lead, increasing by 48% over the previous year and 2.5 times that of state-owned enterprises in the same year. In 2016, the number of transactions increased by 3.5 times compared with 2010, and the amount of overseas M&A transactions exceeded that of state-owned enterprises in the first quarter of 2019. 83% of overseas M&A transactions were initiated by private enterprises (see Table 1).

*Table 1 the Main Structure of the Number of Cross-Border m&a Transactions of Chinese Enterprises (%)*

Year	State - owned enterprise	Private enterprise	Financial investor
2015	22	66	17
2016	13	59	12
2017	10	48	21
2018	9	63	19
2019	12	51	29

Both theory and practice have proved that innovation is a powerful engine for the continuous progress of human society. To reduce the burden on enterprises, reform the tax system, increase flexibility in tax time and manner, and ease the financial shortage of enterprises. Establishing the system and mechanism of independent innovation and innovation development of enterprises is conducive to breaking and eliminating various obstacles affecting the innovation development of enterprises from the system and mechanism. At the same time, the innovation activity of any enterprise is a system with specific functions composed of several interdependent parts, so the designed indicators should reflect the systematicness of innovation ability.

#### ***4.5 Implement the Strategy of Enterprise Culture Innovation and Build an Innovative Enterprise Culture Platform***

Enterprise culture belongs to the ideological part, which is the enterprise's values, invisible resources and lubricant, the soul of an enterprise, and the source of its cohesion and vitality. An enterprise with core competitiveness is definitely an enterprise with excellent enterprise culture. Innovation determines the quality and efficiency of modern economic system, and whether it can increase effective supply and improve supply quality. Therefore, innovation is placed at the top of the new development concept. Actively explore a variety of innovative models of industry-university-research cooperation and enterprise alliance with enterprises as the leader, promote the establishment and improvement of technological innovation system with enterprises as the main body, and build a mechanism and model of industry-university-research cooperation and interaction with benefit sharing and risk sharing. The only way to implement sustainable development. Make the enterprise culture and enterprise development better support each other, form a vigorous enterprise spirit which is more dynamic and can better condense the creativity of enterprise employees, and effectively stimulate the innovative spirit of enterprise employees. Maximize a product, innovate and develop in a skill, not blindly pursue product diversification, but strive to improve product quality, and constantly optimize sales service and after-sales service to build a high-quality and high-quality brand enterprise.

## **5. Conclusion**

The construction speed of modern economic system is accelerating, and the changes of domestic and international markets not only bring pressure and challenges to private enterprises in China, but also bring many opportunities. If an enterprise wants to have a place in the competition, it must constantly innovate, base itself on the market with innovation and win in the competition with innovation. This requires obvious improvement in improving the capacity and efficiency of the innovation system, and obvious progress in improving the innovation system and good environment. Innovative enterprises, as the main body of innovation, should deal with the relationship between various

innovations in an overall way, realize dynamic innovation in the process of enterprise development, enhance the competitiveness of enterprises, and promote the sustainable development of enterprises.

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