Study on the Service System Innovation of Small and Medium Sized Enterprises: Based on the Supply-Side Reform

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Abstract. With the new driving force to stimulate the supply-side structural reform, it should develop the new facilities of collaborative sharing, cultivate new formats, strengthen to construct the service system of the small and medium-sized enterprises, improve the service functions, build a service platform, optimize service layout and expand service team step, and constantly improve the level and ability of the service system to promote the supply-side structural reforms and Chinese economic restructuring.

Introduction

As an important carrier to carry out public entrepreneurship and innovation, the small and medium-sized enterprises (SMEs) play an important role in promoting economic growth, increasing employment, promoting scientific and technological innovation and safeguarding social harmony and stability. However, compared with large enterprises, the SMEs have inherent weaknesses and shortcomings, so it needs to create a good social environment, to construct the infrastructure, to provide the necessary public resources and service for the healthy development of SMEs. In China, the primary task in the economic field is to promote the supply side structural reform, which is the inevitable requirement of China's economic development of the new normal. Therefore, it is a strategic thinking in line with the sustainable development of China's economy with supply side structural reform as the background, combined with changes in information age Trends, thinking about the construction of SMEs' service system, and then to promote relevant practices.

About the implication of the SMEs’ service system, Wu Huifang (2014) believes that the service system of the SMEs is a support system to improve the business environment for the SMEs, and promote the healthy development of the SMEs, expand urban and rural employment, and make the SMEs play an important role in the national economy and social development, which includes these contents such as the policy and law, the administrative functions, the intermediary services, the industry cooperation[1]. All over the world, the practice shows that it is an important means to establish a set of suitable and perfect service system to effectively promote the healthy development of SMEs.

The Connotation of the Supply-Side Reform

On November 10, 2015, Xi Jinping firstly proposed to strengthen the
supply-side structural reform, and strive to improve the quality and efficiency of supply-side system at the eleventh meeting of the central financial work leading group. Since then, the "supply-side reform" has become a hot topic, but also the "Keywords" through 13th Five-Year development plan. It means that Chinese economic reforms are structural reform from emphasizing demand side, stimulating the economy to paying attention to the supply side. The "demand side" includes investment, consumption and export, which determine the short-term economic growth rate. The "supply side" refers to effective supply and utilization of the labor, land, capital, innovation and so on, which determine the long-run potential growth in the economy. The supply side and demand side are the two sides of economic development. "Supply-side reforms" ("supply-side structural reform") refers to breakthrough growth dilemma from the supply side, to adjust the economic structure and achieve the optimal allocation of factors through the liberation of productive forces.

The core of the supply-side reforms is to effectively promote the system reform of market orientation, optimize the resource allocation and market supply structure, Activate production factors, improve infrastructure, and create new supply formats, in order to promote sustained growth of national income through the implementation of innovation, harmony, green, open, sharing development concept. On the macro level, promoting supply-side reform focuses on transforming government functions, innovating management systems, ensuring the market playing a decisive role in allocating resources, and creating a fair, just and transparent competitive environment. The micro level, promoting the supply-side reform should focus that the various production factors can conveniently, cheaply enter and get out of the market, improve the innovation ability, and ultimately improve the quality and efficiency of the micro supply, which lays a solid foundation for sustainable economic growth.

The SMEs’ service system should also improve service quality and efficiency, accelerate the development of service subject, innovative service platform, optimize service layout and expand service team, and constantly improve the level and the ability of the service system to provide a strong support for small and medium enterprises to improve the quality and efficiency of the supply.

The Problems of the Service System of the SMEs in China

Lack of the Awareness of the SMEs’ Service System

At present, there are more than 20 provinces (autonomous regions and municipalities) to set up service institutions for the SMEs, nearly half of the provinces to establish a service team of the SMEs in provincial, municipal and county level in China. But there are still some areas that do not know enough about the role of service organizations. Although some provinces established service institutions for the SMEs, a shelf was just taken and no specific work has been carried out; some are still in wait-and-see state. Because of the lack of understanding and insufficient attention to the service system of the SMEs, the construction is in slow and ineffective results in some areas.

Lack of the Long Developing Mechanism

After issuing relevant laws and regulations to support the development of the SMEs, some local governments pay close attention to the construction of the SMEs’ service system, then the service system construction is maybe ignored. Due to lack of long-term planning, the construction of the service system is slow
and the waste of resource, restricting the construction of the SMEs’ service system.

**Lack of the Integration of the Social Resources**

The construction of the SMEs’ service system is not only a problem of investment funds, it is more important to optimize the integration of service resources has been established, revitalize the stock resources. By optimizing the integration of social service resources, fully mobilizing the enthusiasm of social service agencies, it can produce powerful services. Due to lack of strength government services, some provinces do not establish to coordinate services organization integrated, and even social service resources are input more, lacking spirit of cooperation, but the effect is not obvious.

**The Construction of the Credit Service System Lagging Behind**

At present, the construction of the SMEs’ credit system is still a new thing in China, also the relevant policies and regulations are not perfect, and a lot of work is still in the stage of exploration. Because the information resources of various administrative departments are not shared, in addition, the SMEs’ credit consciousness is weak, which leads to the lag of the construction of the credit system.[2]

**The Service Function of the Technological Innovation Being Weak**

At present, due to the impact of service policies of the technological innovation and legal environment, the number of service organizations of the technological innovation is small, the scale is small, service consciousness is weak, and service ability is low

**The Constructive Content of the SMEs’ Service System in China**

**The Service System of the Informationalized Network**

Actively carry out Internet Engineering for the SMEs. Government departments should support appropriate financial and technical to the SMEs, to strengthen the investment of the informationalized construction, establishing and perfecting the network, to improve the level of network technology, to form an open, convenient service system of the SMEs’ informationalized network, to enhance the timeliness of information dissemination.

**The Service System of the Credit Guarantee**

It is necessary to establish and improve the system which is the supervision of the credit guarantee, risking control and the compensation for the SMEs. It is also important to establish a credit rating system of credit guarantee institutions for the SMEs, establish the informational management system of SMEs’ credit, and perfect the SMEs’ credit system, in order to share the resource of credit evaluation in governmental departments and financial institutions. It is necessary to establish the system of enterprise credit evaluation and punishment with dishonesty, promoting the construction of the enterprise’s integrity.[3]

**The Service System of the Talent Cultivation**

It is to support the training institutions at all levels, integrate the training resources, broaden the training channels, update the training content, improve the training methods and establish the long effective mechanism for staff
training. In addition, it is necessary to establish the informational databases for the various talents, to carry out the evaluation of professional titles and professional managers and professional skill training and assessment, to establish the certificate system of professional qualification.

The Service System of the Industrial Association

Industrial association is a nongovernmental organization between the government and the enterprises, which is a bridge between government and enterprises, with service functions and advantages of vertical and horizontal communication and coordination. So it is necessary to optimize the developing environment for the industrial association of the SMEs, strengthen the self-construction of industrial association, take advantage of its organization, talent, information, technology, etc, provide productive guidance, marketable research, industrial management, intermediary services, trade friction warning and other services for the SMEs.

The Service System of the Technological Innovation

It is to establish a service platform of technological innovation, relying on universities and research institutes and industrial cluster. The government should encourage the technical laboratories and testing bases of relevant institutions to be opened to the SMEs, promoting the construction of technological talents in the SMEs, and guide enterprises and society to increase investment in technological innovation, accelerate to transform the technological achievements and to employ some new products.[4]

Figure 1. The Constructive Content of Service System for SMEs.

The Countermeasures of the Innovative Construction for the SMEs’ Service System in China

Making Perfect Policies and Regulations for the Service System of Small and Medium Enterprises

Laws and regulations is an important guarantee to improve the SMEs’ service system. In China, some laws and regulations have been issued to protect the interests of small and medium enterprises, but the lack of the special laws and
regulations for the service system of the SMEs, especially the lack of the special laws and regulations fitting the intermediary services for the SMEs. The implementing regulations of the construction of service system for the SMEs should be issued as soon as possible, in order to clear the public property and service functions of intermediary service organization for the SMEs. In addition, the government should also vigorously disseminate the relevant laws and regulations, so that the SMEs understand them and safeguard their legitimate rights by laws.

**Establishing a Unified Management Organization**

There are lots of problems such as management functions vacancy and dislocation in service management of the SMEs, which restricts the construction and improvement of service system for the SMEs. The government must set up a unified organization which is responsible for guidance, coordination, supervision and management of the small and medium-sized enterprises and intermediary service institutions, to provide comprehensive services for the SMEs[5].

**Optimizing the Social Intermediary**

It is important to Guide the intermediary institutions change their ideas and improve service quality, to provide practical service for the SMEs in business guidance, information consulting, marketing, investing and financing, loan guarantees, property transactions, technology innovation, personnel training, international cooperation, exhibitions and fairs, legal advice and other services.[6] The government should vigorously support the development of intermediaries of the credit reporting agencies, guarantee agencies, educational and training institutions, as well as providing information and technological for the SMEs.

**Summary**

The construction of the service system is a systematic work, which must rely on social forces, integrate the social resources and innovate the methods of services. The service platform is an important support of the service system, therefore it must consolidate service platform, to build the information service, credit and financing guarantee service platform, and gradually build a perfect service system.

**References**


