The Discussion on Fostering New Competitive Advantage of China’s Foreign Trade Enterprises in the Post Economic Crisis Era

Xin CHENG
Jiangsu Institute of Commerce, Nanjing, Jiangsu 211168, China

Keywords: Post economic crisis era, New normal economy, Foreign trade enterprises, Competitive advantage.

Abstract: The global economy is presently in the post economic crisis era. Meantime, China’s foreign trade has entered a new stage in the wake of “new normal” of China’s economic development. Under the current situation at home and abroad, the foreign trade enterprises are confronted with new opportunities and challenges, thus how to seize the opportunity, steadily enhance the competitive capacities and push the development towards larger scale has become the focus of attention in the domain of foreign trade and economy. This thesis presents thoughts on the development of China’s foreign trade enterprises in the post economic crisis era, puts forward sustainable development strategy, brand building strategy and talent cultivation strategy, and meanwhile makes corresponding analysis and description.

Guidelines
At present, the global economy is in the post economic crisis era. Meantime, China’s economy, after many years’ rapid growth, has entered a “new normal” stage, i.e. from rapid growth to steady growth in economic growth; from low-and mid-end to mid-and high-end in economic structure; from traditional growth point to new growth point in development driving force. However, the world economy is in the post economic crisis era’s profound adjustment period; the general economic trend is excess of supply over demand with the slow overall growth; due to the depression of global economy, some countries take measures to protect their national industry one after another, during which the trade conflicts against China are continuously on the increase. In the face of new situation and challenges, China’s foreign trade enterprises certainly will carry out corresponding reforms regarding development strategy, so as to truly promote their international competitiveness.

Strategies to Foster New Competitive Advantage of China’s Foreign Trade Enterprises

Sustainable Development Strategy
During quite a long time in the past, China’s exports had served the imports; therefore, the development of exports was greatly influenced by the import factors; the demands for earning foreign exchange through export urged the implementation of quantity-based mode of China’s export, characterized with high income, high consumption and low benefit, which resulted in the waste of resources, pollution of environment and the weakening of further development capacity, and resulted in certain harmful effect to the further development of China’s foreign trade; therefore, this kind of old normal state cannot be maintained.

As the non-tariff barrier form, the green trade barrier has imposed great influence on the development of China’s foreign trade; China’s foreign trade enterprises shall fully understand its severity and meanwhile its opportunities for us. With the enhancement of people’s environmental awareness, the enormous “green market” constituting by green products, production technologies concerning green products and relevant services provides new opportunities for international trade. China’s foreign trade enterprises shall firmly reverse the conventions of “occupying international market by low quality and low price”, timely grasp the new technical requirements and trade policies
of trade partner countries, devote greater efforts in technological breakthrough, and meanwhile reinforce the international technical cooperation and exchange, establish the concept of long-term sustainable development, and finally step over all kinds of trade barriers. For the purpose of exporting our products to these countries, we must be serious about these trade barriers.

With respect to China’s foreign trade enterprises, they shall make every endeavor to improve their own qualities, devote greater efforts in technological transformation, elevate the product level & performance, actively carry on the product certification and comply with the internationally accepted quality safety control system, adapt the ever-changing certification procedures and ever-improving technical standard abroad and achieve full connections. Our foreign trade enterprises shall establish the whole-process monitoring system of bulk production, so as to realize the standardized production & management of any link in the whole industrial chain, elevate the market competitiveness of products, and lay the foundation for products’ smooth entry into international market. Currently, the quality system certification has become the world trend; therefore all the countries strive to draw close their quality system certification to international standard and obtain the universal recognition internationally, so as to break the green barriers. China’s foreign trade enterprises shall intensity the certification of product quality to realize the improvement of product quality.

Meanwhile, we shall vigorously develop the green products and elevate enterprises’ capability of independent innovation. The development of green products is the key point of responsibilities performed by enterprises, and the supporting point of green marketing. In the course of developing green products, the enterprises shall implement green production, green brand and green package with green demands as orientation; that is to say, the enterprises shall carry out cleaning production in terms of product production, and the product package shall comply with the requirements of being recycled and biodegradable. The key of getting used to “New Normal” lies in the formation of new economic growth impetus, while the key of forming new economic growth impetus lies in the innovation. Therefore, China’s foreign trade enterprises must have the awareness of innovation to proceed product innovation, develop new market, and carry out the innovation of production organizational mode and process, thus increasing the utilization efficiency of resource factors, devoting greater effort in research & development input, promoting the conversion of technological achievements, enhancing the additional value of products, producing the quality-safe and international standard products and obtaining the optimum benefits in economy, society and ecology.

**Brand Building Strategy**

A brand represents the strength, reputation, innovation capacity and service characteristics of a foreign trade enterprise. To some extent, a brand represents the core competitiveness and overall market image of a company. Under the background of new normal economy, China’s foreign trade enterprises shall combine the short-term interest with long-term interest, strengthen the awareness of brand innovation & protection, elevate their own core competitiveness, and accelerate the cultivation of unique management manner & enterprise image; the benign competition in service & innovation based on mutual respect and development shall be carried out among different parties, so as to strive for the high-quality brand. For a long time, many China’s foreign trade enterprises have been engaged in processing on giving materials, processing on giving samples, and manufacturing products with appointed trademarks, while the foreign counterparts were engaged in the research & development. The international industries are being transferred to developing countries, but the market is in their hands and the brand is in their hands; therefore, even though our quality is better and better, what we can get is just the processing charges.

With the acceleration of economic globalization and trade liberalization process, all countries in the world are establishing their own famous-brand products; the brand building is a magnificent career. In the economic field, a brand is a kind of intellectual property; in the social field, a brand is a systematic engineering participated in coordination and operation by whole society. The entrepreneurs who have undergone market economy tide increasingly understand the enormous economic & social effects contained in brand. Some famous brands make people impressive; for
example, when it comes to the Nestle coffee, people will immediately praise “delicious”; the success of Nestle coffee’s brand strategy originated in their whole industrial chain established for guarantee of product quality, i.e. top-quality green coffee tree, incomparable barbecue & grinding technology, rich style and convenient & fast innovative design, etc. Without exception, the successful brand products indicate people that the product quality level (high or low) should be an important measurement for an enterprise even a country’s national economic power to rule the roost of domestic & overseas market. Looking around the world, all the famous trademarks and well-known trademarks have clear value and gold-containing code, which are continuously increasing with the enhancement of reputation and creditworthiness for enterprise and products.

Brand capital is the core factor for successful enterprises, and the enterprises can be more capable of controlling their own fate if they establish the true and long brand capital. For China’s foreign trade enterprises, the most effective way to build brand is to learn from those leading industrial champion in a down-to-earth manner, find out the distinctive brand positioning, implement the long-term, stable, scientific and practical brand strategy, and confirm the enterprise’s target customer, namely, take over the leading position through enterprise’s core competitiveness in certain field, thus firmly occupying one link of the whole industrial chain. For this purpose, it requires us to have further views and seek for breakthrough from thinking way. The research on enterprise’s development strategy shall be on the side of global market and industrial development trend rather than being limited to the enterprise itself.

In addition, brand building is an important strategy in the development of China’s foreign trade enterprises. Since it is in the strategic level, it means that this will be an arduous and complicated work, which cannot be accomplished in a short duration of time; furthermore, it is not a temporary expedient to just solve those surface-level problems. Therefore, the foreign trade enterprises must have sufficient understanding with enduring and systematic faith, and promote the development of brand career taking advantage of all social powers, e.g. government powders, etc., and combining the work in all aspects, e.g. system reform of enterprise, etc., thus making a brand development in a deeper way. In perspective of the present reality, enterprises shall formulate a brand management plan against the background of enterprise development strategy. In the development stage of brand, the enterprises, taking the brand as guidance, shall carry out the asset reorganization and scale expansion, so as to realize the expanded brand cohesion, boost the enterprise development and create the world class brand. Moreover, enterprises shall make decisions carefully through widespread and profound investigation, invest the enterprise’s resources to the industries with development potential, and make the brand development full of hope.

Brand is the “dragon-head” and backbone of national industry, the mark of a country’s industry, the embodiment of a country’s national economic development level as well as the symbol of economic strength. Although China’s foreign trade enterprises have achieved some progresses in the brand building and accumulated some experience, there is still a long distance from the world level; for example, some depth problems remain to be solved, the brand awareness remains to be enhanced, and the management concepts remain to be updated.

**Talent Cultivation Strategy**

In the international market with fierce competition, the competition of foreign trade enterprises is ultimately the competition of talents, and the key of talent competition lies in the “true talent”, who shall have good working attitude, healthy personality, excellent psychological quality, enduring working enthusiasm, hard-bitten willpower, all-embracing open attitude, interpersonal communication & coordination skills and the team-work spirit, etc. The acquisition of “true talent” is only based on scientific measurement tools and methods. Such scientific methods in general use abroad as intelligent measurement, personality assessment and assessment center shall become the important means to develop human resources for foreign trade enterprises, thus making the talent recruitment based on scientific foundation. With the aggravation of market competition, those highly-competent people having good knowledge of products professional knowledge and
international economy & trade and business English are becoming the “sweet pastry” attractive to foreign trade enterprises; meanwhile, many enterprises release the preferential measures in talent recruitment, such as high salary, share donation and other benefits. Therefore, it is a matter of great urgency for foreign trade enterprises to retain and attract talents; the entrepreneurs shall put the “stabilizing excellent talents” on the important agenda, and formulate the protective measures in accordance with the interests of enterprises and employees.

The leaders of foreign trade enterprises shall attach importance to talents. No matter how to delegate power to the lower levels, the personnel direction rights are still in the hands of enterprise leaders; therefore, leaders’ attention to talents is closely related to enterprises’ future development. Proper use of talents can not only give play to employee’s enthusiasm and potential ability, but also is the key to retaining talents. For above reason, discovering able people and putting them at suitable posts is distinctly important. So the enterprises are required to adhere to the principles of “fair and open” in talents’ recruitment, selection, training, assessment, promotion and awards, introduce the competition & supervision mechanism, and make the best use of talents. Besides, emotional involvement shall be reinforced to shape the overall enterprise spirit. Only a person with spirit can achieve continuous improvement; similarly, only an enterprise with enterprise spirit can continuously flourish and grow. The so-called enterprise spirit refers to the common ideas of enterprise employees, which is like a strong lever to move the enterprise forward. All successful enterprises believe that enterprise is a big family. The development of foreign trade enterprises depends not only on good mechanism and scientific management, but also more on the advanced enterprise culture and excellent employees edified in this culture.

Of course, it is essential to make talents’ value recognized through various incentive measures. Wages and welfare are the most important incentives, so enterprises should take seriously and solve the problems of incentive mechanism. For a long time, enterprises’ methods to motivate employees’ working enthusiasm have resulted in a kind of thought inertia that the vital interests and working achievements were not closely related, which gave rise to the insufficiency of impetus. However, the entrepreneurs need to know that it will be difficult to attract talents without good incentive mechanism, let alone making good use of the talents. Hence, the enterprises shall provide various talents with a platform to give play their abilities, retain talents through a perfect incentive mechanism, and present the excellent talents with certain sense of achievement.

Meanwhile, sound training mechanism shall be in place. All the employees of foreign trade enterprises shall have a good knowledge of the development with times concerning products & industry and the latest trade situation at home and abroad. In another word, training for employees must become a regular practice and be systematized. China’s foreign trade enterprises could take full advantage of various forms to carry out employee training, which shall lay emphasis on training contents and training level; multi-channel & multi-form training shall be carried on within industry as per enterprise’s actual needs, thus improving employees’ culture, business skills and professional dedication. Besides, HR department shall seek for the optimum allocation of personnel according to the employees’ characteristics and potentials. Making good use of personnel is the key to success of a foreign trade enterprise. For those employees who temporarily cannot be qualified to work, the enterprise shall not put them in another side; instead, the enterprise can change a post for them and let them have more tries as much as possible. In many cases, the employees unqualified for certain post can find their place after position change, and act as well as others.

**Conclusion**

In the post economic crisis era, the new competitive advantages of China’s foreign trade have not yet formed, and during a period of time in the future, the growth rate of China’s import and export trade will stay at a relatively stable status. For this reason, China’s foreign trade enterprises have the necessity to conduct active reform of development strategy, speed up the cultivation of new
competitive advantages, and provide new impetus to China’s development of foreign trade and economy.

Acknowledgement
This research is sponsored by Jiangsu Qing Lan Project.

References