# **Analysis of Business Model and Enterprise Competitiveness**

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Abstract: Since the 1990s, the Internet, as the representative of the rapid development of information technology, has provided enterprises with unprecedented rich innovative ways and innovative space. A large number of new enterprises based on Internet technology emerged at the historic moment. They create and provide value for customers in a completely different way from traditional enterprises. They are incomparable and successful with the access of traditional enterprises. In this context, business model, as the beginning of computer terminology, began to attract social attention, and in a very short period of time, become one of the most popular words in the world business and academic circles. Today, the innovation of business model and business model in the global scope has attracted unprecedented attention and wide application. However, the theoretical research on business model is still in the immature stage of development and transformation. The concepts, elements and core issues of business model, such as innovation-driven path, have not yet formed a universally accepted consistency. Objectively, the practice of business model innovation has formed a certain negative impact, therefore, the theoretical research of business model innovation needs to be strengthened.

### 1. Introduction

In recent years, business models and business model innovation in the global business community, causing an unprecedented attention. In a 26-year study of innovation, a survey of 765 companies and departmental managers across IBM shows that nearly 13 of them have placed business model innovation at the top of the list. They also outperformed their competitors in terms of profit growth over the past five years relative to managers who value traditional innovation, such as product or process innovation. Nowadays, although the concept of business model has been widely used around the world, the practice of business model innovation is bustling, but it can not be denied that the theoretical research on business model is still in immature development and change, The theoretical research on the business model is still at the initial stage, and the core problems of the business model such as the concept, the constituent elements and the business model innovation drive and the innovation path are still in a state of hundred flowers blossom and a hundred schools of thought contend, but have not formed the universally accepted consistency conclusion. This objectively, the business model innovation practice has formed a certain negative impact, therefore, the business model and business model innovation theory to be strengthened.

# 2. Summary of Innovation Theory

Business model innovation belongs to a kind of enterprise innovation activity under the background of market economy. Its development is affected by the law of enterprise innovation. Research on business model innovation, can not be separated from the background of enterprise innovation activities, the need for business model innovation and enterprise innovation activities linked to and compare. Therefore, in the basic part of the theory, we should also sort out the relevant innovation theory to find out the innovation theory and method which has instructive significance to the business model innovation research, and lay a more solid theoretical foundation for this research. Innovation theory has been one of the most important theories of science and technology, economy and management, which has been developed from the beginning of the 2nd century till now. Today, countries around the world are using innovation theory and practice to gain competitive advantage

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at the national, industrial and enterprise levels. The innovation theory itself has experienced the stage development of technological innovation, innovation process, system innovation, service innovation and cultural innovation as the mainstream content, and plays an increasingly important role in the real social practice.

From the second half of the 5th century, the rapid development of science and technology on human economic society has had a tremendous impact, people began to realize that technological innovation on economic growth and social development of the great role. During this period, the research on technological innovation gradually developed and enriched, and by economists called the technological innovation of the revival of the times. On the other hand, the rapid development of technology and economy has led to the use of traditional capital, labor and other factors, simply explain the socio-economic phenomenon has been unable to meet the real needs. Therefore, economists began to technology, institutional and economic development of the relationship between interest, technology innovation theory has also been rapid development.

### 3. Analysis on the Influencing Factors of Business Model Innovation

Innovation theory, institutional innovation theory and subversion of innovation theory and other innovative theories from different sides reveals the basic law of enterprise innovation, revealing the different elements of enterprise innovation, through the analysis of the innovation theory, help to find the business model The Key Driving Factors and Basic Rules of Innovation. Therefore, this chapter first combines the innovation process theory, the system innovation theory and the subversive innovation theory, analyzes the general driving factors of enterprise innovation activities, on this basis, combined with the business model innovation's own characteristics, to further explore the business model innovation Key Driving Factors and Laws.

Enterprise goal is to achieve its objectives to achieve the desired results, is the enterprise to achieve its own mission of a behavior commitment, and measure business performance standards. At the same time, the target is also a reflection of the basic strategy of enterprises, there is no target business and is not the development of enterprises. American behaviorist J. Jigler pointed out: set a high goal is equal to achieve part of the goal. Enterprise objectives are subject to internal and external constraints, of which, from the external market environment can not be ignored, enterprise development goals only in the market acceptance of the premise can be achieved. As the environment changes, corporate goals also need to constantly adjust to achieve the sustainable development of enterprises. Once the environment changes, the company's production direction, business objectives and business processes in the production and other socio-economic organizations need to be adjusted accordingly. In addition, the specific business objectives of enterprises, but also need to timely according to the market environment and consumer demand characteristics and trends to be adjusted, business objectives of each adjustment is a goal of innovation. From the above analysis can be seen that the goal of innovation is an important part of enterprise innovation, and other enterprises have an impact on innovation and restraint.

Technological innovation is the main content of enterprise innovation, a large number of innovation activities in the enterprise is related to technology, therefore, sometimes people even regard technological innovation as synonymous with enterprise innovation. Technical level is an important indicator of the strength of enterprise management, enterprises in the fierce market competition in a proactive position, we must conform to or even guide the direction of social and technological progress, continuous technological innovation. As the technology needs to be reflected through a certain material carrier, therefore, the enterprise's technological innovation can be divided into: elements of innovation, combination of elements of innovation and product innovation in several aspects.

### 4. Business Model Innovation Path and Value Innovation

Business model as a business model, itself is a system. Therefore, we can explore the basic path of business model innovation based on system theory. System generation theory that the system is

generated in two basic ways, one is born in there, the other is born without. Among them, there are born in the theory, is progressive or improved generation theory, can only solve the problem of relatively mediocre generation; born to generate a more profound and more essential philosophical representation, can solve the fundamental nature of change, revolutionary Of the system generation problem, business model innovation is such a problem. Since there are problems in the innovation process, which is too speculative to solve the business model, it is necessary to solve the problem of the starting point of the innovation process.

Dialectics that all the two polar opposites are mediated through the transition between each other, in the system generation process from scratch, there is a micro, the micro-communication is and there is no intermediary. System using micro, the intermediary can be formed from nothing. In practice, this micro is the starting point for system generation. From the information point of view, this micro is an information form of things, although it requires very little material load, but contains the core system of the future generation of information. The generators proposed by modern science are the starting point of the system generation process. For example, the mammalian zygote, plotting the fractal map of the original 10-generation rule, and so on. Although they contain a small amount of material, very limited, but it contains all the information needed to build a biological system, and can support the system's final generation and subsequent evolution.

According to the above theory, whether it is a new business model generation, or create a new business model, the key is to find that carrying the business model of all information, the new business model generation process starting point) contains the future business model. The generator of the core information of the system. This micro, the generating element, this paper is that the business model of value proposition and value formation logic. Value proposition and value formation logic are decisive for the business model, though Abstract and difficult to express due to the lack of specific material load, but it has a decisive role in the formation and development of business model. Just as the basic characteristics of DNA determines the biological characteristics, it is the value proposition and value formation logic that determines the choice of internal resources combination and the formation of operational processes and interface models. The change of value proposition will directly affect the choice of value formation logic and resource combination, and the operation flow and interface mode will also inevitably follow the changes.

An enterprise can create new value for a product by extending beyond the boundaries of the existing industry by extending the value direction of alternatives, alternatives and complements. Extension to alternatives. An alternative is a product that has the same function or core function as the product, but has different forms of product. For example, in order to supplement the protein, people can choose eggs, you can also buy tofu. Although the different eggs and tofu products are completely different forms, but they can meet the human needs for the protein. Consumers can choose their own preferences and specific environmental conditions in order to meet a specific need of the consumer, and the product and its alternatives can meet the specific needs of the consumer, regardless of the choice.

Create new value by shifting product positioning. By breaking the habitual forces of high-end and low-profile narrow vision, find out what factors determine the customer's choice of products, the basic value, which targeted to increase the necessary value, eliminate unnecessary value and achieve the core value of product innovation. For example, the Curve Beauty Health Club is dedicated to women, eliminating luxury facilities and providing them with basic services in a small community, for example, by using a group of exercise machines in turn, three times a week for half an hour and to \$ 3 per month low-cost, for customers to create value for money core value.

We Use technology innovation to create new value for the product. Technological innovation has always been regarded as one of the most important motivations of enterprise innovation. In innovation theory, technology plays an irreplaceable role as the main driving force of enterprise innovation. But at the same time should be noted that technological innovation is not equal to value innovation, only through a business perspective insight into how technological innovation can change the value of customer access, and use this technological innovation to create new value for consumers, and only this technological innovation can give Businesses bring business value. It is

precisely because of the large scale integrated circuit technology to make computer hardware so powerful and inexpensive, it makes the development of computer software has become a commercial value of the activities. It is precisely because the promotion and popularization of network technology, which makes the Internet-based e-commerce market in the world of rapid development. Technology innovation has provided the foundation and impetus for enterprise value innovation. More than a century ago, entrepreneurs used basic technologies such as nascent electricity and telephone networks to change the US, just as today's Internet companies are using computers and communication facilities to change the world economy. No change.

#### 5. Conclusion

In the core competence of the enterprise, the enterprise business model innovation ability is no less than the core technology, human resources, marketing network and market experience and other capabilities, even more important. Once the transformation of the mode of operation of the organization, companies will re-establish a competitive advantage, its market competitiveness will be an unprecedented increase, the organization's mode of operation to help business operators in the enterprise competition to win. It should be pointed out that the competition of enterprises is endless, but the core of organizational competition is still the cognitive competition of business model, which includes how competition comes into being, how the competition is going and what direction the competition will develop. It can be said that business model innovation has become the core areas of business competition.

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