

Exploring a New Management Model for Multinational Companies to Enhance Value Creation

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Abstract: On this basis, a new management mode is proposed for the complex business environment and the fierce market competition. This paper preliminarily discusses how to enhance the value creation ability of Chinese enterprises from the eight aspects of "Four innovations, two strengthening". Enterprise value creation ability refers to a series of activities such as raising, allocating, applying and distributing the core financial resources of the enterprise, whose ultimate goal is to maximize the value of the company. The value creativity of enterprise is mainly reflected in the ability of enterprise in financial management, and the value creativity of enterprise is mainly reflected in several aspects.

Keywords: Transnational Management; Management Innovation; Strengthen Capital Operation

1. Innovative budget management and enhanced budget guidance function

1.1 To improve the budget management organization and refine the budget responsibilities

First, the financial budget system has been established and Secondly, we should improve the budget linkage mechanism, and make a good division of responsibilities from raw material procurement to input-output balance, to the formulation of economic and technical indicators, to the calculation of various costs, and then to the calculation of various costs.

1.2 Sound grading and evaluation system to stimulate the enthusiasm of employees to participate in budget management

First, the headquarters of the group company will unify the evaluation guidelines and set the basic indicators, improvement indicators and effort indicators. According to the specific situation, enterprises can independently choose and set three grades of assessment indicators, such as ensure, strive and struggle, and decompose them to units, workshops and teams, and finally form a responsibility system covering all employees. Second, the budget performance is linked to the salary level. At the level of the group headquarters, different salary standards are set according to different budget targets. At the level of the company, individual bonuses are linked to the budget targets chosen by the company itself and the budget targets decomposed to each individual by the affiliated units.

1.3 Strengthening budget management and improving budget management methods

First, the TBM system was optimized in order to improve the speed of server computing. Second, integration with other enterprises' ERP, MES, statistics and other enterprises was carried out to realize information sharing among enterprises; a production and operation monitoring platform was established to focus on monitoring production and operation indicators such as unit costs and inventory. And the in-depth study of the ERP system data depth application, the ERP, MES and other operation management systems in the relevant business data extracted into the database, through the form of reports, you can very intuitive access to business data,

and the operation and the actual implementation of the budget indicators to carry out dynamic monitoring and analysis, and in the work process to do a good job of control, to ensure that the budget indicators can be successfully completed.

2. Innovative fund management to improve the efficiency of fund operation

2.1 Expand the centralized management of capital

The definition of "capital" should not be limited to "monetary capital", but should include all the capital that can be converted into "capital" and can be used at will, and can be converted into "capital". The definition of "capital" should not be limited to "money capital", but should include all kinds of capital that can be converted into "capital", can be used at will, can be converted into "capital". The scope of unified management should include the management of foreign exchange transactions and international payments, etc.

2.2 Flexible use of financing instruments

Because the economic development of each region is different, when carrying out the financing of group enterprises, in addition to insisting that the purpose of financing should match the source of funds and the scale of financing should match the maturity, variety and mode, the regional differences of subordinate enterprises should also be incorporated and the ratio of debt to equity financing should be reasonably arranged. In terms of fund raising, the following methods can be adopted: first, to strengthen the connection with banks to obtain loans at a lower cost; second, to strengthen the connection with financial institutions and seek financial support from the government; third, to improve the market value of enterprises and carefully select stocks and bonds of listed companies.

3. Innovative cost management to obtain cost competitive advantage

3.1 Establish a cost-efficiency concept

Cost management is not a simple "addition" and "subtraction", the "reasonable" expenditure should be "incentivized", and the "unreasonable" expenditure should be "incentivized". The "unreasonable" expenses should be "pressed". Expense management refers to expense control, through reasonable expense allocation, to ensure the reduction of expenses and improve the efficiency.

3.2 Rationalize the business process and strengthen the process supervision

Stand in the financial perspective to explore the business process, to fully understand and analyze the cost structure and cost drivers of each link of input and output, so as to find a breakthrough in reducing the cost. In the specific work, cost accounting can be combined with shift economic accounting, financial personnel should pay attention to the difference between financial accounting and physical flow, production managers and operators should pay attention to the relationship between the physical flow process and product costs, so as to promote the enterprise to strengthen the

3.3 The index conversion model is improved and the connotation of enterprise cost management is expanded

We actively explore and study the close relationship among operation indicators, economic and technical indicators and financial indicators; and incorporate key indicators such as management cost, accident cost, quality cost and maintenance cost which are directly related to operation and closely related to production cost. Through the conversion of financial and non-financial indicators, the economic and responsibility awareness of all employees is strengthened, and a management system with joint management at all levels of the enterprise is realized. For example, using the production management database, the data on the main material consumption, energy consumption, and product output of the equipment are processed in real time and converted into various controllable operating indicators (output, temperature, pressure, etc.) and into various financial indicators, allowing these operators to closely integrate their work with valuable changes such as these data, turning these abstract The "data indicators" become the "operation language" they can control, thus improving their economic efficiency and sense of responsibility.

4. Innovative investment management, and strive to improve the quality of development

We should carefully choose the direction of investment and strengthen the overall strength of the main business. We will build and improve the linkage investment management mechanism of investment project decision and investment plan arrangement, so that

each management level can consciously recommend investment projects around the development strategy of the Group.

We will strengthen the control of the whole process of investment projects to make the investment activities more standardized. Firstly, the pre-study and demonstration of the project; secondly, the project is evaluated from several aspects such as technical feasibility, profitability, total amount of capital required, quality standard, financing methods and channels, and social impact; thirdly, we will strengthen the whole process management of engineering construction and do a good job of intermediate control of engineering construction; fourthly, we will do a good job of post-construction operation evaluation and management, and summarize the problems and experiences that occurred during the construction process for make investment decisions in the future.

Increasing investment in science and technology to establish core technology and high-end differentiated products. First, in terms of ways to raise funds for scientific research, the problem of insufficient funds can be solved through various ways such as special government construction funds, science and technology loans, venture capital, social fund raising, share financing, internal financing, issuing bonds, and introducing foreign capital. Second, in terms of science and technology credit, according to the national policy of encouraging technological innovation, actively apply to banks for low-interest loans for major projects. At the same time, in order to reduce the risk of technology research and development, we should actively communicate with relevant government departments and try to make them share part of the risk of technology research and development. Third, through the internal accumulation of enterprises, increase the proportion of enterprise R & D expenses in the operating income.

5. Strengthen capital operation and enhance international competitive advantages

5.1 Create a good internal capital operation environment

First, to strengthen the risk awareness and competitive consciousness of enterprise managers, and to enhance the professional quality of enterprise managers. Second, to make the enterprise's products bigger and stronger, to bring down the production cost and to make the capital structure bigger and stronger. Third, build a system of scientific and technological innovation. Strengthen the research and development of new products and technologies, and accelerate the development and transformation of new products and technologies.

5.2 Make scientific decisions on capital operation projects

In cross-border acquisitions, it is important to make a correct evaluation of the future value of the acquired target and choose the acquisition path that is favorable to it. Besides, optimizing the business structure within the company and spinning off non-competing businesses with better growth and profitability is also a proven method to increase the market value of the company and enhance its financing ability.

6. Strengthen international financial management and achieve first-class transnational operations

6.1 Effectively integrate international resources and enhance the cross-border index

Strengthening the cooperation with PE and other professional organizations for international operation; By strengthening the cooperation with foreign well-known companies to make up for their deficiencies in internationalization, not only can the company's international image be improved, but also it is easier to gain the recognition of the international community; in the international market, the way of joint venture between private enterprises and state-owned enterprises can be adopted to circumvent the entry barriers set by foreign enterprises and foreign companies; Through cooperation with domestic joint ventures, multinational corporations can achieve internationalization. Joint ventures possess business concepts, management models, advanced technology, and internationally-oriented management personnel that are consistent with international rules. These factors play a positive role in the successful development of multinational corporations in the international market.

6.2 Strengthen the contact with local governments and seek their support

In order to effectively control the tax planning of foreign projects, it is necessary to conduct in-depth research on the geographical

location, political background, resource status, tax types, tax rates, preferential periods and special regulations of foreign projects, and frequently communicate with local tax authorities to obtain as many tax preferences as possible, so as to reduce tax burden and improve efficiency.

Conclusion

Technology, knowledge and products are being updated at an increasingly rapid rate. Business operations reform is a change in the way a business is run by its leadership. The focus is on profit maximisation and the sustainability of the business. In the past, few companies made profit maximisation their sole management objective, which would have led to their short-sightedness and gradual elimination from the market, and only a minority of companies died as a result. Therefore, companies are now beginning to focus their management on sustainability and pay more attention to the issue of growth sustainability.

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