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Abstract

In the context of COVID-19, innovative SMES (small and medium-sized enterprises) are generally facing more intense market competition, and have higher requirements for their core competitiveness and operation and management capabilities. The development strategy of SMES has an important influence on their long-term operation and development. Formulating scientific development strategy planning and establishing a perfect development strategy management system can effectively guarantee the healthy development of SMES. The operation and development of innovative SMES need to be guaranteed by a sound development strategy management system, and some problems in the development of innovative SMES can be timely solved. In this way, perfect development strategy management mechanism can be constructed, so as to promote the development of innovative SMES. In this context, innovative SMES need to pay attention to the development strategic management, strengthen the corresponding measures of it, and have a better understanding of the core connotation of modern enterprises’ development strategic management.

This study will analyze the development status of SMES at home and abroad, and through interviews, investigations, discovery and analysis of the problems existing in the development strategy management of small and medium-sized companies, finally choose the appropriate development strategy and take sound management measures. According to the characteristics of micro-SMES and the internal and external environment they face, the corresponding countermeasures and suggestions are put forward to play a certain reference role for the operation and development of micro-SMES.

Key words: Micro-SMES; Strategic management; Development strategy; China

Research Background

Nowadays, international competition is increasingly getting fierce. If enterprises want to survive and develop in such an environment, they must attach importance to innovative technology so as to win the international market. Cities need strong innovation and developed technology to attract a large number of innovative elements, so as to promote technological progress and better cope with international competition. In the process of global innovation-driven development, the development of innovative cities is crucial. At this stage, it is very important to attach importance to the role of innovation-driven to promote national economic development. A growing number of cities have also realized this, and they have begun to speed up
technological innovation in the hope of gaining a higher international standing. Huang and Wang (2022) focused on 7 innovative SMES, and combined with grounded technology and exploratory multi-case study method, analyzed the connotation and mechanism of social defense of innovative SMES from the perspective of institutional logic. Starting from the background of deepening the reform of science and technology system, Wang (2022) analyzes the problems existing in the improvement of innovation capacity of SMES and puts forward corresponding countermeasures to promote the healthy and sustainable development of SMES under the background of deepening the reform of science and technology system. SMES are the most dynamic and creative part of the national economy and an important source of innovation-driven development in China. At the same time, complex competitive market, blind investment expansion, ineffective and out-of-control management and many other problems are the challenges faced by many entrepreneurial SMES, and these problems also become obstacles to their development (Zhang, 2019). Under the background that the innovation development strategy has become an important national strategy, the innovation development of SMES can be realized by striving to become "specialized and innovative" enterprises. Lin (2022) takes Ningbo Fulong Synchronous Belt Co., Ltd. as an example to analyze and elaborate the specific path to become "specialized and innovative", providing reference for SMES to achieve high-quality development. There are still many problems in the development of small and medium-sized enterprises. For example, China's financial market system is still in the process of continuous improvement, and SMES are limited by their own size and unclear development strategy positioning, which will have a certain impact on the financing channels of SMES. Shen (2022) analyzed and discussed the problems faced by the development of SMES, and put forward countermeasures and suggestions to solve the problems effectively. Compared with large enterprises, the digital transformation foundation of SMES is relatively weak. The shortage of capital and talents, the lack of ability and resources to develop digital platform, all these problems lead the digital transformation of SMES developing slowly. In view of this, Yang (2021) analyzes the problems of digital transformation of SMES and puts forward several suggestions and countermeasures, hoping to provide reference for relevant employees. Innovation is the key engine to promote national economic take-off and the source power to enhance international competitiveness and build an innovation-oriented country. Innovative SMES play an important role in the development of China's market economy. It plays an important role in promoting economic growth, optimizing economic structure, improving social employment, enhancing scientific and technological strength and promoting social progress (Shao, 2022). Liu (2021) discusses the development of SMES from the perspective of strategic management, in order to provide favorable reference for relevant personnel.

In the new development pattern of China with the major domestic cycle as the main body and the international and domestic double cycles promoting each other, there are still some problems in the development of SMES in Bengbu City. Through the empirical test of logistic regression model, it can be found that the main problem is the
prominent contradiction between industrial structure and export. The trade situation is grim, effective domestic demand is insufficient, and the commodity circulation system is blocked (Zhu & Yin, 2022). Jing (2021) is committed to building targeted and practical tracking audit measures of inclusive finance policies for micro-SMES, aiming at promoting the high-quality development of micro, small and medium-sized enterprises. COVID-19 has had a serious impact on China's economy. The impact of the epidemic has made it difficult for small and medium-sized enterprises to develop (Duan, 2021). Based on the understanding of some small and medium-sized enterprises in Anyang City, Henan Province, the survival situation of SMES in the recovery of the epidemic is still not optimistic. Therefore, alleviating and solving the problems of small and medium-sized enterprises is the main task of service-oriented government. The sudden outbreak of COVID-19 in 2020 caused a huge impact on SMES (Wang & Hu, 2021). Small and medium-sized enterprises in the epidemic encountered three major difficulties: low recovery rate, increased market pressure and cash flow shortage. In view of this crisis, Wang and Hu suggested that SMES should pay attention to product upgrading and optimization, and strive to build brand advantages; At the same time, in the constantly changing market dynamics, enterprises must grasp the opportunity to flexibly and timely transform. Zhou et al. (2021) takes Mr. He Ma, a subsidiary of Alibaba, as an example to conduct case analysis and study its experience and measures in successfully overcoming COVID-19. On this basis, suggestions are put forward for the survival and development of SMES from the aspects of financing channels, enterprise costs, production and operation business and mode, in order to improve the resilience of SMES and help them successfully overcome the COVID-19 crisis. Micro-SMES are considered the backbone of the Indian economy. Its contribution to India's GDP has been significant over the past decade. They play an important role in the development of rural and underdeveloped areas, thereby reducing regional imbalances and ensuring a more equitable distribution of national income and wealth (Arjun et al., 2020).

To sum up, in the current operation and development of micro-SMES in China, based on the current economic environment, micro-SMES should attach importance to the establishment of development strategy management system and formulate more scientific development strategic planning. However, there are still some deficiencies in the research on the development strategy management of innovative micro-SMES in China. There is no in-depth research on the characteristics of innovative small, medium and micro enterprises. Therefore, taking Chinese innovative companies as an example, this paper can also play a certain reference role in enriching the research system.

**Research Problems**

1. What is the impact of COVID-19 on Innovative Micro-SMES in China?
2. How to formulate the development strategy of innovative Micro-SMES?
3. For enterprise development strategy management, what are the safeguard measures for the application of strategy?
Research Methods and Analysis
This study will adopt literature method, questionnaire method, interview method and inductive analysis. The financial department and operation department of some companies are mainly interviewed for in-depth communication to understand the problems existing in the development strategy management of their companies; Taking micro-SMES as the survey objects, 20 innovative enterprises in each region will be selected by sampling method and 300 questionnaires will be issued. Through inductive analysis of some problems existing in the development strategy management of these companies and the internal and external environment, combined with the actual situation of the company and the internal and external environment, the management strategy of micro-SMES' development strategy and the corresponding safeguard measures can be summed up.

Research Milestones
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Chapter 1: Jun. 2022 – Oct. 2022
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Academic References


