

Research on the Adjustment Time of Benefit Distribution Scheme in the Dynamic Benefit Distribution Mechanism of Virtual e-Commerce Entrepreneurial Organization

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Abstract: In the field of rapid development of e-commerce, in order to quickly respond to the market to seize the fleeting market opportunities, multi-market players or individuals using modern information technology to constitute trans-regional, cross-industry, benefit sharing, risk sharing virtual e-commerce entrepreneurial organizations. In different stages of entrepreneurship, members play different roles, bear costs and face different risks. Therefore, fixed profit distribution is not enough to stimulate the continuous investment of each member, and the profit distribution scheme should be adjusted timely. This paper mainly analyzed the factors that affect the benefit distribution of virtual e-commerce entrepreneurial organizations, and four time points for adjusting the benefit distribution scheme have been proposed: when the operating cost of a certain business process changes substantially, when the sales volume changes substantially, when any key members of the organization quit, and when the development direction changes greatly.

Keywords: dynamic benefit distribution, virtual e-commerce entrepreneurial organization, benefit distribution scheme adjustment time.

1. Introduction

Now, the development logic of e-commerce is changing, growing from relying on network traffic to supply efficiency, which further leads to the cycle of e-commerce entrepreneurship longer, and more and more rely on "assets", a single entrepreneur will be hard to combine the supply chain resources, internet marketing, logistics and other hardware and software, which promote the birth of virtual e-commerce entrepreneurial organizations. Virtual e-commerce entrepreneurial organization is the application of virtual enterprise organization in the field of e-commerce innovation and entrepreneurship, but it is not a simple combination of virtual enterprise management mode and e-commerce entrepreneurship, e-commerce expands the connotation of virtual enterprise management. Virtual e-commerce entrepreneurial organizations in the market are mostly a complementary combination of supply chain resources and e-commerce operation and promotion technical skills resources. The e-commerce partners emerging in recent years in China are also virtual e-commerce entrepreneurial organizations in essence. Each member of the virtual e-commerce entrepreneurial organization has its unique core competitiveness and provides its most specialized functions, so as to constitute a unity of complementary advantages, realize the combination of strong and strong, and obtain entrepreneurial benefits based on their respective

contributions, risks and opportunity costs in the project. To gain economic benefits is the fundamental purpose for them to join the virtual e-commerce entrepreneurial organizations. In the actual stage of cooperation, conflicts of interest among members are inevitable. Members play different roles, bear different costs and face different risks at different stages of entrepreneurship. Fixed profit distribution is not enough to motivate continuous investment and thus cannot guarantee the success of entrepreneurial projects. Therefore, in the early stage of entrepreneurship, all members should reach an initial agreement on the distribution of benefits, and dynamically optimize the mechanism of the distribution of benefits in the future operation to ensure that the element of the distribution of benefits always has the maximum incentive effect in the start-up project.

In reality, participating members of virtual e-commerce entrepreneurial organizations have different interest demands, and these independent individuals are not motivated to pursue the maximization of the entire interest, because the improvement of the entire interest cannot directly compensate the cost paid by them. Therefore, it is necessary to coordinate the interests of each participant, improve the entire interest, and improve the enthusiasm of the participant[1]. The interest coordination mechanism relies on the rules formulated in advance to coordinate the interest conflicts among the participants. When the reasonable interests of each participant are satisfied, the relationship between the interest subjects can maintain a harmonious and stable state[2]. Profit can be divided into explicit and potential. Explicit Profit refers to the direct economic benefits obtained through cooperation, which is mainly reflected in the distribution of benefits among the participants. The distribution of potential benefits refers to the distribution of intangible assets formed in the process of cooperation among the nodal enterprises in the supply chain[3]. In terms of how to distribute economic benefits, principal-agent theory is applied to the benefit sharing of supply chain participating enterprises. It is completed by combining the optimal revenue sharing coefficient with the traditional benefit model of supply chain. Integrating principal-agent theory into the revenue sharing model can effectively solve the moral hazard problem in supply chain[4]. Dynamic game and Nash equilibrium are also used in benefit distribution. When the benefits of incentive and distribution cooperation are greater than the reasonable expectation of members, each participant is willing to coordinate his behavior to ensure the maximization of the overall benefit of the supply chain. In addition, input, membership status, output contribution and risk are the factors that should be considered when distributing benefits[5]. To sum up, there have been relatively unified views on the establishment of dynamic benefit distribution mechanism. However, when is the appropriate time to adjust the benefit distribution scheme has not reached a relatively unanimous conclusion.

2. Influencing factors of benefit distribution scheme

2.1 Input and opportunity cost

Input cost is one of the important issues to be considered when distributing benefits. Only continuous investment can ensure the success of the cooperative project. Each participant should invest resources, capital, equipment, manpower and technology in the cooperation process, and the basic principle of benefit distribution should be proportional to the input cost. In virtual e-commerce entrepreneurial organizations, the input is different in different periods, and the cost ratio of each participant is not constant, so the profit distribution ratio should be adjusted constantly

by referring to the proportion of cost input. In the long run, the real benefits of participants must be greater than the opportunity costs to strengthen their confidence.

2.2 Contribution

The contribution of each participant is also different in different stages of virtual e-commerce entrepreneurial organization. For example, in the initial stage, the initiator of the virtual organization should demonstrate the entrepreneurial opportunity, so as to make a great contribution to the project. Therefore, the interest proportion of the initiator should be properly considered in the early stage of the profit distribution. In the stable stage of entrepreneurship, the stability of the supply chain contributes more, so it is necessary to consider increasing the profit ratio of the supply chain manager.

2.3 Risks

Participants bear r&d, financial, marketing and collaboration risks during the cooperation. At different stages of cooperation, the risks borne by each participant are also different. For example, in the r&d stage of the project, the main risk is technical risk, which is borne by the R&D enterprise. The distribution of benefits should be adjusted to take into account the risks assumed by the participants in each stage.

3. Selection of adjustment time for benefit distribution plan

After investigation and analysis, when the following signs appear, it is suitable to adjust the benefit distribution scheme.

3.1 When the operating cost changes substantially in one or more process

The change of operating cost includes the change of raw material cost, rent cost, labor cost, etc. This kind of cost change happens from time to time, and the rise of cost means the increase of actual input cost, opportunity cost and risk. In the case of unchanged operating costs in other links, it should be appropriate to increase the proportion of profit distribution in cost-increasing process.

3.2 When sales volume changes substantially

The significant change in sales indicates that the project has entered a new stage. The substantial increase in sales indicates that the project has entered a stable period from the initial stage, and the role of each member in the entrepreneurial project has changed. At this stage, the stability of the supply chain is very important, so the benefit distribution plan should be biased towards the member that is conducive to the stability of the supply chain. For example, a household paper manufacturer in Zhejiang province and a MCN organization form a virtual entrepreneurial organization, and the MCN organization is responsible for sales by broadcasting. In cooperation, there were always shortages when the MCN was broadcasting, then the virtual organization disbanded. The underlying reason is that after the sales increase in live broadcast, manufacturers need to invest more resources for production, or even occupy the production materials and equipment of other products, thus paying more costs and taking more risks, but not getting the benefits they should have.

3.3 when any key member exits the organization

The withdrawal of core members is the last thing that virtual e-commerce start-up organizations want to see, and dynamic adjustment of profit distribution scheme is also one of the means to ensure that core members do not lose. Once a core member exits, it means that the entrepreneurial project needs to be re-evaluated, and the tasks of the original core member should be assigned to other members, or new members should be recruited. In either case, the allocation plan must be readjusted. There may be many reasons for core members to quit, such as changes in their own development direction or dissatisfaction with the cooperation. It is important to find out the real reason for leaving, so as to avoid similar situations in the future.

3.4 When the development direction of the organization changes greatly

Entrepreneurial opportunities in e-commerce tend to change quickly. Changes in the market mean that entrepreneurial projects should also change synchronously, and the role, status and input of each member should change. Therefore, it is necessary to readjust the benefit distribution scheme to ensure the enthusiasm of each cooperative member.

4. Summarizes

Virtual e-commerce entrepreneurial organizations should adopt dynamic benefit distribution mechanism to encourage members to continue to invest to ensure the success of entrepreneurial projects. Then when is the good opportunity to adjust the benefit distribution scheme? Based on the analysis of the influencing factors of benefit distribution, this paper puts forward four time points suitable for adjusting benefit distribution scheme: When the operating cost of a certain link changes substantially, when the sales volume changes substantially, when the key members of the organization quit, when the development direction changes greatly. The specific values of the above changes will be different for virtual entrepreneurial organizations of different entrepreneurial projects, which need to be further discussed according to the actual situation and cannot be generalized.

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