

Research on Innovation and Practice of Corporate Economic Management in the Digital Economy Era

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Abstract. In the era of digital economy, traditional economic management models are no longer sufficient to keep pace with the rapid development of enterprises. This study delves into the innovation and practice of corporate economic management within the digital economy. It summarizes the current state of corporate economic management in the digital age and identifies existing issues such as outdated concepts, incomplete systems, and a shortage of professional talent. The study underscores the significance of innovation in corporate economic management during the digital economy and proposes a series of innovative strategies, including updating management philosophies, refining economic management systems, and cultivating specialized talent in economic management. The practical outcomes demonstrate a significant improvement in corporate economic management performance following the application of these strategies, thereby validating the rationality of the proposed innovations.

Keywords: digital economy era; corporate economic management; innovative strategies; empirical research.

1. Introduction

Since the reform and opening up, China's economic system has undergone profound changes. Compared to the state-owned economy, individual and private economies have gradually gained national attention, with their share in the entire market economy increasing. As the domestic economic center continues to shift towards the private sector, competition among enterprises has become increasingly fierce. For private enterprises to stand out in this competitive market, they must pay attention to their own economic management models. Traditionally, the economic management of private enterprises has emphasized efficiency, but if the domestic market environment changes, their ability to adapt to market shifts will be challenged. At the same time, driven by the digital economy, the balance between economic management quality and efficiency has gradually become a key focus for private enterprises in addressing economic issues, presenting new challenges to their economic management. From a practical perspective, to achieve standardization of their management models, private enterprises need to innovate and establish more efficient economic management systems to further their development. Based on this, as China's socio-economic status continues to rise and faces the advent of the digital economy era, this paper further explores the innovation and practice of enterprise economic management in the digital economy, hoping to find solutions to the backwardness of economic management models in China's private enterprises and lay a theoretical foundation for advancing China's economic development.

2. Current state of corporate economic management in the digital economy era

The digital economy, centered around digital technology in the age of informatization, has given rise to a new economic paradigm^[1]. This new economy not only subtly influences the lives and work of the Chinese people but also impacts the economic management of Chinese enterprises. Economic management is one of the crucial aspects of a company's daily operations, and only with sufficient economic strength can a business ensure the smooth and orderly progression of its daily activities. Thus, in the digital economy era, the stable development of enterprises must be supported by an

efficient economic management model. However, there are still certain issues with the economic management of Chinese enterprises in the digital economy era^[2]. Firstly, the concept of economic management in many enterprises is relatively outdated. The digital economy poses a significant challenge to traditional economic management models, yet many Chinese enterprises fail to seize this opportunity and continue to adhere to outdated management concepts, leading to serious obstacles in their development. If this persists, they will inevitably be outcompeted in the fierce market. Secondly, the digital economic management systems in many enterprises are not comprehensive enough. The development of the digital economy exerts considerable pressure on economic management, and many Chinese enterprises lack standardized and comprehensive management systems, which results in the inability to fully leverage the expected efficiency of economic management, gradually losing their competitive edge in society. Lastly, there is a shortage of talent in enterprises^[3]. Talent plays a vital role in economic management, and the digital economy demands strict standards for talent. Many enterprises have not established professional digital management teams, leading to a lack of composite talents capable of both digitalization and economic management, which hinders their ability to keep pace with the digital economy era.

3. Importance of corporate economic management innovation in the digital economy era

In the digital economy era, for Chinese enterprises to have a clear and defined direction for future development, it is imperative to implement effective economic management^[4]. Corporate economic management is not merely a management tool; it is a crucial form that can reflect and enhance productivity. Therefore, for businesses to integrate and optimize their economic activities during daily operations, innovation in economic management is of paramount importance^[5]. A summary of the current state of economic management in Chinese enterprises in the digital economy reveals that a lack of professional management concepts and systems is a common phenomenon, which to some extent restricts economic development. As China's market economy evolves, the economic pressures on enterprises are increasing. Traditional economic management concepts are no longer suitable for the current economic environment, making innovation in economic management essential for all types of enterprises in the digital economy era^[6]. Moreover, considering the current global economic market trends, traditional economic management models are not only unable to meet the daily operational needs of enterprises but may even pose significant risks to their healthy development. This has led to the gradual recognition that innovation in economic management is a necessary trend for the future of Chinese enterprises. Thus, in the digital economy era, it is crucial to correctly understand the relationship between corporate economic management and the healthy development of enterprises, and to innovate accordingly. This plays a vital role in enhancing the level of economic management in Chinese enterprises.

4. Innovative strategies for corporate economic management in the digital economy era

4.1 Updating corporate economic management concepts

In the digital economy era, the irrationality of corporate economic management concepts is the primary issue hindering the healthy development of Chinese enterprises. Therefore, this paper argues that when innovating in corporate economic management, the first step should be to update these concepts^[7]. Under normal circumstances, the steady implementation of corporate economic management innovation in China cannot be separated from the drive of the market environment and the national economic mechanism. To achieve a transformation in economic management and keep pace with the digital economy, enterprises must discard outdated management concepts to prevent them from negatively impacting the work atmosphere of their employees and hindering sustainable

development. At the same time, as leaders of all corporate employees, managers can only drive economic management work with more advanced and scientific methods by continuously innovating their own economic management concepts. Thus, in the digital economy era, Chinese corporate managers can take updating economic management concepts as the first step in innovation, focusing on two main areas: firstly, innovating economic management concepts within the financial department to control the input and output of corporate funds, minimize costs, and maximize corporate benefits; secondly, innovating economic management concepts within the marketing department to enhance the efficiency of corporate economic activities and lay a solid foundation for future development. Then, under the guidance of these updated management concepts, actively seek new paths and innovative points for corporate economic management^[8], thereby achieving the goal of sustainable development in corporate economic management and meeting the needs of the digital economy era.

4.2 Perfecting corporate economic management systems

In the daily operations of Chinese enterprises, a sound economic management system is key to ensuring the smooth progress of economic management work[9]. Especially in the digital economy era, only a robust economic management system can guarantee that the enterprise's economic management achieves the desired outcomes. Therefore, this paper suggests that when innovating in corporate economic management, it is essential to start with the economic management system, refining traditional systems that are not comprehensive enough to provide support for every aspect of subsequent economic management activities [10]. When improving the corporate economic management system, it is necessary to begin with an analysis of the enterprise's own economic situation, identify the shortcomings of its current system, and then draw on the successful management experiences of other enterprises to supplement and enhance it. Additionally, companies can regularly organize economic management exchange conferences, encouraging participation from enterprises with high levels of economic management in the digital economy era. These enterprises can discuss with each other how to improve management systems during the economic management process, fully utilize relevant theoretical research, and establish systems that better align with the characteristics of their own economic management work. In summary, the effective implementation of corporate economic management in the digital economy era cannot be separated from the support of relevant systems. Thus, this paper, in line with the actual needs of corporate economic management, aims to improve the original incomplete systems, laying a foundation for the future of corporate economic management work.

4.3 Cultivating professional talent in corporate economic management

In the context of economic globalization, competition among enterprises fundamentally boils down to a competition in management capabilities and talent. Therefore, the final corporate economic management innovation strategy outlined in this paper is the cultivation of more professional economic management talent[11]. In the digital economy era, the demand for professional economic management talent by enterprises is increasingly urgent. Many enterprises lack dedicated digital management personnel. If enterprises can cultivate versatile economic management talent, it can not only optimize the current personnel structure within the company but also provide superior professional talent for the company's economic management. The most common approach to cultivating professional economic management talent in enterprises is to develop rigorous and scientific training programs, providing regular training to employees at all levels, with content that is tailored to the key areas of economic management development. At the same time, to stimulate employees' potential, enterprises can establish appropriate incentive and reward systems during regular training sessions^[12]. This can enhance employees' sense of involvement in corporate economic management, allowing them to develop their professional skills while more actively and efficiently completing economic management tasks. High-quality, multidisciplinary talent can effectively standardize corporate economic management activities and enhance the level of economic

management. By implementing targeted training programs and methods, enterprises can cultivate professional talent that meets the needs of the digital economy era, injecting new elements into the company and promoting more agile economic management practices. Thus, in the digital economy era, innovation in corporate economic management requires recognizing the importance of professional talent cultivation, supplying high-skilled talent to enterprises, and giving them more advantages in economic management development.

5. Practical analysis

5.1 Company profile

A Company was established in 1996, primarily engaged in the sale of local electrolytic copper, anode copper, and other precious metal raw materials, as well as value-added products such as copper wire and copper foil, making it an international trading company. In terms of organizational structure, A Company operates under a matrix organizational structure, as illustrated in the following diagram:

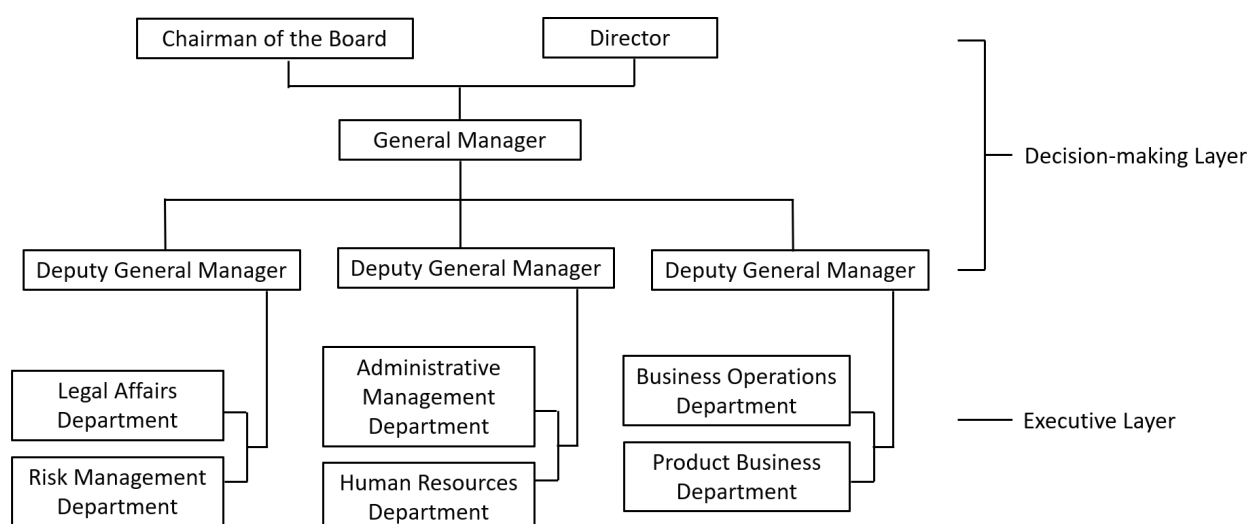


Image 1 Organizational Chart of Company A

Under the organizational structure depicted in Figure 1, A Company has achieved both vertical management efficiency and horizontal management capabilities. Concurrently, during A Company's business development process, the key financial data over the past three years are presented in the table below:

Table 1 Key Financial Data of Company A for the Past 3 Years

Financial Data	2022 Annual Report	2021 Annual Report	2020 Annual Report
Total Assets (in ten thousand yuan)	625.44	803.62	936.85
Net Assets (in ten thousand yuan)	286.33	368.73	478.65
Net Cash Flow from Operating Activities (in ten thousand yuan)	39.54	54.25	72.12
Net Cash Flow from Investing Activities (in ten thousand yuan)	-41.69	-28.71	-7.06
Net Cash Flow from Financing Activities (in ten thousand yuan)	27.99	15.65	8.91
Operating Revenue (Year-over-Year Growth / %)	-12.09	-9.15	-8.27
Net Profit (Year-over-Year Growth / %)	-14.67	-13.58	-11.91

The data from the table above indicates that over the past three years, A Company has experienced a continuous negative growth in net profit, which suggests that there are certain issues with the current economic management model of the enterprise. Therefore, this paper takes A Company as a case study to conduct a practical research on the innovative strategies for corporate economic management designed in this article.

5.2 Performance evaluation

To validate the rationality and correctness of the innovative corporate economic management strategies proposed in this paper, this chapter evaluates the performance of A Company after the application of these strategies. The evaluation begins by establishing corporate performance evaluation indicators, as shown in the following table:

Primary Indicator	Secondary Indicator
Comprehensive Budget Management B1	Full Budget Management b1
	Budget Management Throughout the Process b2
	Budget Execution Rate b3
	Fiscal Project Budget Performance b4
Internal Performance Management B2	Internal Performance Management System b5
	Job Positioning and Responsibilities b6
	Management Expense Ratio b7
	Business Expenditure Proportion b8
	Cost Management b9
Financial Risk Control B3	Annual Economic Management Focus b10
	Internal Financial Accounting Control System b11
	Full Cost Accounting b12
	Economic Contract Management Procedures b13
	Internal Audit Supervision b14

Based on the performance evaluation indicators presented in the above table, and in conjunction with A Company's actual operational and economic management conditions, the weights of each indicator are determined. The quantitative evaluation values of A Company's economic management performance before and after implementing the innovative strategies proposed in this paper are then calculated using the following formula:

$$P = \sum_{i=1}^n \omega_i F_i, i = 1, 2, \dots, n \quad (1)$$

In the formula, P represents the total score of A Company's economic management performance; ω_i denotes the weight of the i -th evaluation indicator of A Company's economic management performance; F_i represents the quantitative evaluation value of the i -th evaluation indicator of A Company's economic management performance; n is the number of evaluation indicators. Based on the above, the performance evaluation results of A Company before and after implementing the innovative economic management strategies are presented in the table below:

Table 3 Economic Management Performance Evaluation Results of Company A.

Evaluation Indicator	Quantitative Evaluation Scores	
	Before Execution	After Execution
b1	32.5	58.9
b2	33.2	59.7
b3	36.9	60.5
b4	39.1	61.3
b5	31.3	60.2
b6	34.6	59.8
b7	30.9	58.3
b8	35.7	61.4

b9	31.8	62.5
b10	35.2	61.6
b11	34.5	61.3
b12	37.4	61.7
b13	32.6	62.9
b14	34.4	59.6
Overall Score	34.2	

As shown in the table above, after applying the economic management innovation strategies designed in this paper, A Company's quantitative evaluation results for economic management performance increased from 34.2 points to 60.6 points, an improvement of 26.4 points. This indicates that there has been a significant improvement in A Company's economic management situation following the application of these strategies, thereby validating the correctness of the innovative strategies designed in this paper.

6. Conclusion

Corporate economic management has consistently been a central concern within our societal discourse. Leveraging the foundation of prior studies, this paper delves into the innovative approaches and practical applications of corporate economic management within the burgeoning digital economy. The research introduces a suite of cutting-edge strategies, grounded in an assessment of the prevailing landscape and significance of corporate economic management. By conducting a rigorous empirical analysis of a targeted enterprise, the paper substantiates the efficacy of these strategies, thereby advancing the sophistication of corporate economic management practices and bolstering the overall efficiency of societal economic governance.

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