

Technology and Benefit Innovations to Win Corporate Competition

Wu Jichuan

**Vice Chairman of the Education, Science, Culture & Health
Committee of the National People's Congress, China**

ABSTRACT

Under the circumstances of rapid technological development and increasingly furious competition, the only way out for enterprises is technology innovation. First of all, the enterprise should follow up the scent of technological trend, get hold of the technological development vention, increase investment in relevant technologies, and have intellectual property rights well in hand. Secondly, the enterprise should open up new markets through technology innovation and amplify enterprise benefits by increasing consumption. In order to create a benign competitive environment, the enterprise should strengthen management, reduce cost, improve market service while integrating technology innovation and benefit innovation. It is even more important to handle appropriately the relationship of technology innovation and benefit innovation for the telecommunications industry with high technological contents, broad service coverage, and fast technology innovation. Except for obeying the general market laws, the communications service industry is unique in its intrinsic features such as network interoperability, network interface standard conformity, operator interaction for consumer service rendering, conventional and new services linkage, limited communica-

tion resources and universal service obligation for all users and so on. All these features can affect enterprise development and enterprise benefits, and have to do with the integration of technology innovation and benefit innovation, and require business administrators, government regulators and socioeconomic policy researchers to make in-depth exploration and research and provide solutions.

Key words: technology innovation, benefit innovation, corporate competition, communications service

I. RELATIVITY, DIVERSITY AND COMPLEXITY OF SOCIAL PRODUCTION

The distinguishing feature of a market economy is that both sides of the supply and demand play on an open and equal stage according to the law of value and the market rules. Both sides of the supply and demand are not single-acting but a colony that mutually maintaining and protecting their self-interest while having no inherently positive connection. In the modern society, the supply and demand, or production and consumption are connected with substantive intermediary organizations or links, which are also a colony but are not the final consumers. The three large colonies will compete for their own

benefits. This is a ground rule of competition in a market economy, and there will be no ground form of the market economy without competition. A single enterprise or an enterprise group in any colony can take organizational, economic, technical and all other kinds of measures considered to be beneficial to them to seize more market shares and to seek higher incremental value, resulting in higher economic development, technology improvement and quality of service (QoS). A person living in the world is both a producer and, at the same time, a consumer, so there is no such a person who is only a producer or consumer; even robots cannot be excluded, which formed the relativity, diversity and complexity of the social production.

II. HOW TO WIN A COMPETITION?

Survival of the fittest through competition is the order of nature in the social and economic development, which has been proved by the development of human society. The advanced defeats the laggard, so the only way to make progress, forge ahead and follow the historical trend is to maintain the advanced nature in itself.

How can an enterprise win a competition by discarding the inferior and retaining the superior? In the contemporary era, it is very important for an enterprise to keep productive technology at the leading edge. Technologies keep being renovated in the production activities of the mankind, and are also experiencing constant development through creation. Technical standards decide the mode of production in the human society. In Stone Age, a pure natural era, human beings changed the society and nature by stone implements to maintain their surviving. The application of electricity led people into the Industrial Age when steam engines and electric generators began to be used; trains, automobiles and airplanes were invented, releasing the productive forces dramatically. The subsequent invention of the tele-

phone and telegraph enabled people to exchange information in the distance, further promoting the productive forces. The more recent application of optical fiber, computing, microelectronics, communications and Internet technologies has overcome the distance, time and separation between people for communications, leading the people into the Information Age, which has brought about many new styles and problems for production and living. As the biological and astronomical technologies are further explored, we may open up another living space and rivalry site beyond earth.

Thanks to the development of modern technologies, the existing energy resources will continue to be insufficient as the population grows increasingly larger on earth, the pollution of water resources, stratum, and the earth's surface are potentially hazardous to the human beings. In addition, the development disparity between groups of people is increasing, and people contend for resources and victory even by means of plunderage, occupancy, control and are finally forced to defend their fruits with weapons. Such a result is certainly not what we expected. People are longing for a mutual respect, harmonious, interdependent and mutual promoted relationship between people and nature, people and earth, and people and people. While people are creating fortune, the precondition should be undamaging and nonpolluting to the nature. For pursuing higher profit, abundant resources and even hegemony in the society, it is difficult to achieve this goal in the whole global. For an enterprise, the cell of the society, how to survive and develop under the circumstances of rapid technology development and intense competition? There is only one way out: that is to strengthen technology innovation.

III. TECHNOLOGY INNOVATION

In the first place, enterprises should follow the technological trend, increase investment in related

technology, and possess their own intellectual property rights. There is a comment in our present society: Those that only sell products in the market are third-rate enterprises; those that both sell products and conduct transfer of technology are second-rate enterprises; only those that possess their own intellectual property rights and sell patents for inventions while selling products could be called first-rate enterprises. It is for sure that enterprises with products uncared for in the market will be eliminated from the market. As the society develops, products will eventually come to the elimination phase after a period of time in the market, so substituting the old by the new is inevitable for development. It should be paid great attention that an enterprise without new products reserve for the market will inevitably be eliminated. Without technological innovation, there will be neither increased momentum nor new products suited to the market for enterprise continuation and development. Recognizing this point, in order to build their own brand names and join the rank of the first-rate enterprises, enterprises should consciously enhance the investment in technology development, and make self-reliant innovation for consumer requirements in the light of the market share while introducing new technologies.

IV. BENEFIT INNOVATION

The consciousness of technology innovation comes from enterprises administrators' rational thinking, management quality, clever mind, as well as their sense of responsibility. Carrying out technology innovation to lay a foundation for enterprises is not enough; benefit innovation should also be promoted.

Any enterprise strives for benefits. The ultimate goal of an enterprise is to create benefits for the enterprise by taking advantage of technology innovation. Benefit is not a mere change of numerical figures, and it involves the issue of innovation at the same time. The choice in development orienta-

tion of technology and products is made for increasing benefits. In a competitive environment, the principles of technology disclosure and technology neutrality cannot be overcome. The technology you have selected will inevitably create value and bring benefits to you, so do other enterprises. Thence, in the context of a competitive environment, enterprises of the same nature can compete by fighting a price war, a "good for nothing" and internecine competing approach. "Price war" is quite another matter different from regulation through market price adopted by the main players in the market. Price disparity exists in the market, and the producer should readjust supply and demand through price. Consumers will always choose to buy products with low price, high quality and good service. The competitors in the market ought to lay weight on their products in the market, but not fight a life-and-death battle with their craft brothers, and even go so far as to perform irrational and unfairly competitive behaviors, including vicious damage, denigration, and rumor mongering etc. New competitive concept demands people to divert their attention from their rivals to their services and the market, providing customer service and building customer confidence by taking advantage of their own superiority. It is necessary to improve industrial self-discipline and maintain the market order under certain conditions. So arises an issue of the awareness of the concept of competition: restraining and "killing" the rivals or providing high quality service with market trust and consumer confidence, which is an issue of benefit innovation for an enterprise. An enterprise should open up the market through technology innovation, increase their profits through new consumption shares in market. That's what is often said "I have the product while you don't have it" and "When you have a good product, I will have a better one", which is the basis for us to achieve benefit innovation.

V. INTEGRATION OF TECHNOLOGY & BENEFIT INNOVATIONS

To create a benign competitive environment for enterprises, besides strengthening management, reducing costs and improving market under normal conditions, the integration of enterprises' technology innovation and benefit innovation has to be accomplished. It seems even more important to handle the relationship between the two ones appropriately for the telecommunications services with high technical features, wide service coverage and rapid technological renovation. While abiding by the common market laws, communications services have its intrinsic characteristics such as network interoperability, interface standards conformance, operator interaction at the time of service provision to customers, the linkage between old and new services, the limitation of communications resources and the universal service obligation for all customers. All these characteristics can exert influences on the development and benefits of an enterprise, and they involve the combination of technology innovation and benefit innovation in an enterprise. The research and solution to this issue is a task needing in-depth discussion by all the enterprise administrators, government regulators, and scholars on social economical policy.

BIOGRAPHY

Mr. Wu Jichuan was born in Changning, Hunan, in 1937. He graduated from the Department of Wire Communication Engineering of the Beijing Institute of Posts and Telecommunications in 1959. He is a senior Engineer. He was assistant professor in the

Beijing Institute of Posts and Telecommunications (BIPT) from 1959 to 1960. He studied in the computer training course of the Radio Department of the BIPT from 1960 to 1962. He studied in the Department of Wire Communication Engineering of the BIPT from 1962 to 1965. He became a technician in the Supply Department of MPT, Deputy Director,



Director of the Materials Department of MPT after 1965. He became Deputy Director General of the Material Department of MPT in 1982. He took the post of Deputy Director General of the Planning Department of MPT in 1983. He became Vice Minister of MPT in 1984, and Minister of MPT in 1993. He became Minister of MII in 1998. He has been Vice-Chairman of the Education, Science, Culture & Health Committee of the National People's Congress since 2003.