

# Strategies for Improving Enterprise Model Based on Sustainable Development

Yujing Liu

Xi'an University of Architecture and Technology, Xi'an, China

## Abstract

Sustainable development is a new concept put forward by the development of modern society. It emphasizes the continuity, integrity and coordination of social development. To realize the sustainable development of enterprises, it is necessary to create a new development model. Because the essence of environmental problems lies in their external diseconomy, the traditional environmental cost management mode makes enterprises neglect the prevention of environmental pollution beforehand, and the protection and treatment afterwards make enterprises overwhelmed. How to conform to the trend of the times, seize the opportunity and realize the sustainable development of enterprises has become a realistic topic with strategic significance. Eco-environmental problems are increasingly becoming the internal factors of enterprise management and development. Therefore, from the perspective of enterprise management and production, it has naturally become the inevitable trend of enterprise development to implement environmental cost management, pay attention to saving resources, protecting the environment and improving ecological construction. Based on the theory of sustainable development, this paper discusses the causes of sustainable development of small and medium-sized enterprises, deeply analyzes the characteristics and development status of small and medium-sized enterprises, and then puts forward the improvement strategy of enterprise model under the concept of sustainable development.

## Keywords

Sustainable development; Enterprise developmen; Ecological environment.

## 1. Introduction

The 21st century is a new era of highly integrated global economy with knowledge and talents as the foundation and information and high technology as the core. It provides unprecedented opportunities for the development of enterprises, but also makes enterprises face severe challenges [1]. After entering the industrial society, human beings abused natural resources without restriction and discharged pollutants into the external environment at will, which made the deterioration of the natural environment increasingly serious and threatened the survival and development of human beings. Nature is the cradle of all living things including human beings [2-3]. With the rise of environmental economics, governments all over the world have adopted economic and legal means to intervene in enterprises' abuse of resources and damage to the environment. With the improvement of environmental protection system, how to solve the problem of environmental protection and how to achieve sustainable development are the problems that enterprises must face.

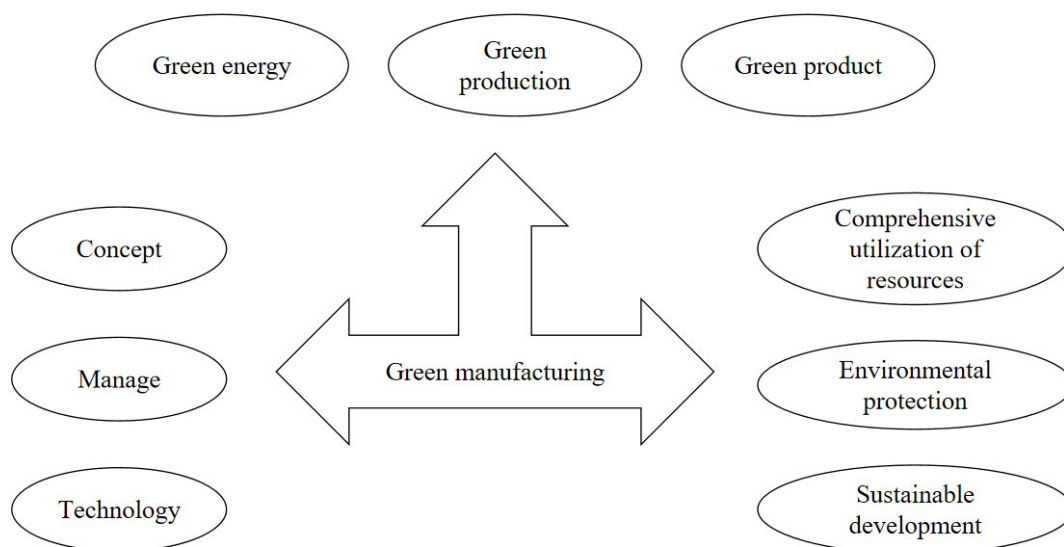
After entering the industrial society, human beings abused natural resources without restriction and discharged pollutants into the external environment at will, which made the deterioration of the natural environment increasingly serious and threatened the survival and development of human beings [4]. The perfection of environmental protection system and

consumers' preference for green products will inevitably lead to a series of consequences such as a large number of contingent liabilities and the obstruction of green barriers in product sales, thus affecting the sustainable development of enterprises. Only by developing circular economy and implementing the scientific concept of development can China's economy develop continuously and healthily [5]. Both theory and practice show that the economic activities and development behaviors of modern enterprises can only be transferred from economic man to ecological economic man, so as to build a sustainable economic system of enterprises and truly become the microeconomic subject of sustainable development [6]. This paper analyzes the connotation and strategic value of green supply chain management, and puts forward the improvement strategy of enterprise model under the concept of sustainable development.

## 2. Present Situation and Challenges of Sustainable Development of Enterprises Under the Background of Circular Economy

### 2.1. Environmental Control Strengthening

At present, the carrying capacity of resources and environment in China has been difficult to support the rapid economic growth, and the pressure of ecological environment is quite heavy, which has become the bottleneck of economic growth. The development of circular economy is an inevitable requirement of the harmonious development of society. The government will never ignore enterprises' wanton waste of resources and destruction of the environment, and will inevitably formulate stricter environmental protection laws and regulations to restrict the business behavior of enterprises [7]. The strengthening of environmental control means that the growth rate of external production costs of enterprises increases, which strengthens the internalization trend of environmental externalities for enterprises and weakens the external effects of ecological governance activities. The environment has become a commodity, and the environmental cost has become an important part of the enterprise cost and an important factor that determines the development of the enterprise. If enterprises still use the traditional production mode in the past to directly discharge and then pay for pollution treatment, it will be difficult to reduce the production cost of enterprises. The framework of green manufacturing system is shown in Figure 1.



**Figure 1.** Framework of green manufacturing system

In the era of globalization with increasingly fierce international competition, the competition among countries is increasingly manifested as the competition of scientific and technological

strength. With the increasing shortage of non-renewable resources and energy and the aggravation of environmental problems such as global warming, green industry and products have become one of the main directions of scientific and technological innovation. Sustainable development includes ecological sustainability, economic sustainability and social sustainability, which are interrelated and inseparable. The pursuit of economic growth in isolation will inevitably lead to economic collapse, and the pursuit of ecological sustainability in isolation cannot curb the decline of the global environment. Ecological sustainability is the foundation, economic development is the condition, and social development is the purpose [8]. Only by forming a long-term mechanism which is promoted by the government, driven by market guidance and acted consciously by the public can the sustainable development of the economy and society be guaranteed.

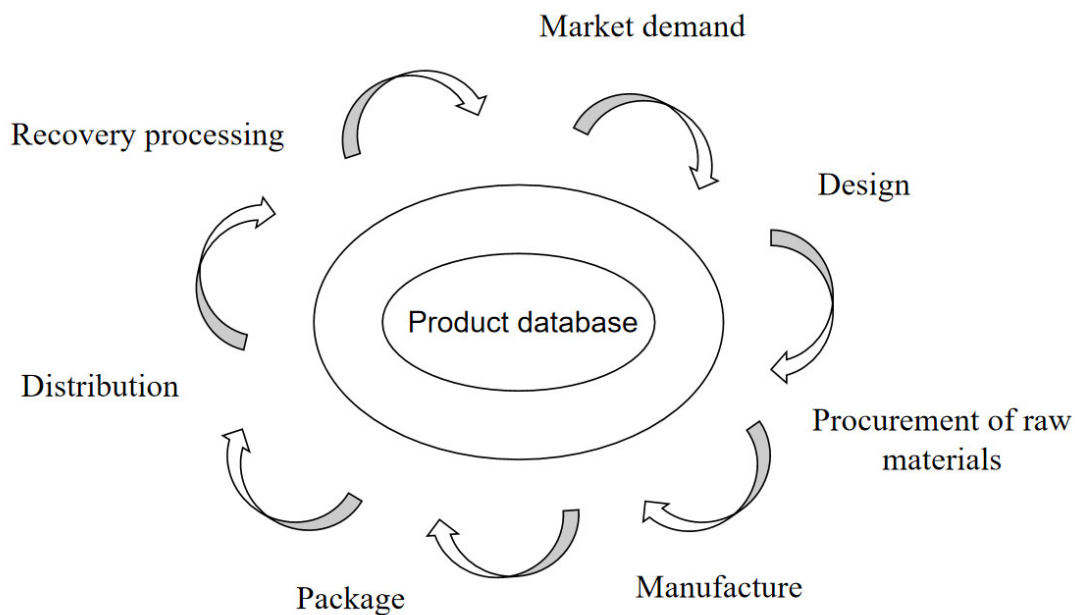
## **2.2. Green Demand and Consumption**

With the improvement of people's living standards, people's values and lifestyles have also changed. More and more consumers ask producers to provide green products that are beneficial to health, and at the same time, enterprises are required to minimize environmental pollution in the production process. Consumers will give priority to the products produced by those enterprises with good environmental image, while those enterprises that do not pay attention to environmental protection and cause serious pollution will lose their market. Under the increasingly competitive market conditions, only by maintaining customer satisfaction can enterprises occupy a long-lasting market share [9]. To win customers' trust and meet customers' growing demand for green consumption, it is necessary to save energy and resources, encourage reuse, recycle and recycle, and reduce pollution and secondary pollution. While doing green marketing, enterprises have stimulated the whole society's desire for green consumption, set up a good image, and are responsible for the sales, service, consultation, maintenance and recycling of green products, thus increasing customers' trust and return rate. Only by integrating the idea of saving resources and protecting the environment into the production and operation process, can enterprises produce green products and provide satisfactory green services that satisfy users, win the market and competition, and promote the survival and development of enterprises.

## **3. Sustainable Development Mode of Enterprises Under the Background of Circular Economy**

### **3.1. Adhere to Scientific Decision-making**

With the rapid development of network technology and the intensification of global market competition, the competition among enterprises is being replaced by the competition of supply chain. In this case, if environmental cost management is limited to internal operation and management, it is impossible to meet the requirements of fierce competition in the market. Individual enterprises must be in the supply chain, and on this basis, seek effective ways to manage environmental costs [10]. Green supply chain management and the development of eco-industry came into being under this background, and became a powerful means for enterprises to manage environmental costs. Whether it is a long-term decision, a medium-term decision, a short-term decision, an investment introduction decision, an enterprise product decision, a sales and operation decision, or a product pricing decision, it is of great strategic significance to the production and operation of the whole enterprise and its future and destiny. Green supply chain management covers every process of product multi-life cycle. Green supply chain management is the product multi-life cycle integration based on database and its data exchange standards, as shown in Figure 2.



**Figure 2.** Green supply chain management process integration

It is the core of sustainable development of enterprises to obtain and maintain lasting profitability and sustainable competitive advantage in competition, and harmonious management and ecological management are the means to achieve sustainable development of enterprises. To develop continuously, an enterprise needs to continue its life cycle, and the most important guarantee for the continuation of life cycle is the continuous gain of profits. The activities of ecological management or harmonious management of enterprises are conducive to the maintenance of lasting profitability and competitive advantage of enterprises. Therefore, the ecological management and harmonious management of enterprises play a key role in the realization of sustainable development of enterprises by promoting the sustainable profitability and competitiveness of enterprises.

### 3.2. Establish A People-oriented Concept

The so-called core competence of an enterprise refers to the ability of combining a series of complementary skills and knowledge within the enterprise to continuously develop new products and broaden the market. Talent resource competitiveness is the decisive factor for the sustainable development of enterprises. In the era of knowledge economy, certain conditions are needed to realize the sustainable development of enterprises. In addition to the corresponding capital investment, natural resources and a high level of social knowledge and culture, these conditions must also have relatively strong knowledge and technological innovation ability. The source of all kinds of professional talents in enterprises depends on the cultivation and introduction of enterprises themselves, in addition to the training and transportation of regular national institutions of higher learning. Enterprises should not only produce products and benefits, but also produce talents. Talents are playing an increasingly important role, even a decisive role, in the development of enterprises. If there is a lack of scientific reserves, knowledge reserves and innovative talents, the development opportunities brought by knowledge economy to enterprises will be lost. Enterprise talent strategy is a reliable guarantee for the successful implementation of enterprise strategy. Enterprise strategy is limited to the future. Enterprises should not only formulate the overall strategy, but also formulate various functional strategies to cooperate with and support the implementation of the overall strategy.

## 4. Conclusions

The deterioration of the natural environment makes people clearly realize the importance of environmental protection. As the main body of microeconomics, an enterprise is the primary responsible person for environmental damage. Implementing scientific environmental cost management as soon as possible is the magic weapon for enterprises to achieve sustainable management. By designing the product life cycle, the development mode of circular economy aims at satisfying different people's consumption of different service functions, so as to achieve the effective utilization and conservation of resources, thus reducing pollution emissions from the source. It is the core of sustainable development of enterprises to obtain and maintain lasting profitability and sustainable competitive advantage in competition, and harmonious management and ecological management are the means to achieve sustainable development of enterprises. Enterprise talent strategy is a reliable guarantee for the successful implementation of enterprise strategy. Enterprise strategy is limited to the future. Enterprises should not only formulate the overall strategy, but also formulate various functional strategies to cooperate with and support the implementation of the overall strategy. Only by integrating the idea of saving resources and protecting the environment into the production and operation process, can enterprises produce green products and provide satisfactory green services that satisfy users, win the market and competition, and promote the survival and development of enterprises.

## References

- [1] Purcell W M, Henriksen H, Spengler J D. Universities as the engine of transformational sustainability toward delivering the sustainable development goals: "Living labs" for sustainability[J]. *International Journal of Sustainability in Higher Education*, 2019, 20(8):1343-1357.
- [2] Reid, Stuart R M. University extension and rural tourism enterprise development: A rare Australian case[J]. *The Journal of Hospitality Leisure Sport and Tourism*, 2018, 23:10-17.
- [3] Griffiths S M. The Sustainable Development Goals: an agenda for us all[J]. *Perspectives in Public Health*, 2019, 139(5):224-225.
- [4] Khudyakova T, Zhuravlyov V, Varkova N, et al. Improving Approaches to Strategic Enterprise Management in the Context of Sustainable Development[J]. *Sustainability*, 2020, 12(20):8375.
- [5] Xu Y, Zhao G, Zhang B, et al. SD Simulation Research on the Green Low-Carbon Development of Coal Enterprises[J]. *Complexity*, 2021, 2021:1-14.
- [6] Wang M Y, Li Y, Cheng Z, et al. Evolution and equilibrium of a green technological innovation system: Simulation of a tripartite game model[J]. *Journal of Cleaner Production*, 2020, 278(11):123944.
- [7] Wang D, Zhou L, Zhang H, et al. A Bi-Level Model for Green Freight Transportation Pricing Strategy Considering Enterprise Profit and Carbon Emissions[J]. *Sustainability*, 2021, 13(12):6514.
- [8] Qi R, Li S, Qu L, et al. Critical factors to green mining construction in China: A two-step fuzzy DEMATEL analysis of state-owned coal mining enterprises[J]. *Journal of Cleaner Production*, 2020, 273(12):122852.
- [9] Li W, Wang J, Chen R, et al. Innovation-driven industrial green development: The moderating role of regional factors[J]. *Journal of Cleaner Production*, 2019, 222(6):344-354.
- [10] Zhang L, Wu J, Liu H. Policies to enhance the drivers of green housing development in China[J]. *Energy Policy*, 2018, 121(10):225-235.