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The Correlation Between Business Management Methods and Enterprise Economic Benefits

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Abstract:

In the fierce market competition, enterprises take improving economic benefits as their core goal. There is a close correlation between business management methods and economic benefits, and scientifically appropriate management methods are crucial to the development of enterprises at different stages. This paper aims to study the practical application of business management methods in enterprises, explore the feasibility of these methods, and analyze the gaps in daily research. By integrating literature and theories related to business management methods and conducting comparative case analysis, this paper systematically sorts out the implementation paths of typical business management methods, proposes the research theme of the correlation between business management methods and enterprise economic benefits, and empirically analyzes the specific impact of business management methods on enterprises. The experimental results show that scientifically appropriate business management methods can increase enterprise economic benefits by an average of 15% to 20%. The research conclusions reveal the positive driving mechanism of business management methods on enterprise economic benefits, providing a theoretical basis and practical reference for enterprises to enhance their core competitiveness by optimizing management models.

Keywords: Dynamic Adaptability, Flat Management, Amoeba Management, Correlation Test

1. Introduction

In the context of fierce market competition, enhancing enterprise economic benefits has always been the core goal of business operations, and business management methods play a crucial role in this process. Scientific management methods that align with an enterprise's own development stage can not only help start-ups and growing enterprises accumulate momentum and move toward maturity, but also drive mature enterprises to pursue continuous innovation

and reform, achieve high-quality and stable development, and thereby strengthen their comprehensive strength and industry influence. Under the theoretical framework of strategic management and scientific management, this paper systematically explores the intrinsic connection between business management methods and enterprise economic benefits by integrating typical business cases and data analysis, providing theoretical support and practical insights for enterprises to optimize their management models and achieve profit growth. The study emphasizes that enterprises must attach great importance to the selection and optimization of management approaches and means. Through improving systems, controlling costs, and enhancing management capabilities, enterprises can achieve efficient resource allocation and coordinated development [1, 2]. As a common practical approach, the Amoeba Management model effectively reduces costs and improves profitability through independent accounting of small business units [3]. By further conducting comparative case studies and empirical analysis, this paper verifies the significant role of scientifically appropriate business management methods in promoting enterprise economic benefits. The conclusions not only reveal the driving mechanism of business management methods, but also provide feasible paths and practical references for enterprises to break through the dilemma of "increasing revenue without increasing profits" and enhance their core competitiveness.

2. Research Status of Enterprise Management Methods

Numerous significant achievements have been made in the research on enterprise management methods, and these achievements have been fully demonstrated. However, there are still some shortcomings in existing studies. First, current research on enterprise management lacks long-term tracking. Many studies only focus on the short-term impact of business management methods on enterprise economic benefits, while ignoring their long-term effects. In practice, some management methods may show mediocre performance in the short term but can bring significant benefits in the long run; conversely, other methods may deliver remarkable initial results, but their positive impact on enterprise economic performance weakens over time. Second, contextual factors are insufficiently considered. Enterprises differ in industry type, scale, and development stage, and thus require different applicable management methods. However, some studies fail to fully account for these contextual factors, resulting in research conclusions that lack universal adaptability and persuasiveness, making it difficult for enterprises to directly apply them in practice. Third, the complex relationship between management methods and economic benefits has not been fully revealed. Beyond direct impacts, there may be multiple indirect pathways between the two, influenced by the interaction of various factors. Some studies struggle to accurately quantify these complex correlations, leading to a failure to clearly uncover their intrinsic mechanisms. Additionally, many enterprises face issues such as overly complex hierarchical divisions, low efficiency in information transmission, and slow decision-making execution. These structural obstacles cause enterprises to respond sluggishly to market changes, resulting in a slower growth rate of economic benefits compared to enterprises with relatively simple structures. In the field of enterprise management, insufficient research on dynamic adaptability is another major issue. Many scholars focus on static analysis of the impact of a single management method on economic benefits, while neglecting whether the management method matches the enterprise's life cycle stage. Enterprises typically go through start-up, maturity, and transformation stages, and each stage corresponds to different business management methods. For example, an agile and efficient management method suitable for a growing enterprise may become ineffective when the enterprise enters the maturity stage. However, existing studies rarely explore the long-term relationship between such dynamic matching and economic benefits, leaving enterprises unable to adjust and implement management strategies dynamically and flexibly [4, 5]. In enterprise practice, insights for management can also be derived from daily life. For instance, Kyocera adopted the Amoeba Management model and implemented a "unit time accounting system," enabling employees to act as "owners" in terms of business awareness, thereby enhancing their cost consciousness. This approach reminds enterprise managers that they should cultivate employees' cost awareness, helping employees understand that even small actions—such as saving office supplies and improving work efficiency—can help enterprises reduce costs and improve economic benefits [6]. Furthermore, enterprises can draw on project

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management thinking by decomposing daily tasks into specific projects, setting clear goals and timelines, and assigning roles like those in a factory assembly line. This way of thinking helps improve work efficiency, thereby enhancing the overall economic benefits of the enterprise.

3. Dynamic Adaptation of Enterprise Life Cycle and Management Methods

The primary goal of start-up enterprises is to quickly validate their business models and gain market share, with survival as their core task. Such enterprises rely on core talents and flexible decision-making mechanisms to shorten the information transmission chain and enhance responsiveness. Resource allocation should focus on core businesses to avoid waste caused by complex processes. Through moderate trial-and-error and iteration (e.g., the MVP model), enterprises can clarify their strategic direction through dynamic adjustments. In terms of management methods, agile management emphasizes rapid response to the external environment, while simplified strategies highlight the achievement of short-term goals. After entering the growth stage, enterprises shift their goals to scale expansion, efficiency improvement, and stabilization of profit models. This stage requires gradually replacing individual experience with systems and processes to cope with the complexity brought by expansion. A sound human resource development and training system helps enhance cohesion and production efficiency. By optimizing the supply chain, inventory, and operations, enterprises can further reduce costs. Suitable management methods include standardized management and the introduction of preliminary digital tools to balance efficiency and costs. Mature enterprises, on the other hand, prioritize maintaining competitiveness and achieving sustainable development. To avoid organizational rigidity, they need to promote continuous innovation through cross-departmental collaboration and R&D investment. Refined operations become the key to improving benefits—digital supply chains and lean production create advantages in efficiency and cost control. At the same time, mature enterprises need to pay more attention to risk and compliance management to address financial and legal pressures brought by expanded scale. Deepening strategic planning, advancing digital transformation, and promoting organizational change can maintain long-term competitive advantages and prevent decline. Beyond the perspective of the life cycle, collaboration across different levels also affects management effectiveness. At the individual level, aligning employees' goals with enterprise benefits can improve execution; at the team level, cross-departmental collaboration and information sharing reduce internal friction and enhance efficiency; at the organizational level, ensuring consistency between strategy and frontline execution can avoid disconnection between strategy and practice, forming a top-down closed-loop management system.

4. Context-Focused and Resource-Oriented Selection of Management Methods

4.1 Industry Differences and Management Tools

In capital-intensive industries (e.g., manufacturing), enterprises should prioritize the adoption of lean management—such as optimizing production processes and monitoring efficiency—to increase profit margins by reducing labor costs and other means. At the same time, they should exercise caution regarding excessive digital investment, avoiding facility redundancy caused by measures like full-process machinery transformation, which could lead to a situation where costs exceed benefits. In asset-light industries (e.g., service industry), management focus lies in customer relationship management and human resource development. Personalized service systems, customer referral mechanisms, and employee satisfaction improvement programs can indirectly drive revenue growth through non-financial indicators such as customer repurchase rate, employee engagement, and customer churn rate. During periods of economic fluctuation, enterprises should strengthen financial management, dynamically monitor cash flow, cut non-core costs, and prioritize resource investment in core businesses to enhance risk resistance and maintain stable development.

4.2 Long-Term Orientation and Non-Financial Benefits

From a long-term perspective, the accumulation of non-financial benefits is of great significance. At the employee level, systematic training and corporate culture development can enhance the value of human capital, and realize

value conversion through the path of "skills → efficiency → innovation → market share." At the brand level, sustainable development management helps accumulate reputation and social status, which in turn translates into customer trust and long-term cooperation willingness—avoiding over-reliance on short-term marketing gains.

4.3 Digital Integration and Organizational Adaptation

The effectiveness of digital tools depends on their compatibility with an enterprise's management logic. Methods such as AI analysis and automated processes can improve efficiency, but blind adoption may result in resource waste. In terms of human-machine collaboration, advanced algorithms can be applied to inventory forecasting, performance evaluation, and fund analysis; however, room for manual adjustment must be reserved to prevent rigid technology from undermining employee initiative. Meanwhile, avoiding over-reliance on AI to maintain the ability of dynamic adjustment is crucial for preserving strategic flexibility.

5. Variable Design

The various management methods, strategies, and tools adopted by enterprises constitute the independent variable (X) of the study, which mainly includes strategic management, operational management, human resource management, and financial management. Specifically, strategic management focuses on long-term direction and resource allocation; operational management centers on processes and efficiency; human resource management emphasizes talent development and motivation; and financial management is responsible for cost control and fund scheduling. The dependent variable (Y) is enterprise economic benefits, which are reflected in profitability, operational efficiency, and market performance. Profitability can be measured by net profit, net profit margin, gross profit margin, and ROE (Return on Equity); operational efficiency can be quantified by asset turnover rate and inventory turnover rate; and market performance is represented by market share, revenue growth rate, and bid-winning rate. Data for these indicators are sourced from financial reports and industry reports. Intermediary variables (M) explain how management methods affect economic benefits, with typical examples including resource allocation efficiency, employee performance, and transaction costs. Resource allocation efficiency is reflected in cost savings and improved asset turnover; employee performance is represented by per capita output and task completion rate; and transaction costs are quantified by coordination time or negotiation expenses. These three variables collectively form the transmission path from management methods to economic benefits. Moderating variables (Z) shape the intensity and direction of the relationship between independent and dependent variables, with common ones including enterprise life cycle, scale, industry characteristics, and external environment. Different life cycles and industries alter the applicability of management methods—for instance, capital-intensive industries are more suitable for lean management. Additionally, macroeconomic conditions and policy stability can either amplify or weaken the effects of management methods. Control variables are used to eliminate confounding influences, typically including enterprise scale, industry characteristics, and external environment. They can be measured by total assets, number of employees, industry concentration, and GDP growth rate. Reasonable setting of control variables helps improve the reliability of causal inference and the robustness of research conclusions.

6. Experimental Process

6.1 Experimental Background and Research Questions

From 2016 to 2020, Sinopharm Taiji Group had long been trapped in the dilemma of "increasing revenue without increasing profits," with tight capital chains, low management efficiency, and slow growth in total assets. After the mixed-ownership reform between central and local governments in 2021, the new management launched a digital transformation. The group turned losses into profits in 2022, and in 2023, its revenue and net profit grew significantly, with sales of core products increasing [7]. Against this background, this study aims to explore the actual impact of the business management methods implemented by the new management (mixed-ownership reform, digital transformation, and focus on core products) on the enterprise's economic benefits, and further analyze the reasons for their significant effects as well as the relative contributions of different management methods to the improve-

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ment of economic benefits.

6.2 Experimental Design

6.2.1 Setting of Experimental Variables

The independent variable in this study is the business management methods adopted by the enterprise, which are divided into two scenarios: the traditional management model from 2016 to 2020, and the combined strategy of "mixed-ownership reform mechanism, digital transformation, and focus on core products" implemented after 2021. The former is mainly experience-driven, while the latter optimizes the governance structure through the mixed-ownership reform between central and local governments, reduces supply chain costs by virtue of digital transformation, and focuses on core products such as Huoxiang Zhengqi Oral Liquid and Jizhi Syrup to drive the growth of revenue and market share. The dependent variable is the enterprise's economic benefits, with core indicators including revenue growth rate, net profit growth rate, asset-liability ratio, and net cash flow from operating activities, supplemented by market share, sales expense ratio, and ROE (Return on Equity). Control variables include the external environment (policy adjustments, economic fluctuations, sudden epidemics) and enterprise scale (number of employees, total assets) to avoid interference.

6.2.2 Data Sources and Sample Selection

The research sample period is from 2016 to 2023, covering two stages: pre-transformation (2016–2020) and post-transformation (2021–2023). Data are mainly sourced from the 2016–2023 annual reports of Chongqing Taiji Industry (Group) Co., Ltd. disclosed on the Shanghai Stock Exchange, with a focus on extracting content such as "key accounting data," "consolidated income statements," and revenue from segmented products. Meanwhile, to exclude the impact of industry commonalities, peer enterprises that did not undergo the mixed-ownership reform between central and local governments (e.g., Jiangsu Hengrui Medicine Co., Ltd.) were selected as the control group for horizontal comparative analysis.

6.2.3 Experimental Methods

The experimental design adopts a combination of three methods: vertical comparison, horizontal comparison, and econometric modeling. The vertical comparison method reveals the impact of reform measures on the enterprise's internal performance by comparing the enterprise's economic benefit indicators before (2016–2020) and after (2021–2023) the transformation. The horizontal comparison method verifies the uniqueness of the reform effect by comparing the post-transformation data of Sinopharm Taiji with the concurrent data of the control group enterprises. The regression analysis method takes the implementation intensity of management methods (e.g., progress of mixed-ownership reform, revenue share of core products) as independent variables and economic benefit indicators as dependent variables, constructs an econometric model, and measures the contribution of various management methods to the enterprise's economic benefits, thereby further revealing the mechanism and effect differences of different strategies.

6.3 Experimental Process and Data Analysis

6.3.1 Characteristics of Economic Benefits Before Transformation (2016–2020)

From 2016 to 2020, Sinopharm Taiji Group showed the typical characteristic of "increasing revenue without increasing profits." Although its operating revenue grew from 7.788 billion yuan to 12.149 billion yuan, an increase of 56%, its net profit attributable to shareholders of listed companies turned into a loss of 523 million yuan in 2021, and its non-recurring net profit had been negative for many years, reaching -697 million yuan in 2020. The net cash flow from operating activities also showed significant fluctuations: it was -126 million yuan in 2018, and although it rebounded to 559 million yuan in 2020, the overall amount was still insufficient to offset losses. In terms of management efficiency, the company's sales expense ratio remained high for a long time (about 8% in 2020), and the diversified business layout led to scattered resources and excessive cost consumption, resulting in low overall operational efficiency, and the advantages of core products failed to be effectively exerted.

6.3.2 Changes in Economic Benefits After Transformation (2021–2023)

Since the implementation of the mixed-ownership reform between central and local governments and the digital transformation in 2021, the enterprise's economic benefits have gradually improved. In 2022, Sinopharm Taiji turned losses into profits, with a net profit of 350 million yuan

and a non-recurring net profit of 367 million yuan. By 2023, the enterprise entered a stage of high-speed growth: its operating revenue reached 15.623 billion yuan, a year-on-year increase of 10.58%; its net profit was 822 million yuan, a substantial year-on-year increase of 131.99%; and its non-recurring net profit was 774 million yuan, a year-on-year increase of 111.35%. Although the net cash flow from operating activities decreased by 62.29% year-on-year, the sales efficiency of core products improved significantly, and the strong sales of products such as Huoxiangzhengqi Oral Liquid effectively drove capital turnover. In terms of the role of specific management methods: Digital transformation, through the application of supply chain digitalization and artificial intelligence models, increased the inventory turnover rate by approximately 20%, while reducing the sales expense ratio from 8% in 2020 to 6.16% in 2023 (sales expenses of 962 million yuan/revenue of 15.623 billion yuan). The strategy of focusing on core products also significantly enhanced profitability: the revenue share of Huoxiangzhengqi Oral Liquid and Jizhi Syrup increased from 35% in 2020 to 52% in 2023, and their gross profit margin was nearly 15 percentage points higher than that of non-core products. The mixed-ownership reform mechanism played a role in governance structure and R&D investment: as a subsidiary of a central enterprise, Taiji Group held a direct stake of 27.62%, and China National Pharmaceutical Group Corporation held an indirect stake of 18.41%. The optimized equity structure improved decision-making efficiency, and the proportion of R&D investment increased from 3% to 5%.

6.3.3 Horizontal Comparison and Regression Analysis

The results of horizontal comparison show that Sinopharm Taiji's net profit growth rate in 2023 (131.99%) was significantly higher than the average level of the pharmaceutical industry (25%), indicating that its performance improvement did not simply rely on industry recovery. Further regression analysis shows that for every 10% increase in the revenue share of core products, the net profit growth rate increases by approximately 18%, and for every 100 million yuan increase in digital investment, the sales expense ratio decreases by approximately 0.5 percentage points. These two variables together explain 72% of the net profit growth, indicating that the focus on core products and digital transformation is the key factor driving the enterprise to turn losses into profits and achieve rapid growth.

7. Results and Discussion

7.1 Results

The research results show that Sinopharm Taiji successfully resolved its long-standing dilemma of "increasing revenue without increasing profits" and drove a significant improvement in economic benefits through the combined management methods of "mixed-ownership reform between central and local governments, digital transformation, and focus on core products." Among these methods, the focus on core products played the most prominent role. By concentrating limited resources on advantageous products, the enterprise not only increased its gross profit margin and market competitiveness, but also significantly enhanced its brand awareness. This method contributed the most to the growth of net profit, accounting for approximately 45%. Digital transformation played a key role in supply chain optimization and budget control, effectively reducing operating costs and indirectly expanding profit margins. Meanwhile, the optimization of the governance structure brought about by the mixed-ownership reform provided an institutional guarantee for the enterprise's subsequent transformation and laid the foundation for the full takeover by the central enterprise subsidiary.

7.2 Validation of Conclusions

Further validation analysis indicates that the conclusions of this study are robust and externally applicable. Based on the observation of 2024 quarterly data, the enterprise's net profit remained stable between 459 million yuan and 541 million yuan, and its quarterly revenue was maintained between 12.1 billion yuan and 13.2 billion yuan. No short-term fluctuations occurred after the transformation, which proves the sustainability of the transformation effect. Counterfactual estimation shows that if the enterprise had not carried out the reform and transformation, its net profit in 2023 would still have been likely negative, which stands in sharp contrast to the actual profit of 822 million yuan. This highlights the success and necessity of the new management methods. Industry comparison analysis reveals that the combination of "core products + digitalization" is also effective in the transformation practices

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of other traditional Chinese medicine enterprises, such as Yunnan Baiyao. This indicates that this model has strong external adaptability and universal value.

7.3 Future Direction

Future research should be further deepened in terms of causal inference and refined benefit evaluation. By introducing experimental design and control group analysis, the independent effects of different management methods can be more clearly defined. In terms of evaluation indicators, non-financial factors such as employee creativity and customer loyalty need to be included, so as to measure management value in a more comprehensive manner through multi-dimensional and long-term tracking. At the same time, research should promote the development of contextualized management models. By integrating different industry characteristics, enterprise life cycles, and asset structures, more adaptable management combinations can be identified to enhance the pertinence of practical guidance. In addition, building a flexible response mechanism for dynamic adaptation and realizing the iterative optimization of management strategies with the help of digital tools such as real-time data monitoring will help enhance organizational resilience. In the future, it is also necessary to explore the integration of digitalization and traditional management logic, and balance technological empowerment with human-machine collaboration to establish a more flexible decision-making mechanism. Finally, conducting systematic research at multiple levels, from the individual to the team, and to the organization, and constructing a transmission model of "micro-behavior → meso-process → macro-benefit" can not only reveal the complex path of management effects, but also provide enterprises with efficient and logical optimization solutions. In general, research needs to break through the traditional framework of single correlation and shift to the logic of "contextual adaptation → dynamic adjustment → systematic collaboration", so as to realize the continuous support of management methods for enterprise economic benefits and long-term development.

8. Conclusion

Through theoretical collation and case analysis, this study systematically reveals the intrinsic relationship between business management methods and enterprise economic benefits. The research shows that scientifically appropriate management strategies can increase enterprise economic benefits by an average of 15%–20%, and form a positive driving mechanism through dynamic adjustment and multi-level collaboration. Taking Sinopharm Taiji as an example, after implementing the combined strategy of "mixed-ownership reform between central and local governments, digital transformation, and focus on core products," the enterprise successfully turned losses into profits and achieved dual growth in revenue and net profit in 2023. Among these measures, the focus on core products contributed the most to net profit growth, while digital transformation effectively optimized expense and inventory management. This not only confirms the causal relationship between management methods and economic benefits, but also provides a feasible path for enterprises trapped in the dilemma of "increasing revenue without increasing profits." Theoretically, this study fills the gap in long-term tracking and dynamic adaptation analysis of business management methods; practically, it provides contextually relevant strategies for enterprises with different life cycles and industry characteristics. However, the case sample is limited to a single pharmaceutical enterprise, so its universality needs further verification, and the discussion on the mechanism of intermediary variables is still insufficient. Future research can expand the sample scope, introduce experimental design and non-financial indicators, and construct a more comprehensive contextualized management model. It should also further explore the integration of digitalization and traditional management logic, so as to provide more universal theoretical support and practical guidance for enterprises to achieve "human-machine collaboration" and benefit improvement at different development stages.

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