

# **The Application of Partner System in Chinese Enterprises**

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**Abstract:** The traditional relationship between employers and employees has been formed in the industrial age, which is gradually disintegrating in the era of knowledge and Internet economy. Today, the partnership system and partnership are forming a trend between organizations and within organizations. The Internet economy has rapidly improved the efficiency of resource allocation. It makes outstanding talents less and less dependent on the organization and their relationship with the organization more and more equal. As the era of human capital has come, it has even gone beyond financial capital and become the most important resource of an organization. Therefore, the traditional distribution model defined by employment relationship is no longer applicable to the development of an organization. However, many organizations fail to seriously study the development stage of the industry in which their organizations are located. Under the premise of the purpose of implementing partnership, they blindly start to implement partnership, which often has the opposite effect.

**Keywords:** Business Partner System Application

According to the fact that the world is in an era of rapid change, under the premise that the new concepts of mobile internet, cloud computing, big data, artificial intelligence and block chain constantly refresh our cognition, this topic takes the innovation of team spirit of Chinese enterprises as the breakthrough point to study the partner system. In this uncertain era, the only certainty is uncertainty, in such an era, no one is omnipotent. Building a team that achieves and compensates each other is the successful channel for entrepreneurship to innovation.

Traditional enterprises urgently need business partners who can bear difficulties and share achievements to help them transform their strategies. China's economic reform and open up has gone through 40 years, and the dividends of economic reform and open up have been exhausted. After experiencing rapid development, many

traditional enterprises have encountered bottlenecks in their development to different extents. In order to break through the bottleneck, they usually choose to start a second business in related or unrelated industries. The key to the success of the second business lies in the talents. While the high-end talents and organizations with knowledge capital are no longer satisfied with working for others and earning a salary, they pay more attention to the realization of self-worth. Therefore, the traditional enterprises must call for the spirit of partners, attract business partners who are willing to start a business together, undertake the difficulties and share the results, and help the strategic transformation and landing of the enterprise.

Among the various partner systems in various enterprises in China, only those based on the idea of partner are the true partner system. Because there are differences among industries, the purpose of implementing partner system is different, in terms of the stages of development and the design of partner system. This paper selects the successful benchmarking enterprises which have implemented partner system in China, and makes a systematic study on the object, mode, goal and final result of the partner system in order to find out the universal law and methodology. In addition, it addresses the direct, systematic, scientific countermeasure and rationalization suggestion of the enterprise partner system to help the majority of industrialist and entrepreneurs intuitively understand whether the enterprise should implement the partner enterprise system, together with the path and methodology of the partner system through this paper.

This paper makes a partial analysis of the results of foreign researchers' research on partners, and mentions the importance of team and resource integration in the exposition of enterprise resources, capability and competitive advantage by Hamel G. and Prahalad C.K. (1990), which is one of the conditions for the core concept of a partner. In addition, in the field of strategic management and industry, everyone believes that Hamel and Prahalad jointly put forward the concept of enterprise core competence, that is, resource integration and team cooperation, is to clarify its significance to the competition of enterprises.

In addition, this paper uses the theory of 4W1H to study the "partner system" in China, which is divided into three categories according to the purpose of the study, namely, descriptive research, explanatory research and normative research. Descriptive

research is to use words and data to describe the situation of things and phenomena, and answer questions such as who, what, where, why and how, that is, to solve the problem of "knowing what is true". In particular, 300 questionnaires were sent out to the Sichuan Provincial Federation of Enterprises. From the descriptive and explanatory research work, some data and empirical research results are obtained on the basis of qualitative and quantitative comparative theory.

In China, the research on partners is generally carried out through the study of well-known enterprises. In particular, after 2000, most of the major well-known enterprises in China have implemented the partner plan or changed to partner plan, which has become one of the research areas and cases of major corporate training mentors or brand planning experts. Especially in 4W1H theory (Who, What, Where, Why and How), the normative form (case) research model is used to diagnose and study the operation modes and methods of the major enterprises in China under the "partner system (plan)" from the descriptive and explanatory progressive relationship. It concludes various partner models, implementation stages, enterprise objectives and performance assessment, object and distribution model, as well as entry and exit mechanism and so on.

Compared with the western countries, partner system is a relatively new concept in China. The relevant theoretical research and papers are even fewer (there are only more than 60 articles on the key word inquiry of CKNi Partners). However, in the practice of enterprises, the investigation shows that most business owners think that partnership will subvert the traditional employment system. Most enterprises expect to introduce partner system, and think that partner system is an effective means to solve the rapid development of enterprises, to seek expansion, and to break through the bottleneck.

"Partner System" (referred to as "partnership") first appeared in medieval Europe. It is a kind of business management mechanism, but in the Chinese business community, it rose to the level of the legal system on August 7, 2006 when the government formally adopted the "Partnership Enterprises of the People's Republic of China (Amendment)", which came into effect on June 1, 2007.

At present, the concept of partnership can be divided into two dimensions: the concept of partnership in the legal sense and the concept of partnership in the sense of management. A partnership in the legal sense refers to a general partnership or a limited partnership established within the territory of China by natural persons, legal persons and other organizations in accordance with the Law of the People's Republic of China on Partnership Enterprises. This is a form of enterprise organization relative to the corporate system. The partners in the legal sense include general partners and limited partners, in which the general partners are the managers of the enterprise and assume unlimited joint and several liability for the debts of the company. The limited partners shall bear limited liability for the debts of the enterprise within the limit of their contributions; the management of the enterprise shall be the responsibility of the general partners, and the limited partners shall not participate in the business activities of the enterprise. Regarding the partner system of management, which is a kind of enterprise organization mechanism and management mechanism, refers to the organization that has the same management idea person, establishes the enterprise community, unifies the talented person and the capital, and impels the enterprise innovation and the development together. The people in the business community are the partners. The greatest characteristic of partnership is to create a sense of ownership. This sense of ownership is not a legal concept of ownership, mainly the right to participate in the management of enterprises, giving rights, giving responsibility, giving prospects, so as to make the manager change the mentality of "working for the boss" to "working for himself".

In the era of knowledge society and Internet, the original talent system and corporate governance mechanism seem to be inadequate in attracting and retaining talents, selecting and encouraging managers, and so on. With the rise of the Internet economy, platform economy and sharing economy, the closed economic model in the past is facing new challenges, where it is difficult to adapt to the market changes and the needs of active innovation. At the same time, with 80 and 90 becoming the mainstream of work, top-down control management is now facing failure, and the trend is to form partnerships between superiors and subordinates. From the micro point of view, this will lead to changes in the way of creating enterprise value: from a macro point of view, the opening and integration between organizations make the whole society present a highly related and integrated enterprise form, so as to make the modern

enterprise system and socialized mass production compatible with each other. Generally speaking, the introduction of partner system is a kind of innovation of Chinese enterprise management model. In recent years, the scale of cross-media, cross-industry, cross-regional and cross-ownership enterprise groups has been expanding day by day, and the contradiction between scale and creativity has become the dilemma of media transformation and innovation. Creativity is the source of life for the highly competitive media industry. Traditional enterprises are generally restricted by their traditional organizational structure and management system in the process of Internet transformation. The media industry explores partnership as an important consideration. An important consideration for the media industry to explore partnering is to grasp the problem of people in the course of business operation, and to change the new driving system from "one person driven by the owner of the enterprise" to "one team driven by the enterprise management team", thus solving the traditional enterprise system through the partnership system.

As the name implies, partners refers to "get together, become a group", that is, to become risk-sharing and benefit-sharing partners. This includes a person who receives shares or dividends and develops a cause by contributing value. For this reason, after a period of precipitation, the partner system in Chinese enterprises seems to have become an inevitable business model in various fields. Some corporate cases even serve as a model for others to emulate, with partner "value creativity" comparable to that of US companies in Alibaba's partnership system. The partnership system has allowed Chinese companies to catch up with big overseas companies. In December 2018, the Nikkei News and the Innovation Research Center at Ichiao University compiled a list of the "innovative strengths" of the world's leading companies. American technology companies took the top eight places, with facebook at the top, with Alibaba, China, in ninth place, while Tencent, Heyconway and Midea, all outside the top 10, were in the top 30, at 22, 24 and 25, respectively. It can be seen that the achievements of Chinese partner system are valid and can be developed continuously. The new idea of changing the relationship between "people and capital", "people and organization" and "people and management" has become the benchmark of breaking through the operation of traditional enterprises.

In an era of trade competition, the data show that China has been the world's largest exporter and second largest importer of goods for nine consecutive years. Between 2001 and 2017, China's annual imports grew at an average rate twice that of the rest of the world. Alibaba's Tmall International alone brought in as many as 75 countries, and nearly 19,000 overseas brands entered the Chinese market. It is evident that the consumption power of the Chinese market is still strong. Therefore, whether through trade to logistics, the Internet, technology, real estate, medical and other different areas, the partner system has a large and high-potential market. In particular, many enterprises realize the importance of the "partner system" and gradually introduce it into traditional industries and begin the transformation, so that everyone in the enterprise can create and share the platform in order to achieve greater commercial efficiency and sustainable development.

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