The Principle of Supply Chain Management in Real Estate Enterprise

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Abstract—According to the definition of supply chain management, giving its connotation in detail. Analyzing the real estate enterprise impact on the environment protection and sustainable development, reviewing the implementation of the supply chain management in developed countries and regions construction industry, studying on how to implement supply chain management in the real estate enterprise.

Index Terms—supply chain, real estate enterprise, application, proposal

I. INTRODUCTION

With China's accession to the WTO, the economic development is rapidly progressing in all segments including the real estate market which becomes more internationalized. Because more foreign real estate development companies swarm into Chinese market, the competition is hot up visibly. Developers will have a choice: in the fierce competition, how can we get more advantages to achieve further development of enterprise innovation and development? In the process, the application of the value chain is a very important aspect, for some reason, the lack of attention by the Chinese real estate development enterprise to these two documents has seriously retarded the development of its own innovation. In view of this, this paper focuses on the use of the value chain concept to promote the development of innovative real estate ideas. Further more, it also proposed to include the concept of value chain to the real estate development industry as one of the key development strategies.

II. THE CONTENT OF SUPPLY CHAIN MANAGEMENT

The so-called supply chain refers to focus on core business, through the logistics, information flow and capital flow control, from procurement of raw materials, intermediate goods and even the final product, finally from the sales network to the hands of the consumer, products will be sent to suppliers, manufacturers, distributors, retailers, end-users, and will connect the functions of a whole network structure. Supply chain management is an integrated management ideas and methods, is the entire supply chain from the perspective of the traditional business enterprises within the sector between enterprises and the functions of the system, strategic coordination, to improve supply chain and every the long-term corporate performance. In recent years academics have made an in-depth study in the supply chain strategic design, planning and operation. Some famous multinational corporations such as Wal-Mart, P & G, have achieved tremendous results in the practice of supply chain management. Green supply chain management is based on green manufacturing and supply chain management theory of technology, involving suppliers, manufacturers, vendors and users. Its purpose is making products from raw materials acquisition, processing, packaging, warehousing, transport, use, disposal and recycling to scrap the use of the whole process, the environmental impact is the smallest and the resources is efficient.

III. THE NECESSARY OF APPLICATION OF VALUE CHAIN THEORY IN REAL ESTATE DEVELOPMENT ENTERPRISE

Since 1998, Central Committee adopted positive financial policies to maintain the sustained growth of national economy by drawing the domestic demand. As the new growth point of the national economy, housing consumer is placed in an very important position. A series of policies were issued to promote real estate development. With the steady growth of real estate development in coastal and big cities, commodity housing real estate in medium and small-sized cities begins to develop fast. Commodity housing real estate market is prosperous in both supply and demand sides. Since 1998, both investment and sales grow fast, the price of commodity house increases steadily, and the trends overall are balanced. The commodity house price is steady and rising, the trend overall is balanced. Because of the requirement of 11th Five-Year plan and the modernization process, demand for housing will certainly increase. With large market demand, real estate investment will be a constant hot spot of social investment in the next years.

With increased marketability and competition, more corporations realize that it is not enough only to emphasize production; the enterprise cares should shift with emphasis from the realm of production to the internal management, more and more corporations accept
that management based on value chain theory should be a part of strategic management. Adapts with it, management professors invest huge enthusiasm to research value chain and obtain many results. With wide-use value chain theory and deepen research, real estate development corporations begin to practice this theory.

At present, competition relationship between corporations becomes new cooperation competition. It is more difficult for corporations to win and access the advantage in the fierce completion, thus, modern corporations have to decompose and conform both internal and external value chain activities on strategic level to obtain competition advantage. At the same time, the finiteness of resources makes it necessary.

Chinese real estate market has developed for more than 10 years. Sustained real estate corporations are facing a new challenge from external environment changes: The land market is more regular, threatening the traditional land profit center; the consumers become mature, challenging the traditional marketing strategies; the accelerated investment integration broke the region market monopoly; Developers have to add more value to their production and service to meet the development of information technology. Thus, the core question for real estate corporation is that how to organize corporation’s internal and external resources to provide high quality production and services, and how to raise customers’ satisfaction while keeping the profit. Presently, to adapt the rapid changes in market demand and competition situation, our real estate corporations need to learn world’s most advanced management theory systematically, and innovates unceasingly to establish our real estate development corporation’s core value chain the analysis of value chain is the important tool for corporation development strategic research and plays an important role in real estate development.

IV. THE CONTENT OF REAL ESTATE DEVELOPMENT CORPORATION VALUE CHAIN MANAGEMENT

The property development enterprise innate investment intention starts, finished the sell to the project construction or hires and implements the total life cycle the estate management, followed one mostly logical and the development rule procedure. From development corporation’s intention to end of construction or hires and implements the total life cycle, estate management followed mostly logical and the development rule. In general, this procedure including 7 steps namely seeks with and screens. The opportunities for investment, the refinement of investment project, the feasibility study, the contract negotiations, to sign the related cooperative agreement, the engineering construction, to complete and be available officially. In the process of confirmation property development enterprise value chain's process, must first belong to separately enterprise's each value activity the core value activity which and in the auxiliary value activity type in the core value chain demonstrated. Each value activity should be classified in basic value activity and auxiliary value activity. Through to analyze the property development enterprise's value chain.

A. Stressing that the Enterprise Should Concentrate the Core Business, Establishing the Core Competitiveness

Locating the value chain, outsourcing the non-core business outsourcing, like this, the real estate enterprise only then can concentrate the use resources effectively, the strengthens principal work, and through the real estate enterprise's cooperation, to increases the service the elasticity of the service. Regarding from tradition planned economy State-owned business after remanufacture establishes. The new company, which was remanufactured from State-owned business should give up original big and complete, the small but complete real estate enterprise organizational structure early, and closely holds the core business link, to establish the core competitiveness. The core competencies are refer to the establishment in the value chain's various links foundation, to be able to cause the enterprise to obtain continually the competitive advantage each kind of essential factor action set, The core competencies are sets of each kind of essential factor action, which is able to cause the enterprise to obtain continually the competitive advantage. Specifically speaking is the real estate enterprise a series of special skill complex compound which in domains and so on product, management, culture and technology has. How the value chain theory is decided regarding core competencies' contribution by the real estate enterprise carries on the management to the value chain. Value chain’s contribution to core ability is decided by how to manage the value. Along with market competition's aggravating and the global integration's development, between real estate enterprise's competitions one is not only between real estate enterprises interior some department or several department's competition, but the one take core competencies as foundation entire value chain's competition. Using the value chain's analysis method definite core competencies, the resources condition which the request real estate enterprise pay close attention to real estate enterprise grasps, the request real estate enterprise pay attention to and the cultivation specially obtain the important core competencies on the value chain's key link, to form with the consolidated enterprise in the profession competitive advantage. The request developer must concentrate the development high-quality goods estate, enhancing own core competitiveness.

B. Applying Validity Analysis, Carrying on the Longitudinal Value Chain Management

The horizontal value chain management is to the enterprise value chain identical level between enterprises group's each enterprise main body the interaction management. Sometimes as a result of the Hypothesized Enterprise's unpopularity, various enterprises even between the competitors through the union, using the IT
C. Taking the Customer as the Centers, Taking Market Demand's Drawing as the Driving Force

By demanding pull supply production and circulation pattern, not only can only the fast response market change, meeting the consumer need rapidly, moreover may reduce obsolete because of the product reduces prices the promotion risk, is advantageous in the reduced stock, the promotion real estate business capital circulation, and increases enterprise's profit ability. “the customer is satisfied” is refers to the real estate enterprise to satisfy the system through the establishment perfect customer, coming well for the customer service, obtaining the customer to satisfy the feeling the business strategy, has manifested the enterprise “take the customer as the center” highest idea. Because the customer is starting point which the home to return the enterprise manages, the real estate enterprise's any operative activity must take customer's demand as a beginning, taking customer demand satisfying as end point. The market competition materially is to customer's competition, only will then let the customer satisfactory enterprise, the market only then give the enterprise by the satisfactory repayment. Therefore, the real estate business management organization's central place is a customer; its management's main driving influence also comes from the customer. Real estate enterprise's customer; first, referring to the external customer and the user, namely all purchases or possible to purchase this enterprise product and service individual and the association; Second, referring to the enterprise interior member, mainly including enterprise's shareholders, the staff, in addition, in the real estate enterprise for, produces, sells and between other functional departments, between the high and low working procedure also relates for the customer. The real estate enterprise implements the strategy, may win the general customer's favor. In the crosswise stratification plan, the real estate enterprise should also start from five compound aspects: 1) the real estate enterprise's management idea is satisfied; 2) the real estate enterprise's marketing behavior is satisfied; 3) the real estate enterprise's external seeing and hearing satisfaction is satisfied; 4) the real estate enterprise's product satisfaction; 5) real estate enterprise's service satisfaction. In longitudinal level, then must argue vigorously achieves the satisfactory level which three progressive gradually: 1) material satisfactory level; 2) spiritual satisfactory level; 3) social satisfactory level. Therefore, the real estate enterprise needs in customer's satisfactory service investigation and the customer expend the psycho-analysis in the foundation, establishing enterprise's service idea satisfaction system, the behavior satisfaction system, the seeing and hearing satisfaction system, the product satisfaction system and the service satisfaction system and so on five big subsystems, and the customer satisfies the target through the customer satisfies level to carry on the survey and the appraisal, must establish one kind of customer finally to serve, making the customer supremely to feel 100% satisfactions, thus the benefit multiplies system.

This paper makes a prospect on both the supply chain of enterprise management and the method of study. At the same time, it also talks about the problem that the real estate enterprises should improve and study the management model of supply chain. All of these are just to enhance the ability of management and market competition of enterprises. The theory of supply chain has not been established for long, and it is quite new to be applied to the Chinese real estate to improve its core competitive power. It will be more useful after careful research has been done. Now it is an important period for the development and reform of Chinese real estate, and the experience from other countries will be of great
reference supply to it, including the theories of supply chain and the core competitive power. Our country’s real estate enterprise can combine it with our own situation to enhance the benefit unceasingly and can make a greater contribution to our country economic and social development.

REFERENCES


