

The Influence of Intangible Assets on the Core Competence of Enterprises

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Abstract. With the development of the times, knowledge has become more and more important. The role of intangible assets in corporate assets is also more pronounced, it gradually became the main representative of the company's core competitiveness. This article first summarizes the relevant theories of intangible assets, then introduces the elements of the company's core competitiveness, and finally analyzes the relationship between the two to illustrate the impact of intangible assets on the company's core competitiveness.

1. Introduction

The main driver of corporate value creation is intangible assets. [1] A set of forces consisting of a variety of interconnected forces is the company's core competitiveness. Intangible assets can bring a lot of wealth to enterprises. The quantity and value of intangible assets are inextricably linked to the size of a company's core competitiveness. How intangible assets affect the competitiveness of enterprises is what we have to study.

There have been some studies on intangible assets and the core competitiveness of enterprises at home and abroad. D.L. Barton believes that the stock of knowledge in competitiveness is the essence of core competence. The reason why companies are in a competitive advantage in competition is due to an effective system. This effective system is the integration of various elements within the company through the integration of knowledge. Gupta and Neeraj J. examined the relationship between corporate value and intangible assets by studying the two common intangible asset expenditures, customer demand and service expenditure, and R&D expenses, and then establishing relevant theoretical models. Wang Yuhong [2] proposed that if enterprises want to achieve permanent management and sustainable development, they should strengthen the cultivation, maintenance, utilization and development of the value of intangible assets. Yuan Zeming, Liu Jing and Zhang Xu [3] used the Analytic Hierarchy Process (AHP) to construct a system for evaluating the value of intangible assets and found that the utilization efficiency of intangible assets has a high degree of support for the overall strategy of the company.

In summary, the research on intangible assets and enterprise competitiveness at home and abroad is not comprehensive enough, and a complete system has not been formed. This paper supplements the existing research literature by studying the relationship between the two. I hope to further improve the research system of both.

2. Definition and Scope of Intangible Assets

So far, various reference books have different definitions of intangible assets. Intangible assets do not have a unified definition. The reason is that with the changes of the times, the definition of intangible assets is also changing. [4] Previously defined intangible assets were non-monetary assets with no physical form controlled or held by the enterprise. Nowadays, academia unanimously believes that intangible assets are the level of trust, technical knowledge, and customer knowledge accumulated in long-term investment. For example, organizational capital, human capital, self-created goodwill, network assets, self-developed computer software and programs, rights related to contracts, options related to securities, and authentication rights are all within the scope of

intangible assets. In today's era of knowledge-based economy, the scope of intangible assets has become more and more extensive and content has become more and more abundant. Such as corporate spirit, ISO9000 quality system, corporate image, environmental management system certification, the right to use green signs. Intangible assets lay the foundation for improving the competitiveness of enterprises and their survival and development. In general, intangible assets can be classified into the following categories: (1) Contractual rights: It mainly includes land use rights, franchise rights, and preferential contracts. (2) Intellectual Property: It mainly includes copyrights, patents, non-patented technologies, trademark rights, and software. (3) Relationships: It mainly includes marketing networks, high-quality employees, and preferential policies provided by the government. (4) Comprehensive: It mainly includes corporate image, corporate culture, and goodwill.

3. The Quality of Intangible Assets

3.1 Existence.

Existence is the primary feature of the quality of intangible assets. The following three aspects may cause an inflated quality of intangible assets: First, some companies may use fixed assets to serve as intangible assets. Second, they may capitalize expensed expenditures and increase the cost of intangible assets in the asset development phase. Third, some companies may manage unrelated to intangible assets. Expenses such as sales expenses are classified as intangible assets.

3.2 Profitability.

The fundamental quality feature of intangible assets is the liquidity, that is, the profitability. This characteristic is reflected in the realization ability of intangible assets during the production period of the enterprise, and it can bring many benefits to the enterprise. It is the prominent feature of the intangible assets' profitability characteristics. However, because intangible assets are not substantive, unlike physical assets, they are physical assets that cannot be touched. Therefore, intangible assets cannot directly bring economic benefits to enterprises. They must be based on fixed assets and rely on the operation of fixed assets to bring economic benefits directly or indirectly.

3.3 Risk.

An important factor that cannot be ignored in the study of the quality of intangible assets is risk. Risks and benefits are like a pair of close-knit brothers. When one of them is mentioned, one side will think of the other. Due to the complexity of the environment in which the company is located and the continuous changes in science and technology, coupled with its need to be combined with fixed assets, the benefits of intangible assets have great uncertainty. Many comprehensive factors need to be considered in order to assess the economic benefits it brings. Therefore, the benefits that intangible assets bring to companies are very risky.

4. The Definition of the Core Competence of Enterprises and Its Components

4.1 Definition of Core Competence.

Market environment, resources, and capabilities are the three major components of the core competitiveness of foreign research companies. They believe that market environment, resources, and capabilities play an important role in building competitive advantages of enterprises and can improve their core competitiveness. Some domestic scholars believe that in a competitive market, compared to other companies, if an enterprise can continuously provide effective products or services for the market while achieving profitability and self-development, this comprehensive quality is the competitiveness of the enterprise.

In a word, the core competence of an enterprise in an organization is represented by the knowledge of coordinating multiple production skills and organically combining multiple technologies. It will make the company more competitive and ahead of other companies. According to the above description, the company's core competitiveness can be summarized as follows: According to the changes in the internal and external environment, the company can take timely and appropriate

measures to effectively configure the company's limited resources so that it can play its biggest role in winning competitive advantages for the company. This will further expand the market share occupied by enterprises, increase their ability to survive and develop, and obtain greater profits.

4.2 The Elements of Core Competitiveness.

It is generally believed that the core competitiveness of an enterprise consists of the following aspects.

4.2.1 Core Technology and Technology Innovation.

Only with the ability of technological innovation and possessing core technologies, can an enterprise have a lasting competitive advantage in the market and gain core competitiveness. [5]The technological innovation of an enterprise can not only improve the technology owned by the enterprise, but also improve the management ability of the enterprise management for the entire enterprise. Virtually enhance the company's strength, get the first-mover advantage in the market competition, to lay the foundation for its further development.

4.2.2 Resource Advantage.

The resources of an enterprise include human resources, tangible resources, and intangible resources. Resources play an irreplaceable role for enterprises to gain competitive advantages and obtain considerable profits. Manpower, tangible and intangible resources are the steps to achieve the goals of corporate development. In the era of knowledge economy, the competitiveness of enterprises depends largely on human resources. Whether a company has excellent and loyal employees, whether these employees can bring economic benefits to the company, to a certain extent determines the company's core competitiveness.

4.2.3 Environmental Conditions and Marketing Network Management.

The environmental conditions mainly include the following: social natural conditions, macroeconomic and political conditions, legal conditions and market competition conditions. These four conditions are all indispensable, and the lack of any one core competency cannot play its due role in the enterprise. In this era, consumer sovereignty has become the mainstream. Extraordinary marketing skills are more important than any technology. Enterprises should form their own unique marketing methods, make themselves different from other companies, use their own unique marketing techniques to promote the company's products to become the core competitiveness, and bring more economic profits for the company.

4.2.4 Management and Coordination Capabilities.

Business management capabilities and resource organization capabilities constitute the company's management and coordination capabilities. A company's technological innovation ability is stronger, its human resources is excellent again, and its marketing skills are unique. Without good management capabilities and the use of advanced management methods to coordinate resources, resources will be wasted and companies will not be able to form core competition force.

4.2.5 Corporate Culture and Business Philosophy.

A company's business philosophy forms a corporate culture. The corporate culture is the sum of the enterprises with the characteristics of the enterprise or the organization spirit, the behavior of the neurotic groups, and the spiritualized products formed by the enterprise under a certain national cultural tradition and social and cultural background. Corporate culture is the result of the interaction between the will, the will, the characteristics, the habits of all employees in the company and the scientific and cultural level of each employee. Corporate culture is an inexhaustible motive force for the development of the enterprise. Its core is the spirit and values of the company and it is a kind of intangible resource. Among all the elements of core competence, corporate culture and business philosophy are the unique competitive advantages of an enterprise. Each company has its own corporate culture, which is difficult to imitate by other companies. If the company can implement its own business philosophy and corporate culture to everyone in the company and give full play to its influence, then it will become an advantage that other companies cannot overcome.

5. The Relationship Between the Quality of Intangible Assets and the Core Competitiveness of Enterprises

5.1 Consistency.

First of all, from the composition of the content is the same. The core competitiveness of an enterprise is essentially an intangible and invisible asset such as human capital, technology, management, and corporate culture. All of these are reflected in the profitability of the company. They all make the company a leader in a particular market and receive an excess profit. Their two links are: (1) Intangible assets are assets that improve the core competitiveness of enterprises. (2) The ability to create and improve intangible assets is linked to the strength of the company's core competitiveness. (3) The quality and quantity of intangible assets are related to the size of the company's core competitiveness. Second, the two have the same effect on the business. The quality of intangible assets emphasizes how much economic benefits the company can bring and how much excess profits it creates. The core competitiveness is that enterprises use various components to achieve sustainable market planning and share market share, which is reflected in the improvement of corporate economic profits. Both are inflows that bring economic benefits to the company and bring substantial economic profits to the company. Finally, both have consistent goals for continuing operations. Both are for the purpose of achieving the company's continuing operations, improving its own ability for sustainable development, and further satisfying the assumption that the company will continue to operate.

5.2 Difference.

The difference between the two is mainly reflected in their respective external representations. Although intangible assets are intangible, they can be reflected in the company's balance sheet. The core competitiveness of a company is neither large nor small. It cannot be represented in the report in one form. In addition, the risk of intangible asset quality is different from that of the core competitiveness of the enterprise. Both of them have different degrees of concern for companies.

6. Conclusion

It can be said that intangible assets have an irreplaceable role in the entire assets of the company and are indispensable for any company. Intangible assets are the foundation and source of a company's core competitiveness. If you want to measure the competitiveness of an enterprise, you can use the quality and quantity of intangible assets as the standard. The preservation and appreciation of intangible assets is the key to maintaining the development of the company's core competitiveness. It is an important part of improving the competitiveness of enterprises. Therefore, enterprises should increase investment in intangible assets and combine intangible assets with tangible assets to generate excess profits.

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