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*Study on Value Management System Oriented to Value Innovation:
A Perspective of Value Essence*

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ABSTRACT

Value innovation cannot be separated from value management, and the construction of value management system is influenced and restricted by the goal of enterprises. Under the guidance of value innovation goal, from the perspective of value essence, this study analyzes the value issues involved in each dimension of value management as well as the relationship between different dimensions, and constructs a value management system consisting of customer value analysis, value curve construction, value creation, value realization, value cost control, value evaluation, value distribution and enterprise value promotion. The system has important practical significances for establishing the philosophy of value management of creating value for customers, formulating pricing strategy, dealing with the relationship between customer value and value cost control, strengthening stakeholder management and paying attention to the synergy of different dimensions of value management. The research results help to facilitate the theoretical development of value innovation and value management, enhance the value management effect of enterprises and finally promote the sustainable growth of enterprises.

INTRODUCTION

Value innovation theory emerged in the 1990s as a management paradigm that argues that companies should seek sustainable, profitable growth by improving customer value (Kim, Mauborgne, 1997). Nowadays, with emphasizing "customer first" and "customer-centered", the theory of value innovation is receiving growing attention at the theory and practice level. However, how to enhance the effect of value innovation is still a matter of opinion. Value management is a management control system, management device or management tool based on value thinking, which is used to integrate enterprise resources and activities to achieve organizational goal. The theoretical connotation of value innovation determines the importance of value management, but the theory itself does not deeply explore the process of value management.

Value management is the most effective management concept universally recognized by the American business community (He, 2005). However, there are still quite different opinions on how to effectively carry out value management. Many studies focus on the measurement of value, emphasize the selection, calculation and decomposition of measurement indicators and present some value management systems based on financial indicators, such as discounted cash flow (DCF), the cash value added (CVA), cash flow return on investment (CFROI) and economic value added (EVA), and some value management systems based on combination of financial and non-financial indicators, such as the



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balanced scorecard (BSC)(Li,2016). Some researches only regard value management as concrete management tools used to deal with various contradictions in the process of enterprise development, such as employee stock ownership plan, profit sharing incentive, employee innovation pilot field, process outsourcing, innovative strategic alliance, leading users, supply chain profit sharing plan, the system of redemption (or transfer) of human capital rights and the priority exit system of material capital (Wang,2013). Liu (2010)constructed an enterprise value management model from the perspective of the combination of spontaneous order and procedural rationality. The diversity of research ideas in value management theory shows the complexity of value management. Until now, a universal value management model has not yet been formed. Maybe, it is necessary to draw on the research results of other disciplines to carry out the study of value management. In addition, the construction of value management theory is influenced and restricted by the operation objectives of enterprises(Weng,2010). Therefore, in emphasizing value innovation, it is necessary to constantly revise and enrich the theory of value management from a new perspective according to the goal of value innovation, in order to better serve the enterprises' value management practice.

ON VALUE AND ITS ESSENCE

Value is the core issue of human production and life (Feng,2002). It can be argued that realizing and assessing value, producing and creating value, choosing and pursuing value, realizing and consuming value constitute the entire contents of human activity and life (Jiang,2000). However, value issue has always been a puzzle for people(Wu,2016). In philosophy, value is concerned with "the meaning of the world to human beings" and "the meaning of the object to the subject". In political economics, value refers to the undifferentiated human labor embodied in the commodity, whose outward manifestation is the price. The studies of value in western economics are based on utility (Wu,2016). and consider value as the degree to which the commodity meets the subjective needs of the consumer. Humanities and sociology consider value as a positive effect of a thing, or as a kind of goodness to promote morality. In value engineering, value is a measure of the usefulness of things and the ratio of the function of an object to the total cost of acquiring that function. Its main concern is the value of a particular project or product. The purpose of value management in value engineering is to achieve the best possible functionality through the lowest possible total cost. In management, value is also a term used frequently, but its connotation often varies according to the object to be concerned. For example, when it comes to market value and shareholder value, value usually means the amount of money that an asset or equity acquires through market exchange. When it comes to the green value of a product, the value indicates the degree that the commitment and investments of the enterprise to the environmental protection make the consumer feel satisfied.

There are three different views on the value essence in the circle of value philosophy: subjective value theory, objective value theory and value relation theory (Yi,2009). The subjective value theory uses the value subject to determine value and argues that each value first means something that satisfies the needs of the value subject or brings a pleasant sensation to the subject. The objective value theory uses the value object to determine value, and thinks that value is the intrinsic property of the thing itself. Both subjective and objective value theory only emphasize one aspect of value attributes, and all have one-sidedness. The value relation theory emphasizes that the fundamental attribute of value is that it is a specific subject and object relationship, and that it should be understood in a definite relationship. Therefore, the value relation theory seeks to illustrate value in the framework of relationship between the subject and the object, and considers a complete value judgment generally contains four aspects: (1) the value of what (object); (2) the value for whom (specific person or subject); (3) what is the nature of the value, that is, what needs can this value meet the subject? ; (4) what is the way the value is achieved (Yi,2009). By answering these questions, we can understand what the point of a value activity is, what the demands of the value subject is and how to satisfy its value demands, which helps to better manage the value activities. Therefore, the understanding of the value essence from value relation theory opens a new window for the theoretical development of value management.

Based on the understanding of value essence from the theory of value relationship, this article will analyze the different dimensions of value management in value innovation, interpret the value issues involved in different dimensions and the relationship between different value dimensions, construct a value management system oriented to value innovation and explore the management implications of

this system in practice. This study contributes to the theoretical development of value innovation and value management, enhances the value management effect of enterprises and then promotes the profitable growth of enterprises.

VALUE MANAGEMENT SYSTEM ORIENTED TO VALUE INNOVATION

Value management, as a management control system, is made up of different value activities. Value innovation theory emphasizes customer first, emphasizing the profitable growth of enterprises by providing superior customer value (Kim, Mauborgne, 1997). It can be seen that in the process of value innovation, the starting point of value management is customer value analysis and its goal is to achieve profitable growth of enterprises or the promotion of enterprise value. From the customer value analysis to the promotion of enterprise value, value management will also be affected by value activities including value curve construction, value creation, value realization, value cost control, value evaluation and value distribution. The value activities involved in value management constitute different dimensions of value management. Since each dimension is an independent value activity, it involves value judgments. Therefore, in order to clarify the real source of enterprise value and the key issues in value management, it is necessary to analyze the value issues involved in each dimension of value management to form an in-depth understanding of the whole process of value management.

Customer Value Analysis

The value innovation theory believes that the precondition for achieving profitable growth is to satisfy customers' value needs and then emphasizes the promotion of enterprise value by fully enhancing customer value (Kim, Mauborgne, 1997, 2005). Therefore, customer value analysis is the starting point of value management and its task is to establish the driving factors of customer value of products or services in a certain industry, which is an analysis based on the demand side. According to customer value theory, customer value is a comprehensive evaluation made by customers after weighing the perceived benefits and perceived sacrifices of a particular product or service (Woodruff, 1997; Zauner et al., 2015). Perceived benefits include tangible or intangible value from products or services, and perceived sacrifices include monetary and non-monetary costs, such as time and effort to acquire and use products. Generally speaking, perceived benefits are positively related to customer value and perceived sacrifices are negatively related to customer value. The direct sign that a customer is satisfied with the customer value of a product or service is to make a purchase decision and then the enterprise obtains revenue. The value issues involved in customer value analysis are shown in Table 1.

Table 1: The Value Issues Involved in Customer Value Analysis

The value of what	The value for whom	The nature of the value	The way value is achieved
Products or services	Customers	Perceived benefits, perceived sacrifices	Market transaction

Value Curve Construction

According to the theory of value innovation, superiorly differentiated customer value is the decisive factor for enterprises to obtain profitable growth. In order to determine the composition of differentiated customer value of a specific product or service, an enterprise need to build a new value curve. The value curve is a graphic depiction of a company's relative performance across its industry's key success factors. "Raise-Reduce-Create-Eliminate" four actions framework (see Figure 1) is an important analytical tool for the construction of value curve. The theory holds that "Reduce and Eliminate" two actions can reduce costs, and "Raise and Create" two actions can enhance the buyers' value and create new needs (Kim, Mauborgne, 2005).

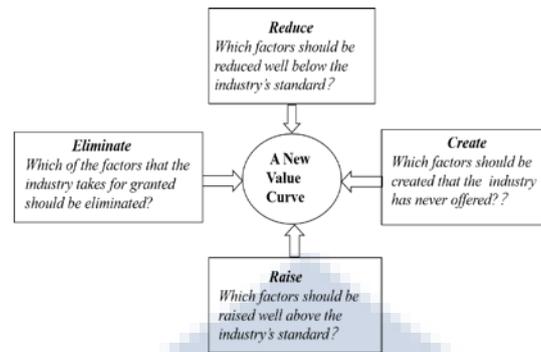


Figure 1: The Four Actions Framework (Kim, Mauborgne, 2005)

In order to construct the value curve, an enterprise can use the four actions framework to establish the types and the level of the value elements to be provided according to the driving factors of the industry customer value, combining the internal and external environment, resources and capabilities of the enterprise. The utility combination of these value elements constitutes the differentiated customer value to be provided by the enterprise. The differentiated customer value means a new opportunity window, so the value curve construction is the cornerstone of value management. Through the construction of value curve, the enterprise can not only transform the analysis of customer value constitution from demand side to the analysis of value elements supply from supply side, but also establish the differentiated customer value portfolio to be provided by the enterprise. The differentiated customer value needs to be provided through the process of value innovation and realization. The value issues involved in value curve construction are shown in Table 2.

Table 2: The Value Issues Involved in Value Curve Construction

The value of what	The value for whom	The nature of the value	The way value is achieved
Products or services	Customers	Differentiated customer value	Value creation and realization

Value creation

Through the construction of value curve, the specific composition of differentiated customer value is established. The differentiated customer value provides the direction of value creation. However, the content of value creation is not exactly the same as the composition of the differentiated customer value. As mentioned earlier, customer value consists of perceived benefits and perceived sacrifices. Perceived benefits include tangible or intangible value from products or services, and perceived sacrifices include monetary and non-monetary costs, such as time and effort to acquire and use products. Obviously, monetary cost is a perceived sacrifice for customers, but is sales revenue for enterprises, which is the content of value realization activity. Therefore, the content of value creation only includes perceived benefits and perceived sacrifices except the monetary cost. Thus, the value to be created by an enterprise consists of two parts: increasing the perceived benefits and reducing the perceived sacrifices except the monetary cost. As for the customers' monetary cost, it is determined by the pricing policy of the enterprise. In addition, the process of value creation requires the participation of all staff. The value issues involved in value creation are shown in Table 3.

Table 3: The Value Issues Involved in Value Creation

The value of what	The value for whom	The nature of the value	The way value is achieved
Products or services	Customers	Differentiated customer value except monetary cost	Staff creating

Value Realization

Value realization is a value activity in which employees sell products or services to customers and obtain sales revenue. Completing a transaction with a customer is a symbol of value realization. In the process of value realization, customers pay for the monetary cost, and enterprises obtain the revenue. In theory, the value created must be greater than or equal to the realized value, but cannot be less than the realized value. The reasons are as follows: when the created value is greater than or

equal to the realized value (i.e. the money paid by customers), customers will feel good value for money and then will make purchase decisions; when the created value is less than the expectation of customers, the purchase decisions will not be made, and the value realization will not be completed. The value issues involved in value realization are shown as Table 4.

Table 4: The Value Issues Involved in Value Realization

The value of what	The value for whom	The nature of the value	The way value is achieved
Products or services	Enterprises	Revenue	Staff selling

Value Cost Control

In order to achieve the goal of profitable growth, the process of value creation and realization must be accompanied by the control of value cost. Value cost is the price that must be paid by enterprises for creating and realizing differentiated customer value. Specifically, value cost is manifested in the various expenses incurred by enterprises in the course of providing products or services, such as the costs of funds, manpower and material resources.

Generally, the value created and realized is reflected in the sales revenue of a given price and output. The basic relationship between sales revenue, value cost and earning performance is shown in Table 5.

Table 5: The Basic Relationship between Sales Revenue, Value Cost and Earning Performance

Comparison of the relationship between sales revenue and value cost	Earning performance
Sales revenue > Value cost	> 0
Sales revenue < Value cost	< 0
Sales revenue = Value cost	= 0

It can be seen from Table 5, the profitability of an enterprise depends on the extent to which its sales revenue exceeds its value cost. However, the formulation of corporate profit policy is by no means simply to increase revenue and reduce costs. On the surface, the factor that determines the revenue is the price and the sales volume, but in essence it is the customer value behind products or services. Enterprises can neither emphasize the superiority of customer value without considering the cost, nor can they neglect customer value in order to save costs. If enterprises only emphasize customer value without considering costs, such as free products or services, which will really satisfy customers, earn enough attention and word of mouth, but if they cannot earn profits through a certain profit mode, enterprises will eventually be unsustainable. If enterprises only emphasize the cost without considering customer value, which will cause products or services to be unsalable, enterprises will also be unprofitable. Therefore, there must be a certain degree of match between customer value provision and value cost, and the reasonable balance between the two is the key to realizing profitable growth. Under the condition that the value curve is established and the value creation is guaranteed, the reasonable pricing strategy and value realization strategy are the guarantee of revenue realization. Meanwhile, a reasonable cost control strategy is the key to expanding the profit-making space. The value issues involved in value cost control are shown in Table 6.

Table 6: The Value Issues Involved in Value Cost Control

The value of what	The value for whom	The nature of the value	The way value is achieved
Products or services	Enterprises	Cost	Staff control

Value Evaluation

Table 3, Table 4 and Table 6 show that value creation, value realization and value cost control are inseparable from staff's efforts. Value evaluation is the evaluation of each employee's contribution to value creation, value realization and cost control. Through value evaluation, enterprises should not

only admit that employees create and achieve value and participate in cost control, but also know how much value the employees create and realize, and how much cost is saved. In practice, value evaluation activity usually needs to be carried out by means of performance appraisal. Reasonable performance appraisal is not only an acknowledgment of employees' contributions, but also an objective basis for value distribution, so that employees' performance can be connected with their returns(Wu,2016). Only in this way can employees be motivated to effectively undertake responsibilities for value creation, value realization and cost control.

The identification of the subject of value evaluation needs to be conducted from two aspects. On the one hand, enterprises need to evaluate employees' contribution to value creation and realization. The content of value creation and realization is products or services. However, the value of products or services can only be reflected by the transaction with customers. Here, employees are the object of value evaluation activity and customers are the subject of value evaluation activity. On the other hand, enterprises also need to evaluate employees' contribution to cost control. At this time, employees are still the object of value evaluation activity, and enterprises are the subject of value evaluation activity. Therefore, there are two subjects in the value evaluation activity, namely, customers and enterprises.

Similarly, the nature of value evaluation activity also needs to be analyzed from two aspects. Firstly, in the value creation activity, the nature of value is differentiated customer value except monetary costs. In the value realization activity, the nature of value is revenue, which is the monetary cost to customers. Therefore, combining the value creation and realization activities, the nature of value evaluation activity is differentiated customer value. Secondly, corresponding to the value cost control activity, the nature of value evaluation activity is the cost. Accordingly, the value issues involved in value evaluation are shown in Table 7.

Table 7: The Value Issues Involved in Value Evaluation

The value of what	The value for whom	The nature of the value	The way value is achieved
Staff	Customers; Enterprises	Differentiated customer value; Cost	Performance appraisal

Value distribution

In the business management, all kinds of contradictions are mainly caused by the interest conflicts in the final analysis (Wu,2016). Therefore, value distribution is an important part of value management. Value distribution refers to distributing the result of value creation and realization to the related stakeholders. The result of value creation and realization is the revenue obtained by enterprises through selling products or services. However, revenue cannot be fully allocated to employees involved in the value creation and realization process. The reason includes two aspects. On the one hand, in addition to paying employees' compensation, enterprises' revenue also covers other various value costs, such as sales cost, office expenses, utilities costs, interest expenses, depreciation expenses of fixed assets and taxes. The difference between the revenue and the value cost is profit, and the profit belongs to shareholders. On the other hand, an enterprise is essentially a collection of stakeholders. In addition to its employees and shareholders, other stakeholders such as customers, suppliers, government, creditors and the society also exist. In order to continue to operate, enterprises need to achieve a balance of interests among the different stakeholders, but value cannot be equally distributed. Because different stakeholders have different interest demands, the ways in which enterprises meet their interest demands should also be different. For example, the interests of customers and suppliers are mainly met through market transactions, while other stakeholders usually participate in the value allocation process of enterprises in a non-market way. Wu argued that the direction of corporate value distribution includes at least three aspects: (1) assigned to the society for social responsibility; (2) assigned to the staff, for the well-being of employees and their families; (3) assigned to the future, as the company's capital of development, to further expand the business [24]. In fact, in addition to the three directions mentioned above, the value distribution should include two other aspects: (1) assigned to the government, mainly to pay taxes; (2) assigned to shareholders and creditors, as return on their funding. In this way, the stakeholders involved in the value distribution mainly include the government, employees, shareholders, creditors, society and the enterprises themselves. The value distribution activity needs to be realized through the distribution

policy made by enterprises. Accordingly, the value issues involved in value distribution are shown in Table 8.

Table 8: The Value Issues Involved in Value Distribution

The value of what	The value for whom	The nature of the value	The way value is achieved
Products or services	Government, staff, shareholders, creditors, society and enterprises themselves	Revenue, profit	Distribution policy

Enterprise Value Promotion

Enterprise value promotion is not an independent dimension of value management but is based on the common function of the above seven dimensions and is a comprehensive reflection of the value management effect. The relationship between enterprise value promotion and other dimensions is shown in Figure 2.

On the basis of the above analysis, the article builds a value management system shown in Figure 2. As can be seen from Figure 2, the value management system oriented to value innovation is an integrated management system that takes the enterprise value promotion as the goal, takes customer value analysis as the starting point, takes value curve construction as the cornerstone, takes value creation, value realization and value cost control as the core, and takes value evaluation and value distribution as the support.

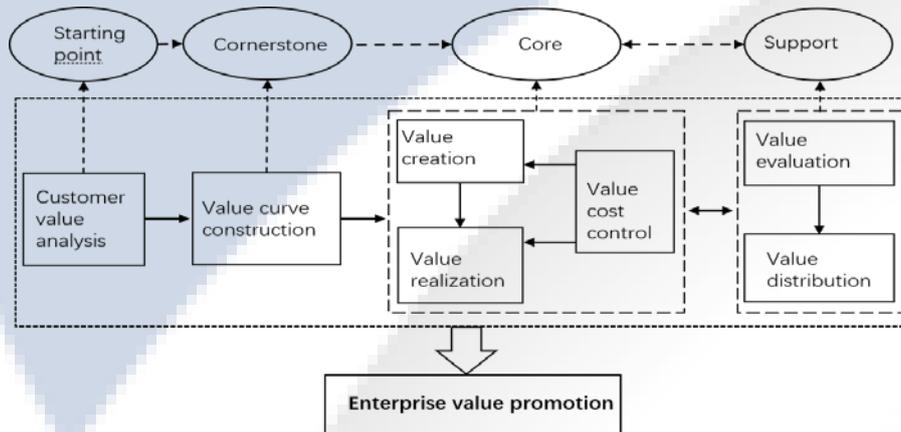


Figure 2: Value Management System Oriented to Value Innovation

PRACTICAL SIGNIFICANCES OF THE VALUE MANAGEMENT SYSTEM

By analyzing the different dimensions of value management, the value problems involved in different dimensions and the relationship between different dimensions, it is of great significance to the practice of value management in enterprises.

Establishing the Value Management Philosophy of Creating Value for Customers

In the study of value management, there has always been a controversial question: who does an enterprise create value for? Proponents of shareholder value theory argue that enterprises are creating value for shareholders. Proponents of stakeholder theory believe that enterprises are creating value for stakeholders (Weng, 2010). It can be seen from Table 1, Table 2 and Table 3 that no matter whether the customer value analysis, the value curve construction or the value creation concern the value of products or services for customers, only the focus of attention is different. Customer value analysis focuses on analyzing customer value driving factors of industry products or services. Through drawing the value curve, an enterprise can establish differentiated customer value to be provided, form a clear customer value orientation and provide direction for the value creation of the enterprise. Value creation should transform the differentiated customer value except the monetary cost from theory into reality. It can be seen from Table 4, Table 7 and Table 8 that only when the customer value is created and recognized by customers, can we talk about the realization, evaluation and distribution of value. It can be said that the promotion of enterprise value and the satisfaction of stakeholders' interests are all based on satisfying the needs of customers for differentiated value. If an enterprise

cannot provide superior customer value, even if there is a strong capital scale and strong operational ability, it cannot bring the sustainable development of the enterprise. Therefore, enterprises should establish the management philosophy of "customer first" and "creating value for customers", and put this philosophy throughout the value management.

Paying Attention to the Balance between Improving Customer Value and Controlling Cost

As a profit-oriented organization, the ultimate goal of enterprise value innovation is to enhance enterprise value, but the realization of this goal requires customer satisfaction, and the prerequisite of customer satisfaction is differentiated and superior customer value provided by enterprises. When customers are dissatisfied, enterprise value loses its source. It should be noted that there are both consistency and contradictions between customer satisfaction and enterprise value promotion. The consistency between the two is that customer satisfaction is the premise of the enterprise value promotion. The contradiction between the two is that customer satisfaction does not mean the realization of the enterprise value promotion. Because customer satisfaction means the need to enhance customer value, but if the cost of raising customer value exceeds the cost-affordability of enterprises, enterprises will eventually be unable to continue operation because of no profit. Therefore, for the realization of real value innovation, enterprises should not only pay close attention to customer needs, try to provide superior value for customers and get customers' recognition, but also consider the cost-endurance of enterprises, and strive to achieve the balance between the two. Only in this way, the differentiated customer value can be converted into the enterprises' profit.

Establish the Pricing Strategy of Enterprises Combining with Customer Value

As mentioned earlier, customer value equals perceived benefits minus perceived sacrifices. Perceived benefits include tangible or intangible value from products or services, and perceived sacrifices include monetary and non-monetary costs. Now, if let CV represent customer value, Fb represent perceived benefits, Fc represent currency cost, and Fo represent perceived costs other than monetary cost, we can see that if the transaction with customers is to be achieved, it needs to satisfy: $CV = Fb - Fc - Fo \geq 0$, which means $Fb - Fc - Fo \geq 0$, and at this time, $Fc \leq Fb - Fo$. It can be seen from the formula that the condition that a customer is willing to pay monetary cost is that the perceived benefits of the customer is greater than or equal to the perceived sacrifices except the monetary cost. For the enterprise, Fc is the revenue obtained by the enterprise, that is, the transaction price of products or services. This also means that enterprise pricing is reasonable as long as the perceived benefits of customers is greater than or equal to the perceived sacrifices other than monetary cost. Obviously, the level of enterprise pricing should depend on the difference between the perceived benefits and the perceived sacrifices other than monetary cost.

Integrating the Management of Stakeholders into the Management of Different Value Management Dimensions

Value management is a complex system engineering involving many stakeholders. How to balance the interest demands of all parties and control interest conflicts among stakeholders (Luo,2016) is an important and difficult problem in value management. From the analysis of the value management dimensions, it can be seen that there are differences in the stakeholders involved in different dimensions of value management. Therefore, when managing the value management dimensions, an enterprise can integrate the management of stakeholders into them so as to more accurately identify the value demands of stakeholders, take more targeted measures to meet the needs of stakeholders, and then improve the effectiveness of stakeholder management. Specifically, the stakeholders involved in the customer value analysis and value curve construction are mainly customers, but at this two types of activities, customers are the analysis target of enterprises not the active participants, enterprises' important value management work is to accurately identify the composition of the industry customer value, and then to determine differentiated customer value to be provided. The stakeholders involved in the customer value creation mainly include customers and staff. At this point, customers are still in the position of being focused. The focus of the enterprise value management is how to mobilize staff' enthusiasm for value creation and create products or services that satisfy customers. In addition, the value creation process may involve the utilization of external resources. Therefore, in the process of value creation, enterprises also need to handle the relationships with external stakeholders such as suppliers, subcontractors and R&D cooperation institutions. The

stakeholders involved in the value realization are also mainly customers and employees. But at this time, customers are in the position of active selection. The central task of enterprise value management is to mobilize employees' enthusiasm to deliver products or services to customers, to achieve market transactions with customers and earn revenue. The stakeholders involved in the value cost control are mainly employees. The value management of enterprises is mainly to mobilize the enthusiasm of employees for cost control, and effectively reduce the cost on the premise of guaranteeing the customers' value demand. The stakeholders involved in the value evaluation mainly include employees and customers. At this point, customers are also in the position of being focused. The core of the enterprise value management is to reasonably evaluate the contribution of employees in the provision of differentiated customer value and cost control. The dimension of value distribution involves many stakeholders, including government, employees, shareholders, creditors, society and enterprise themselves. The focus of the enterprise value management is to formulate a reasonable distribution policy, and to allocate the revenue and profit reasonably among these stakeholders.

Thinking Highly of the Synergy of Different Dimensions of Value Management

As can be seen from Figure 2, the different dimensions of value management exist independently, have their respective functions and tasks, but have close connection with each other. The lack of any dimension or failure of management will lead to the failure of value management. In order to achieve the goal of value innovation, an enterprise should first attach importance to the analysis of customer value and identify the composition of industry customer value. In order to construct a value curve, it is necessary for the enterprise to be able to acutely capture the factors that make customers dissatisfied and to predict the potential needs of customers based on technological or market trends. By drawing the value curve, the enterprise establishes the customer value to be provided and forms a clear customer value orientation. Value creation and realization revolve around the value elements established by the value curve, and deliver the created products or services to customers. To this end, the enterprise needs to sort out the production and management activities and divide them into three categories: activities to increase customer value, activities that are necessary but not to increase customer value and activities that cannot increase customer value and not be necessary. On this basis, the enterprise can eliminate the third type of activities, and further clarify the responsibilities of different departments, different posts or even different personnel in value creation and realization. At the same time, the value cost control should be carried out, and the responsibilities of the employees in the cost control should be determined. In order to make every participant take the responsibilities of value creation, value realization and value cost control, the enterprise must support it through a reasonable value evaluation and distribution system. Value evaluation is like a link. It closely links the value creation, value realization and value cost control with the dimension of value distribution. When all of these dimensions of value management work effectively, the enterprise can achieve the goal of profit growth and value promotion. Therefore, in order to improve enterprise value, enterprises need to attach importance to the synergy of different dimensions of value management and strengthen the management of each value management dimension.

CONCLUSIONS AND LIMITATIONS

Conclusions

Firstly, when understanding the value in the framework of subject object relationship, we find that the value issues involved in different value dimensions are different. These differences determine that different management measures should be taken for different value dimensions. If we talk about value and value management in an abstract way without considering the specific value issues involved in different value dimensions, this may result in both theoretical ambiguity and management confusion.

Secondly, value management cannot just stay in the calculation, deconstruction and analysis of financial indicators such as profit, cash flow and economic value added, but should go deep into the whole process of value management and carry out resource allocation and management control according to the value issues involved in each value management dimension. Financial indicators such as profit, cash flow and economic value added should be indicators reflecting the effectiveness of value management and should not become the starting point for value management.

Thirdly, the balance between improving customer value and controlling cost is the key to the growth of enterprise value. The ultimate goal of value management is to enhance the enterprise value, but it

needs to be achieved through customer satisfaction and reasonable cost control. Therefore, once the value innovation direction is established through the value curve construction, the focus of routine work should be on the customer value creation, realization and cost control. At the same time, the enterprise should let everyone in the organization know what he needs to do, how his performance will be measured, and what his benefits and penalties are related to these behaviors (Jensen, 2001).

Fourthly, the promotion of enterprise value depends on the synergy of different dimensions of value management. Accordingly, in value management, enterprises should take all dimensions into consideration and cannot unilaterally emphasize the role of a certain dimension. This requires that enterprises should establish a unified concept of value innovation and value management from the governance level, management level to operational level, clarify their respective responsibilities in value management so that all the decisions and actions of enterprises can meet the requirements of value management.

Fifthly, value innovation requires that enterprises can continuously improve value management based on changes in customer needs.

Limitations

This article only discusses theoretically the value management system oriented to value innovation and its inspiration to practice. However, in order to better guide practice, further theoretical and empirical studies are needed to enrich the relevant contents.

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