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Strategic Management and Innovation Development of Family Business: Based on the Case Study of Family Business of Ningbo T Group Company

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Abstract: Strategic management plays a vital role in the internal governance of family-owned enterprises. Compared to other types of businesses, family firms often encounter unique challenges during their operation and growth. Without timely adjustments to their strategic direction in line with industry trends and their own organizational realities, these enterprises risk falling into stagnation and losing their competitive edge. This paper takes Ningbo T Group—a representative family-owned business — as the focal point to examine the current status and shortcomings of strategic management in such enterprises. It further investigates the underlying causes of these issues and proposes innovative management approaches to address them. By exploring the company's brand positioning, innovation initiatives, human resource strategies, and family governance mechanisms, this study uncovers the key drivers behind its sustained success in the highly competitive kitchen appliance industry. The findings aim to offer practical insights and guidance for the strategic development of other family businesses, highlighting the value of quality-driven growth and continuous innovation as cornerstones of long-term viability.

Keywords: innovation and development; strategic management; family business

1. Introduction

Family business occupies an important position in the global economic pattern. Ningbo T Group, as an outstanding representative of Chinese family business, has made great achievements in the field of kitchen and electricity. Since its inception, T Group has not only established a brand image of high-end kitchen electricity, but also led the trend of technological innovation in the industry by virtue of its excellent strategic vision and fine management measures. Analyzing the success of T Group's strategic management is of great significance for understanding the growth patterns of family businesses and promoting a healthy business environment. Through continuous innovation of strategic management, so as to enhance the competitive strength of enterprises, so as to provide a strong driving force for the further development of enterprises.

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2. The Present Situation of Strategic Management of T Group

Ningbo T Group Kitchen utensils Co., Ltd. was established in 1996, founded by Mao Lixiang, from difficult to open up the market at the initial stage of business, to gradually focus on the positioning of high-end kitchen electricity, relying on core products such as range hood, gas stove, disinfection cabinet and so on. continue to expand the product line to dishwashers, steaming and roasting machines and other new categories. Over the years, T Group has continued to dig deep into the domestic market, with a steady increase in product sales and brand reputation, and has become a trusted kitchen electricity brand for consumers. at the same time, it has actively expanded its overseas business and demonstrated the charm of Chinese kitchen electricity manufacturing to the world. The company has achieved steady revenue growth for many years, writing a magnificent chapter in the development of family enterprises.

As a family business, the company has long relied on a traditional management model that reflects typical characteristics of family governance. Although the company has recently started adopting modern management practices, the implementation began relatively late, the application is relatively late, so it has not yet formed a perfect strategic management system that meets the needs of enterprise development and can support its further development. As a result, enterprises often encounter some problems in the process of operation and development.

3. The Problems Existing in the Strategic Management of T Group

3.1. Lack of Strategic Decision Management

T Enterprise has failed to adopt a long-term vision in its strategic planning and development. In today's increasingly competitive industry market environment, if enterprises want to enhance their competitive strength, they need the management to make appropriate adjustments to the development strategy with the continuous development and growth of the enterprise. However, the management tends to focus excessively on short-term gains and lacks strategic decision-making capabilities, which has led to a gradual decline in the enterprise's competitiveness.

3.2. Information Innovation Is Weak

Although T enterprises have introduced advanced communication technology, automation technology and computer technology with the development of the times, some managers do not know enough about information technology. As a result, the company has not been able to innovate or upgrade its information systems in a timely manner, let alone integrate advanced technologies into its strategic management.

3.3. Lack of Professional Strategic Management Team

Although T enterprise has introduced the professional manager system into the enterprise at present, the management does not fully realize the significance of the professional manager system to the long-term development of the enterprise, and lacks the attention to the professional manager, which leads to the lack of a professional strategic management team.

3.4. Lack of Effectiveness of Incentive Mechanism

T enterprises in the operation and development, did not build an effective incentive mechanism, this has led to low staff morale and high employee turnover. If T enterprises want to retain talents and improve the stability of the staff, they need to actively build an effective incentive mechanism.

4. The Main Reasons for the Weak Strategic Management of T Enterprises

One of the fundamental reasons for the weakness in T Enterprise's strategic management is its outdated management model and inadequate managerial capacity. For the family business, its management is all family members, and when making management decisions, it usually does not analyze the benefits of the enterprise as a whole, nor does it analyze the changes of the external environment. Once the external environment changes, the family business usually does not make a timely response, which can easily cause the enterprise to fall into a development crisis. The management structure of T Enterprise lacks diversification. The chairman, board of directors, and board of supervisors are all composed of family members. As a result, the implementation of strategic management lacks comprehensiveness and objectivity, so that the development decisions made by the enterprise are not scientific and reasonable. It seriously hinders the development of the enterprise [1]. In addition, the property rights of family businesses are relatively simple, decisions are usually made by one person, lack of effective supervision of decision-making, it is easy to have decision-making loopholes, decision-making mistakes, resulting in the enterprise into a development crisis.

5. Innovation Strategy of Strategic Management of T Enterprise

5.1. Strengthening the Management of Strategic Decision-Making

With the continuous development of family business, it will be faced with the situation of choosing development strategy, while for T enterprise, the choice of development strategy has the characteristics of diversification, but no matter what kind of development strategy is chosen, its purpose is to expand the economic benefits of the enterprise and promote the further development of the enterprise. In the process of strengthening strategic decision management, T enterprises need to make different development strategic adjustments according to their own development situation, and ensure the feasibility and scientific nature of strategic decision-making. In the early stage of the development of T enterprise, it is not only faced with the problem of shortage of talents and funds, but also faced with imperfect management mechanism, weak social credit and so on. T enterprise entrepreneurs adopt the maintenance strategy at this stage, pay attention to improve their own management ability, rely on the advantages of low transaction cost, flexible operation and fast transmission of orders within the family business, and make use of the least cost. Efficiently resolve these problems. With the continuous development of the enterprise, T enterprise has made a new development strategic decision and adopted a compromise strategy. The so-called compromise strategy is that the enterprise is still controlled by the family, but a large number of senior managers have been introduced, and the family members and professional managers are responsible for the operation and management of the enterprise. And break the previous concentrated ownership structure typical of family businesses. According to the basic principle of fairness and fairness, people with relatively poor professional ability among family members need to transfer their positions to high-quality social managers with high professional ability and professional accomplishment, and actively set up perfect boards of directors and boards of supervisors. All strategic decisions for the development of enterprises need to be voted on by a show of hands of the board of directors, so as to resolve the disadvantages existing in the previous "one-person decision-making", and the board of supervisors is responsible for overseeing the implementation of strategic decisions.

5.2. Strengthen the Information Innovation of Strategic Management

In the process of implementing strategic management, family enterprises are inseparable from a comprehensive analysis of their own situation, industry market environment and competitors, which are often presented in the form of data. For this reason, T enterprises also need to strengthen the innovation of strategic management information in the process of implementing strategic management. Through the introduction of advanced

information technology, an intelligent management platform is built to facilitate the comprehensive collection, calculation, and analysis of internal and external economic development and market environment information, and to implement strategic analysis on this basis. in order to ensure that the final strategic decision is scientific and reasonable enough to avoid blind strategic decision-making, which leads to the crisis of decision-making mistakes [2,3]. In addition, T enterprise should also follow the development of the times, through the introduction of information technology, build a strategic calculation model, so as to make a detailed analysis of the enterprise's family-owned nature, by accurately understanding the current management model, analyzing final financial outcomes, and identifying gaps in the current strategy in the current development strategy. At the same time, adjust the development strategy according to the strategic gap.

5.3. Set Up a Professional Strategic Management Team

In the process of implementing strategic management, family enterprises should realize that the current market competition faced by enterprises is essentially the competition of talents. In the process of implementing strategic management, T enterprises need to pay enough attention to the establishment of professional strategic management team. In the process of setting up the professional strategic management team, the holding family members need to discuss the enterprise development strategy together with the professional strategic managers, so as to transform the development strategy into a simple and actionable implementation plan. in order to help achieve the strategic goals of enterprise development. For any enterprise, it is impossible to successfully achieve the strategic goal by relying on the single strength of the CEO or chairman, and the implementation of the management strategy needs the support of the overall staff [4]. For this reason, when setting up a professional strategic management team, family enterprises need to clarify the responsibilities of each strategic manager so that they can carry out daily work around enterprise development decisions every day. Gradually cascade down the development strategy to front-line staff, so as to form a strategic organizational structure of smooth information exchange and sharing from top to bottom, and improve the coordination of strategic management. In addition, in the process of setting up a strategic management team, family enterprises also need to actively build a sound training system and and organize regular training sessions for strategic managers, so as to continuously improve their strategic management ability and level. so as to empower the realization of the strategic goal of enterprise development.

5.4. To Build a Sound and Effective Incentive Mechanism

With the continuous development of market economy, all enterprises are facing an increasingly competitive market environment. If family enterprises want to develop in such a market environment, they need to actively build a sound and effective incentive mechanism [5]. In the process of concrete construction, T enterprise has constructed a perfect incentive mechanism from the point of view of salary, welfare and training, and organically combined it with enterprise strategic management, so that every staff member of the enterprise can see the future development prospect of the enterprise. At the same time, we will gradually form an open, fair and fair atmosphere within the enterprise, and give material and spiritual incentives to the staff who are active in their work and provide key suggestions for the enterprise's development strategy. and provide them with career promotion opportunities. In addition, it is necessary to construct an incentive points system, reset the points at the end of each month and start a new tally at the beginning of the next month, so as to link the points earned by the staff in that month with the salary level of that month, so as to better mobilize the enthusiasm of the staff, shift their mindset from "working for the boss" to "working for themselves". In order to better mobilize the enthusiasm of the staff, and then promote the realization of enterprise strategic goals and further development.

6. Innovation in the Core Dimension of Strategic Management of T Group

6.1. Brand Strategy: High-End Positioning and Cultural Empowerment

1) Accurate High-End Market Entry

In the early days of T Group, the kitchen electricity market was mixed, and the kitchen electricity market was saturated with low-priced products, leading to fierce price-based competition. T Group perceives the potential demand of consumers for high-end kitchen electricity under the pursuit of quality of life, resolutely abandons the low-price strategy and locates the brand at the high end. Through the use of high-quality materials and superb craftsmanship to create products, such as the development of high-efficiency mute range hood, to meet the demands of modern families for quiet and clean kitchens, and lay a solid product foundation to establish a high-end brand image.

2) Confucian Culture Molds Brand Soul

T Group deeply integrates Confucian culture into the brand concept, puts forward such propositions as "great because of love", and highlights the role of products in contributing to family happiness. Its advertising and after-sales service all convey values such as affection and care, which make the brand transcend the functional product category, become a symbol carrying family emotion and culture, and build unique brand awareness in the hearts of consumers. attract high loyalty customer groups who pursue the quality of life and identify with traditional culture.

6.2. Innovation Strategy: Technology-Driven and Design-Led

1) Continuous R & D Investment

T Group invests a lot of money in technology research and development every year, sets up a number of professional R & D laboratories, and brings together top scientific research talents at home and abroad. From the innovation of basic oil fume separation technology, solving the problem of Chinese kitchen oil fume, to the development of intelligent kitchen electrical control system, realizing the interconnection and intelligent control of kitchen appliances, always standing at the forefront of kitchen electrical technology, giving birth to new products with new technology, maintaining market competitiveness.

2) Industrial Design Innovation

Focusing on the integration of design aesthetics and user experience, T Group cooperates with international well-known design teams to launch a variety of kitchen electrical products with fashionable appearance and convenient operation. For example, the embedded kitchen electricity series, which won the international design award, perfectly integrates kitchen appliances and cabinets, saves space and improves the overall style of the kitchen, creates a new era of kitchen space aesthetics, and leads the design trend of the industry. To meet the dual needs of consumers for both aesthetics and functionality in the kitchen.

6.3. Talent Strategy: Internal and External Repair and Inheritance Training

1) Introduction of External Talents

Break the employment limitations of family enterprises and recruit high-end management, technical and marketing talents around the world. In order to attract talents, Fang Tai provides competitive remuneration, a strong career development platform, and an open and innovative work environment. The introduced professional managers give full play to their professional advantages in key areas such as marketing and supply chain management to promote the standardized and modern operation of enterprises.

2) Inheritance and Training of Family Talents

Within the family, establish a strict talent training mechanism. The new generation of family members have been nurtured by business since childhood, and after entering the enterprise, they have experienced from grass-roots positions and progressively gained mastery over the core business. Mao Zhongqun, as the successor of the second generation, under the guidance of his father, through systematic learning of management knowledge

and in-depth understanding of the market, successfully took over the important task of enterprise development and facilitated the smooth intergenerational transition of the family business. organically combine the entrepreneurial spirit of the older generation with the innovative thinking of the new generation.

7. Family Governance Model: Clarity of Property Rights and Collaborative Decision-Making

7.1. Optimization of Property Right Structure

T Group gradually clarifies the family property rights in the process of development to avoid the potential risks of property rights disputes. The rational equity distribution within the Mao Lixiang family can not only protect the rights and interests of the entrepreneurial elders but also reserve equity space for the growth of the next generation, ensure the stability of family members' control over the enterprise, and at the same time encourage members to work hard for the long-term development of the enterprise and form a close interest community.

7.2. Collaborative Decision-Making Mechanism

Set up a two-tier governance structure of family committee and corporate board of directors. The family committee is responsible for dealing with family internal affairs, such as family member education, dispute mediation, etc., to maintain family unity; the board of directors focuses on strategic decision-making and management, and introduce external independent directors to bring diverse insights and expertise. The two work together, fully communicate and consult in the decision-making of major issues, balance family interests with enterprise development needs, ensuring scientific and robust decision-making.

8. The Effectiveness of Strategic Management of T Group

8.1. Excellent Market Performance

In the domestic high-end kitchen appliance market, T Group has maintained a leading market share for years, and the products cover tens of millions of families. Take range hood as an example, its sales are in the forefront of the industry for many years in a row, and its brand awareness is as high as 90%. It has become the first choice for consumers to buy high-end kitchen electricity. In the e-commerce platform, "Fangtai" keyword search volume, product praise lead peers, offline stores throughout the core business areas of major cities across the country, building a strong online and offline sales network.

8.2. The Industry Has Far-Reaching Influence

Technological innovation promotes the upgrading of the entire kitchen and electricity industry, and many patented technologies of T Group have become a reference for the formulation of industry standards. For example, oil fume purification technology urges peers to increase investment in environmental protection research and development; talent training model provides examples for family enterprises to attract talents, inherit and develop, and family enterprises around the country learn from experience; brand construction promotes the international image of Chinese kitchen and electricity brands, leading several Chinese kitchen appliance enterprises toward high-end positioning and internationalization.

8.3. Social Responsibility Should Serve as an Example

In the field of environmental protection, Fang Tai has developed energy-saving kitchen and electricity products to reduce energy consumption; in public welfare undertakings, set up education funds to help revitalize the countryside and build kitchens in underprivileged areas to improve school dining conditions and nutritional standards.

Promote employment through the development of enterprises, contribute to social stability and the improvement of people's livelihood, establish a good social image of family enterprises, and win wide praise.

9. Conclusion

To sum up, in the process of operation and development, family enterprises should be fully aware of their own problems in strategic management, and make clear the main reasons for the weakness of their own strategic management, and at the same time, according to these problems, strengthen strategic decision-making management to ensure that the formulation of enterprise development strategy is scientific and reasonable, and provide a reliable basis for the formulation of enterprise development strategy through the introduction of advanced information technology. In addition, enterprises also need to pay enough attention to the establishment of professional strategic management team and the perfect construction of incentive mechanism, so as to lay a good talent foundation for the realization of enterprise development strategic goals. By virtue of scientific strategic management, Ningbo T Group has steadily moved forward on the road of family business development and become a benchmark in the industry. Its brand, innovation, talent and family governance strategy work together to inject lasting vitality into the enterprise. Family enterprises and even all enterprises should learn from Fang Tai's experience and adhere to the entity-oriented, innovation-driven and honest management path. Abandon the speculative thinking eager for quick success and quick profit, and build a healthy business environment. The government and society should strengthen supervision, publicity and guidance, take Fangtai and other excellent enterprises as an example to purify the market, escort the standardized and orderly development of enterprises, and foster economic prosperity and social progress. In the future, T Group is expected to continue to write legends in the new track of intelligent and green kitchen electricity, which will continue to contribute to the theory and practice of family business development.

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