Platform Transformation and Business Incubation Strategies of Traditional Manufacturing Enterprises—A Case Study Based on Haier Group

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Abstract

With the development of information technology and new economy, traditional enterprises are facing the pressure of transformation. Based on the embedded case study of Haier Group's platform transformation, the Incubation Mechanism of internal entrepreneurship and the promotion mechanism of entrepreneurship incubation in the process of traditional enterprise's Internet transformation are explored. Starting from the "strategy-structure" theory, platform organization theory and entrepreneurship incubation theory, this paper makes an in-depth analysis of the interaction mechanism between Haier's strategic transformation and entrepreneurship incubation, constructs the model of transformation strategy and incubation strategy, and finds that there is a certain path dependence in the platform transformation, and it also plays an important role in resource support, market selection, user interaction and process control. The success of entrepreneurship incubation brings new resources to the existing platform, keeps the enterprise as a whole open and innovative, and promotes the strategic transformation of enterprises. In the process of transformation, Haier still faces the pressure and challenge of market, management and core technology.

Keywords

Traditional manufacturing enterprises; Platform transformation; Platform ecology; Business incubation

Preface

In the Internet era, traditional enterprises are facing the pressure of transformation and upgrading. After experiencing brand strategy, diversification strategy, internationalization strategy, and global brand strategy, Haier once again subverted itself and entered the stage of network strategy. Network strategy, Its goal is to transform Haier from a traditional manufacturer of home appliances to a platform for the entire society to incubate makers, create a new platform for co-creation and win-win, and achieve a win-win and value-added for all stakeholders. In 2014, Haier further proposed "three transformations" Strategies, namely "enterprise platformization", "employee customization", and "user personalization", further platform transformation,

cultivate many Haier XiaoWei, meet personalized needs, and turn customers into life-long users.

As of August 2017, there are more than 200 XiaoWei companies on Haier's platform, of which more than 100 have annual revenues of more than 100 million yuan, 52 have introduced venture capital, and 18 have been valued at more than 100 million yuan. Among the Xiao Wei companies, 5 have a valuation of over 500 million yuan, and 2 have a valuation of over 2 billion yuan. According to data released by Haier Group, in 2018, Haier Group ’s global turnover reached 266.1 billion yuan and ecological revenue reached 15.1 billion yuan. On the whole, it is in a state of growth. Zhang Ruimin, chairman of the board of directors of Haier Group at the Annual Innovation Conference, said that Haier's goal in 2019 is "to work for the integration of people into a world-class IoT model."

The Internet transformation of large enterprises relies on their own resources to build innovative platforms and transform into platform enterprises. By flexibly configuring platform resources and complementary resources, platform organizations can evolve a diverse and personalized small organization community with a strong environment. Adaptability, solving the problem of entrepreneurial opportunities that are often overlooked by conventional organizations with a standardized and specialized division of labor (Sørensen & Fassiotto, 2011). Haier's platform transformation goals, build various communities, attract and support various entrepreneurial XiaoWei enterprises, and finally build a maker incubation platform ecology.

This article takes the platform transformation of Haier Group as a research scenario, and selects three entrepreneurial XiaoWei enterprises incubated by Haier platform as examples to study how platform organizations in the transformation incubate entrepreneurship and how entrepreneurship incubation promotes the platform transformation of enterprises.

Literature Review

"Strategy-structure" theory

American scholar Chandler first put forward the idea of "structure following strategy" in his classic book "Strategy and Structure" published in 1962. He believes that the specific organizational structure adopted by enterprises is to adapt to the implementation of the strategies formulated by managers Designed according to the needs of the company; after the company has decided the development strategy, it needs to design the corresponding organizational structure to match the strategy (Chandler, 1962). In contrast, Hall and Sells based on logical inferences and observations, in their thesis "Strategic Follow-up Structure", that structure not only affects the organization's perception of its environment and its capabilities, but also determines what the organization will take. Reaction method (Hall & Saias, 1980). These studies reveal a bidirectional and even more complex interaction between strategy and structure.

Enterprise transformation is the overall change of the company's long-term operating direction, operating model and its corresponding organization and resource allocation methods. It is the process by which companies reshape their competitive advantages, enhance social value, and reach new corporate forms. Tushman and O'Reilly (2002) believes that organizational transformation can be effective only when the four

elements of strategic and organizational structure (core tasks and processes, formal organizational structure, organizational members, and organizational culture) are consistent (Tushman & O'Reilly, 2002). In the transformation process of an enterprise, strategy and organizational structure are mutually reinforcing.

Platform organization concepts and content

The "Platform Organization" was proposed by Ciborra based on the research of Italian Olivetti company, which is considered to be "capable of establishing a flexible combination of resources, practices and structures in emerging business opportunities and challenges. Organization Form" (Ciborra,1996). Gawer and Cusumano (2014) divide the platform organization into: internal platforms and external platforms. Whether external platforms or internal platforms, they will provide a part of the common resources that can be reused, that is, architecture resources / assets (Architecture asset) (Jacobides, Knudsen & Augier, 2006).

The platform organization connects two or more user groups with strong network effects (Gawer & Cusumano, 2014). The platform provides core products, technologies or services, attracts more complementary products and service providers, and forms a network synergy effect (Iansiti, Marco, Levien, Roy, 2004). The characteristic of different user groups attracting each other in a multi / bilateral market is called indirect network externality (Armstrong, 2006). Platform organizations are often used to provide support for innovation and entrepreneurship. Edge components on the platform (startup XiaoWei) can use internal and external resources provided by the platform to achieve rapid growth (Cai, 2015).

Entrepreneurship and Incubation

a. Entrepreneurship

Entrepreneurship is the process of new business generation and incumbent business development (2012). The entrepreneurial incubation generally refers to the former, that is, the process of generating new enterprises. Bhave (1994) believes that the complete experience of this process includes the four stages of opportunity identification, overcoming barriers to entry, forming a competitive advantage, and creating a new enterprise (Bhave, 1994). Jing Runtian et al. (2016) went further and divided the entrepreneurial process into three stages: opportunity identification, opportunity development, and new enterprise growth (Jing, Zhao & Teng, 2016). Opportunity identification refers to entrepreneurs who discover business opportunities, prepare entrepreneurial teams and organize entrepreneurial implementation; opportunity development refers to the formation of products or services and continuous improvement to gain market recognition; the growth of new enterprises refers to the establishment of enterprises that operate independently and continuously growing up.

b. Venture incubator

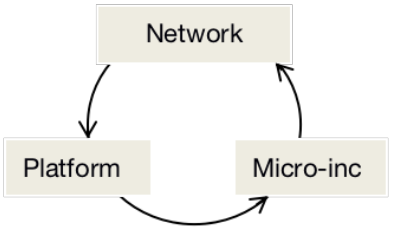
The form of entrepreneurial incubation first appeared in the United States. The American Incubator Association defines the Incubator as an aid program for small and medium-sized enterprises, targeted at newly established companies. Guo Junhua and Yang Yan (2015) divided the incubators into three categories according to the different clients: entrepreneurial nurseries, incubators and accelerators (Guo & Yang,

2015). The pre-incubator acts in the early stage of incubation and promotes the feasibility of entrepreneurial projects. The main task of the entrepreneurial nursery is to carry out seed selection and nursery work, and set up successful seedlings in the incubator. The incubator is needed to "support the horse and get a ride" to help the company get out of the "valley of death", which has initially formed a situation of self-survival and development. We believe that the accelerator is a continuation of the incubator. The development potential and rapid development of small and medium-sized enterprises provide a platform for accelerated development, enabling these enterprises to quickly pass the development period and enter the mature period.

Research review

Based on changes in the environment and their own resource conditions, traditional enterprises implement strategic transformations to change the original corporate strategy and organizational structure. Haier's transformation goal: maker incubation platform. Through transformation, Haier has transformed into a platform organization and built an incubation platform, which is the entire group It has become a huge entrepreneurial incubator. The strategy has brought about changes in the organizational structure, and at the same time, the changes in the organizational structure have affected and limited the implementation of the strategy. The platform transformation of enterprises has taken entrepreneurial XiaoWei enterprises as the service object and entrepreneurial XiaoWei enterprises. The success or failure of the company determines the success or failure of the company's platformized transformation. Based on the "strategy-platform-incubation" theoretical framework, Haier's transformation strategy, platform XiaoWei incubation mechanism, XiaoWei-to-company transformation promotion mechanism, and Haier's transformation process The problems that arise are the main content of the study.

Figure 1 Research and analysis ideas



Methodology

Study design

Haier's network strategy and platform transformation have provided corresponding platform resources for many XiaoWei, which together form an ecosystem and create value. According to Isenberg (2011) and Spigel (2017), the ecosystem can generally provide entrepreneurial resources such as human resources, funds, markets, support systems, policies, etc. At different stages of entrepreneurship, the platform provides different resource support to overcome the lack of resources of new ventures. Disadvantages: Through network effects and appropriate strategies, the entire platform ecology attracts and aggregates external resources, creating

more value.

Haier's types of micro and micro are very different and numerous. Different micro and micro have great differences in resource provision and development paths, but they all come from the same platform, and there are considerable commonalities. This article uses replication logic (Eisenhardt & Graebner, 2007; Yin, 2003), analyzes the entrepreneurial incubation process and value creation, and presents the internal mechanism of incubation strategies and value creation in the context of platform transformation. Therefore, the case structure of this article is a nested case with Haier platform incubation as the main body.

Case selection

Established in 1984, Haier Group has undergone five strategic transformations before and after. It is currently the world's largest brand of large household appliances. It has achieved the tenth consecutive ranking in the comparison of global large household appliance brand retail sales and has entered China's top 100 value companies for 17 consecutive years. After the fifth strategic transformation, Haier innovatively transformed from a traditional closed bureaucracy to an open entrepreneurial mesh platform and entrepreneurial platform with a one-in-one model innovation, turning employees into makers and ceos, and trading with customers This behavior is upgraded to user interaction. There are no sections on Haier's platform. There are only three types of people, namely platform owners, XiaoWei owners, and makers. Raytheon, Youzhu.com, Xiaoshuai Cinema, etc. are typical representatives of Haier's platform incubation. Represents Haier's incubation model, with the typicality of theoretical disclosure (Burawoy, 1998; Small, 2009), their case data reveals the theory following replication logic.

As Haier is a listed company and a company that the public pays more attention to, the media has a higher degree of attention and data is easier to collect, which is also an important reason for choosing Haier as a case.

Data collection and analysis

Haier Group is an old-fashioned home appliance company and a typical practitioner of Internet transformation in traditional enterprises. Its "man-in-one" model has attracted widespread attention at home and abroad. News about Haier, the views of executives such as Zhang Ruimin and Zhou Yunjie, public speaking The company's official website information, forums, online reports and research are widely available, and the data is relatively easy to collect.

The data analysis mainly goes through the following steps: 1) Select and analyze data information based on the principle of data triangle verification to ensure data consistency; 2) Analyze and identify the types of entrepreneurial resources provided by Haier to the incubated enterprises, classify and merge them; 3) platform in Analysis of the impact of entrepreneurial incubation on entrepreneurship; 4) The role of entrepreneurial incubation on the transformation of enterprise platforms.

Research Findings

Haier's platform transformation and Haier XiaoWei

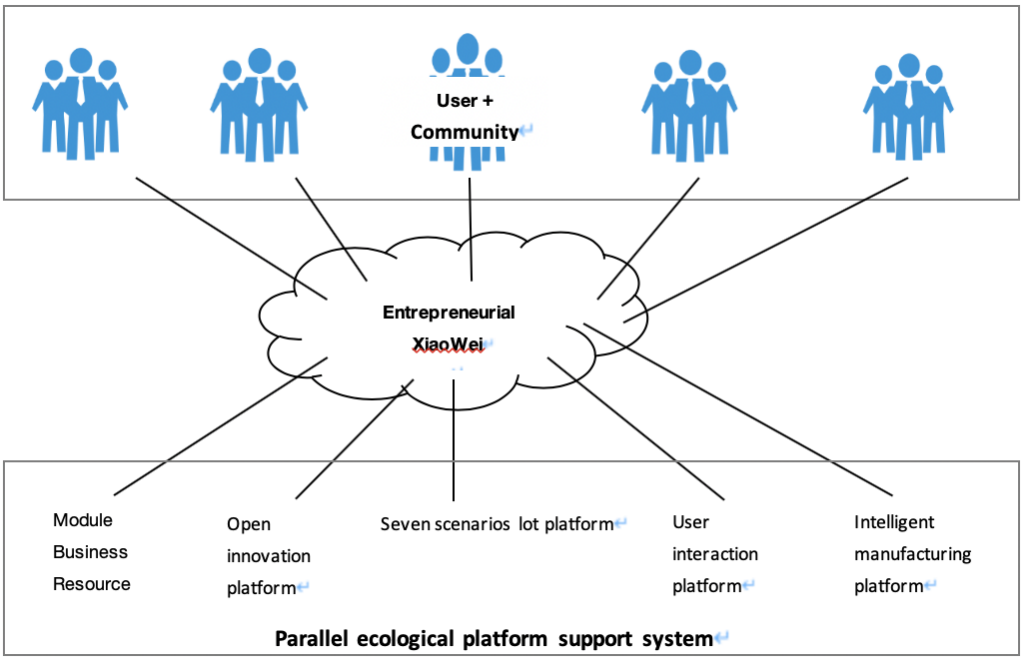
Following Haier's network strategy, on July 28, 2013, Chief Zhang released the platform ecosystem strategy on the "Haier Business Model Innovation Global Forum". This means that Haier officially began the transformation of the platform's ecological strategy, hoping to achieve a win-win value-added thinking Establish a user-centered and win-win platform ecosystem. In 2014, Haier proposed the "three transformations" to transform the hierarchical organizational structure into an entrepreneurial platform, turn hired employees into autonomous people, and connect the market with customers. The transaction is upgraded to user interaction, as shown in Table 1.

Table 1 Haier's transformation strategy and structure based on stakeholders

Start-up phase / Stakeholders	Strategy	Structure	Role
Enterprise	Platform	Parallel Eco Platform	"The world is my research and development department": open platform resources
Employees	Creat a customer	Three types of Xiaowei	"Everyone's Creator": Platform Service Body
User	Personalized	User-centric	"User Pay": Platform Value Source

Enterprise platformization not only removes the barriers of traditional functional departments such as finance, human resources, legal affairs, and information management, but also integrates these resources into a shared platform. Haier builds and connects various platforms based on the original resources to achieve The platform transformation of the entire group attracts all kinds of high-quality resources, focusing on XiaoWei / maker, to meet the personalized needs of consumers. In order to stimulate customers' creative design modules, Haier puts forward the slogan of "design by you, make by me" and establish It has established platforms such as "HOPE" (Haier Open Partnership, Haier Open Innovation Platform), "Hai Cube", "Hai Da Yuan", "Hai Chuang Hui", Haier Smart Home Scenario, COSMO Smart Manufacturing, etc. Network configuration of distance and resources. Haier has transformed from a company that produces products to a platform for incubating makers. All people have become network nodes without a subordinate system. At present, there are only three types of people in Haier platform organizations. The category is called platform owner, the second category is called micro-micro owner, and the third category is called maker.

Figure 2 Haier Maker Incubation Platform System



As of August 2017, there are more than 200 XiaoWei companies on Haier's platform, of which more than 100 have annual revenue of more than 100 million yuan, 52 have introduced venture capital, and 18 have a valuation of more than 100 million yuan. At present, Haier's shared entrepreneurial platform It has gathered 2246 entrepreneurial projects, 4316 entrepreneurial innovation incubation resources, 1333 venture capital institutions, 118 incubator spaces, 12 billion yuan in venture capital funds, and 15 entrepreneurial innovation incubation bases, providing rich entrepreneurial resources for makers.

Leishen was established in December 2013.After more than two years of internal incubation, it became the first XiaoWei startup company created by Haier Group after implementing the network strategy and the maker movement.It has become the leading brand in the domestic gaming notebook industry. The company used the open resources of Haier platform for R & D and innovation, solved the pain points of users, and opened a new market. In July 2014, the Raytheon 911 game book was sold out for 500 units and was booked by 30,000 people; one month later, the second batch 3000 units went online and sold out in 21 minutes. Now "Thunder" gaming notebooks have become the first in the category. On September 7, 2017, Raytheon Technology obtained a listing letter from a stock transfer company and began to introduce venture capital.

Founded in July 2014, Youzhu.com is the Haier Internet home improvement platform owned by Haier. Youzhu.com focuses on Internet home improvement and is committed to providing users with one-stop decoration services through Internet thinking. At the beginning of the founding of the internal team, They are all home professionals with no technical staff. Haier has helped them solve the talent problem and supply chain problems. Haier Home is the first supplier of YouShu.com and is still working together. As of 2015, the market value has reached 500 million. 2016 In April, the team size has reached 300 people. In May 2017, Youzhu.com has received b round of financing.

The Xiaoshuai Cinema was produced by internal employees and users of Haier. Pregnant women are having difficulty watching TV during the second trimester, so they can watch it in bed. Finally, this idea was put into Silicon Valley. The joint venture company, so the company hatched a small micro. Later, Xiaoshuai Theater portable projection continued to develop and iterate, from more than 375 users, summarized 20 projects in 3 categories, 29 projects, or improvement ideas, and adopted many User designer's suggestions on lumens, wifi and memory. Up to now it has been upgraded to Xiaoshuai Cinema. Through user interaction and fan management, users participate in design iterations and rely on Haier's open platform to attract global resources. At the end of 2015, there were 200,000 fans. In 2015, the sales exceeded 40 million yuan. At present, Xiaoshuai has received b round of financing.

Table 2 Memorabilia of three XiaoWei developments

	Main products and scale	Key event
Leishen	Gaming notebooks, gaming	In December 2013, Thor's first products were officially launched In May 2015, JD.com product crowdfunding reached 28.29 million, breaking the record for Chinese product crowdfunding In November 2015, Double Eleven sold 16,000 units and was the champion of the entire network In August 2016, the C round of financing was launched with a valuation of 600 million December 2016, annual sales exceeded 1 billion
Youzhu.com	Internet home improvement	In December 2014, Variety Plus v1.1 was launched In September 2015, Variety Plus v2.0 went online In August 2016, Variety Plus v3.0 was launched In May 2017, we received 100 million yuan in b round of financing In May 2018, Variety Plus v4.0 was launched Established 45 offline experience stores, serving nearly 35,000+ families.
Xiaoshuai Cinema	Portable projection	In July 2015, Haier Group's internal incubation was established In July 2016, the second circuit was released In October 2017, Xiaoshuai Cinema Hotel Cinema Line Company was established In May 2018, the "Four Standards for Smart Television Rooms"

Haier's platform supports Xiaowei's resources

Haier's maker incubation platform is not a single platform, but a parallel platform ecosystem composed of multiple platforms. So far, Haier has many platforms, different platforms connect different users and resources. Through platform parallelization and network strategy Externally connect users, internally open the barriers, and around the users, the various platforms jointly serve the maker / micro-micro, and provide micro-micros with all the resources needed for entrepreneurship, such as human capital, markets, policies, finance, culture and support. System, etc. Haier's resource support for Xiaowei is shown in Table 3.

Table 3 Haier's resource support for incubated enterprises

Resource element type	Case material	In conclusion
Market	User: Turning the job delivery into an intelligent terminal for online order grabbing and obtaining resources [Lin Xianzhi]; "This model transformation acquires user traffic, realizes user traffic conversion and word-of-mouth communication". [Haier Zhangruimin] Brand, channel, marketing: "Hair's former employees and the maker of Haier's platform helped me win the trust of the first batch of payment customers." [Youzhu Yang Tienan]. "The Raytheon project has shown us inside Haier The strength of the team. "[Jingdong] Li Yonghaier's credibility and appeal of the entrepreneurial platform, access to upstream and downstream partners for" small micro ". [Wang Qin] Supply chain: Haier proposed a modular upgrade to the original suppliers, so that suppliers with modular capabilities can enter the Haida source platform, ... and form a community with Xiaowei. [Haier Zhang Ruimin]; September 2010, At the time of modular supply, holding 400,000 orders, we began to look for suppliers worldwide ... Within two months, we attracted many first-class international suppliers to take the initiative to express their willingness to participate [Wang Qin]	In December 2013, Thor's first products were officially launched In May 2015, JD.com product crowdfunding reached 28.29 million, breaking the record for Chinese product crowdfunding In November 2015, Double Eleven sold 16,000 units and was the champion of the entire network In August 2016, the C round of financing was launched with a valuation of 600 million December 2016, annual sales exceeded 1 billion
Tutor	Entrepreneurial experience and business cognition: In the first phase of Maker Coffee, there were ideological confrontations and wisdom collisions between external experts, Thor Makers, platform owners and other employees. [Linxianzhi] Computer startup platform has not yet started a business "small micro" Access to the industry's top entrepreneurs, investors, scholars as mentors, to provide advice for "Xiaowei". [WangQin]	In December 2014, Variety Plus v1.1 was launched In September 2015, Variety Plus v2.0 went online In August 2016, Variety Plus v3.0 was launched In May 2017, we received 100 million yuan in b round of financing In May 2018, Variety Plus v4.0 was launched Established 45 offline experience stores, serving nearly 35,000+ families.
Stand by system	Product design: If your design team can't meet the requirements, Haier provides the team by providing it. [Linxianzhi]; global research and development resources can be accessed without barriers and directly meet the needs of users [Haier Zhangruimin] Logistics: Because Haier has opened the storage network and information network, 100 well-known water purifier companies in the world all use Haier platform ... Because Haier has the advantage of a service network, it can provide services to manufacturers and users of water purification equipment. [Linxianzhi]	In July 2015, Haier Group's internal incubation was established In July 2016, the second circuit was released In October 2017, Xiaoshuai Cinema Hotel Cinema Line Company was established In May 2018, the "Four Standards for Smart Television Rooms"
Talent	With the "hope platform" open to the whole society, the market-oriented operation method is used to attract outstanding talents and high-quality resources to "join" the Haier ecosystem. The members of Xiaowei are not limited to internal employees, and project ideas can also come from the outside. (Haier Zhang Ruimin]	The resource providers gathered by Haier provide dedicated talent and financial support for "XiaoWei" enterprises.
Capital	Jingdong also invested 4 million yuan in advertising costs for Raytheon from its own pocket. [Jingdong] When Xiaowei was able to "grab" external vc or pe, this Xiaowei has entered the final incubation stage. [WangQin] Makers in Xiao Weizhong holds a certain share and signed a gambling agreement with Haier [Haier Zhang Ruimin] In 2015, Haier's concept changed to "user pay, investment platform" [Haier Zhang Ruimin] The group requires a gambling system for our incubation of XiaoWei. [Xiao Shuai Ma Wenjun]	

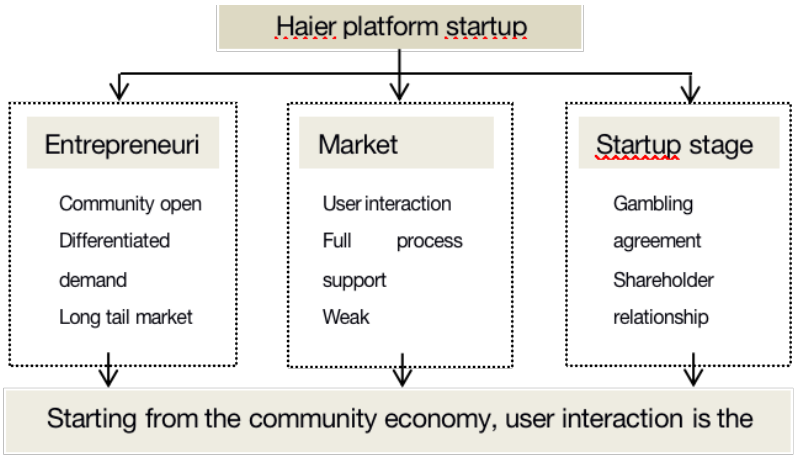
Haier XiaoWei entrepreneurship process and process control

The entrepreneurial process is divided into three stages: opportunity identification, opportunity development, and new business growth. At the opportunity identification stage, subject to the transformation of traditional home appliance manufacturing resources and the Internet, starting from internal entrepreneurship, XiaoWei-enterprises have obvious innovation boundaries. They are familiar with products around Haier, pay more attention to the personalized needs of consumers, rely on user communities, and develop long-tail markets.

During the opportunity development stage, Haier's incubation platform actively provided Xiaowei with the required resources and gave Xiaowei "three rights" (decision-making rights, human rights, and distribution rights). Each small-micro team has decision-making rights, and they decide to What they do, they can also decide who to use and who not to use, and they can decide how to allocate internal compensation. Xiaowei has greater autonomy and weak organizational control, which makes it easier for Xiaowei to give play to entrepreneurial initiative and initiative, and better docking. User needs, interact with users, users participate in product iterations, and meet user individual needs.

At the start-up stage, Haier has turned into an investor through a betting agreement, and has a shareholder relationship and a platform relationship with the startup team.

Figure 3 Haier platform entrepreneurship incubation strategy



From XiaoWei incubation to creating a win-win platform ecology

In the platform ecosystem, Xiaowei has more platform resources at the beginning of entrepreneurship, which has a greater chance of success than entrepreneurs located in external markets. The platform plays a very important role in the opportunity identification and development stage of XiaoWei entrepreneurship, and in the The growth stage of new enterprises is gradually weakening, and Haier supports the "micro-micro" itself as an independent legal person to form a micro-ecosystem. With the development and growth of various micro-micro ecosystems, it will attract more XiaoWei-enters to enter and promote the Haier platform ecology The system's resource aggregation and integration promotes Haier to further open and build a networked platform.

Table 4 XiaoWei enterprises bring more resource aggregation

Resource element type	Case material	In conclusion
funds	Leishen decided to support related entrepreneurial projects by investing, using existing user and channel resources, and incubating Xiaowei as a "micro and micro", which also enriched the Haier ecosystem [Wang Qin]	XiaoWei Enterprise Strong Conference Promotes Resource Gathering and Accelerates Enterprise's Platform Transformation
Talent	"Because Raytheon has accumulated a lot of industrial resources, we can recommend talents for other XiaoWei-micro companies." Come instead of starting a business inside Haier. [Hair Zhangruimin]	

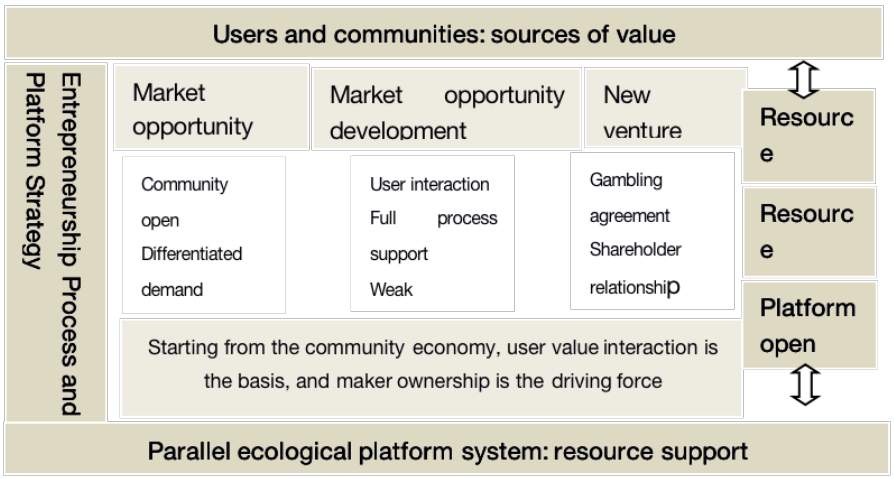
Through an open strategy, Haier builds various user communities, attracts internal and external makers, and strives to achieve the goal of "the world is my human resources department" and "everyone maker" based on user personalization. The success of XiaoWei entrepreneurs And prosperity, is conducive to the continued maintenance of entrepreneurial spirit and entrepreneurial culture, and then promotes corporate strategic change and corporate transformation.

Conclusion and Discussion

Conclusion

As a world-renowned white goods company, Haier adheres to the "self-righteous" innovation concept, "there is no successful company, only the company of the times", and the active network platform is strategically transformed to meet the development requirements of the Internet and logistics network. Not only can the platform resources and complementary resources be flexibly configured, but also network effects can be used to attract more complementary resources to join, providing more entrepreneurial opportunities and more diversified resource support. Haier has built a parallel open platform system to serve Numerous entrepreneurial XiaoWei enterprises provide resource support for XiaoWei enterprises at various stages of entrepreneurial opportunity identification, market opportunity development, and new enterprise creation. Through strategies such as market selection, user interaction, and weak process control, they can take the initiative of XiaoWei enterprises. User-centered, by improving the user experience to meet the personalized needs of users, changing the traditional "product-centric" to "user-centric" to achieve the transition from mass manufacturing to mass customization. At the same time, Haier opened its platform and network through the platform Effect, attract more resources to converge, integrate more internal and external resources, and promote the sustainable development of the entire ecology.

Figure 4 Theoretical model of Haier's platform transformation and incubation strategy



Discussion

Haier's network strategy has turned employees into makers and turned itself into a startup platform. There is no precedent. Based on this, Haier's transformation is more questioned and more challenges will be encountered.

a. Platformization transformation. Haier's platformization is not a single platform, but an ecosystem after multiple platforms are connected in parallel. From the original Haier is the world's strongest white power, international company, and manufacturing boss. It has become a cross-industry entrepreneurial incubation platform and a super investment incubator. Haier has been upgraded from a traditional brand to an ecological brand and transformed into a platform that encourages and drives everyone's innovation. However, there is a mutual exclusion between individual autonomy and organizational control. Tension. After Haier's transformation, the organization became flat, but in the face of more than 2,000 XiaoWei companies, how to share and collaborate to create a win-win ecosystem for all parties, organizational control remains a challenge.

b. Entrepreneurship incubation. Relying on leading enterprises, by building an open innovation platform, SMEs can obtain innovation resources at a lower cost, which is conducive to SMEs' participation in or leading larger-scale innovation activities, and promotes open innovation in favor of SMEs (Wang, 2016). Haier's platform transformation starts from internal entrepreneurship, and the ultimate goal is to face the entire community of makers and attract external entrepreneurial resources to join. To attract more external resources to join, Haier can focus on platform ecological environment construction and entrepreneurial incubation. To promote Haier's strategic transformation.

Then, in the process, Haier still faces the pressure of the market and core technology. Xiaowei pays attention to the long-tail market and the personalized needs of users, and emphasizes the user experience and changes customers into life-long users. The question is whether the long-tail market can Supporting Haier's mass, Gree focuses on air conditioning. In recent years, Gree has developed faster and its market value has far surpassed

Haier. When Haier turned to the personalized market, how did it maintain its original market and brand advantages. On the other hand, Haier focused on Xiaowei At the same time, how to ensure the development and investment of core technology is a problem that Haier has to face. The development of core technology has a long cycle and a large investment. The platformization has evolved to small or micro organizations that meet the niche market. Clusters, centered around customer needs, more local and incremental innovations (Liu, Liu & Han, 2015).

Haier's transformation outlook

Haier's Internet platform transformation, as an incubation platform for XiaoWei entrepreneurship, internally creates a parallel platform ecosystem, externally creates a user community ecosystem, and focuses on the user experience to maximize human motivation. Traditional manufacturing large enterprises, how Avoiding big company diseases, big companies have both agility and creativity, is Haier's chief designer Zhang Ruimin's original intention of Haier's transformation. Haier's transformation is very large, with a strong sense of exploration and experiment. Gary Ha, strategic management master Sincerely commented, "You (Note: Zhang Ruimin) want to build a company that is suitable for the future and an organization that is suitable for the future. You must ensure that this organization is suitable for human nature." Haier, now, is not so much a business as it is It is a complex ecosystem that contains far more possibilities for innovation and breakthroughs than traditional companies.

"There is no great company, only a company of the times". In the Internet era, enterprises need to have the ability to continuously "integrate, build and reorganize internal and external resources to respond to a rapidly changing environment" (Teece, Pisano & Schuen, 1997). Internet transformation, technology and industry integration require a process. Haier's transformation and product innovation have not yet fully shown their role, but after a period of development, following the footsteps of the Internet, it is believed that there will be leaps and bounds changes. Presenting "small and beautiful". Haier's transformation and incubation, regardless of the results, its management practices will contribute to management research.

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