

## Countermeasures of Supply Chain Financial Service for Small and Micro Enterprises

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**Abstract:** With the Internet thinking, big data's technological innovation, supply chain finance has entered an era of accelerated evolution, supply chain finance has become the core competition direction of Internet finance industry. The financing problem of small and micro-enterprises is more prominent. Providing supply chain financial services for small and micro-enterprises is beneficial to improve the quality of financial services and build the core competitive advantage. At the same time, it can also solve the financing difficulties of small concubine enterprises. Therefore, there is a need to develop a large number of supply chain financial services to small and micro-enterprises. This paper first expounds the significance of small and micro enterprises in supply chain financial services, and then analyzes the current situation and existing problems of small and micro enterprises in supply chain financial services, and analyzes the reasons for the problems existing in small and micro enterprises in supply chain financial services. Finally, try to explore the supply chain financial services of small and micro-enterprises.

### 1. Introduction

Youwei Tang (2011) proposed that supply chain finance refers to the bank through the review of the entire supply chain, based on the level of supply chain management and core enterprises of the credit strength of the grasp, a financing model that provides flexible use of financial products and services to its core and upstream and downstream enterprises. Except for the core enterprises in the supply chain, they are basically small enterprises, strengthening the innovative development of the financial services in the supply chain is conducive to breaking through the bottleneck of the financing difficulties of the small enterprises, widening the financing channels and enhancing the overall competitiveness of the supply chain. Yihong Chen (2012) pointed out that solving the cost and risk control problems of small and micro business is an important basis for the development of small and micro business in urban commercial banks. And the industry supply chain finance mode realizes the effective control to the small and micro enterprise risk through the core enterprise and the supply, the small and micro enterprises' benefit bundle in the marketing chain. At the same time, through the industry financial batch, cluster development, small and micro-enterprises can also effectively share the cost of activities and achieve economies of scale. In the future, the model of small and micro business development based on industry supply chain finance can become an effective model for the future small micro business development of domestic city commercial banks. Haihua Zhao, Zhe Gao (2013) pointed out that the financing of small and medium-sized enterprises cannot be solved through the traditional financial service model, and the financing problem of small and micro-enterprises can be solved through the supply chain financial model, and in the process of supply chain finance serving small and micro-enterprises. It is also necessary to improve the overall risk management in the supply chain, professional personnel training and corporate credit rating system. The existing literature expounds the concept of supply chain finance, points out the important value and significance of supply chain finance to the development of small and micro enterprises, and some scholars put forward the countermeasures of how to optimize the supply chain finance service to the development of small and micro enterprises, which have important reference value for the study of supply chain financial services small and micro-enterprises.

## **2. The significance of small and micro enterprises in supply chain financial service**

### **2.1 Connotation of supply chain finance**

Supply chain finance is a kind of financing mode that banks connect core enterprises and upstream and downstream enterprises together to provide flexible financial products and services. That is, the capital as a solvent in the supply chain, to increase its liquidity. Small and micro-enterprises because of their own lack of credit, the relative lack of collateral, asymmetric information and other reasons lead to its financing difficulties, financing is expensive, slow financing, and supply chain finance is around the core enterprises of banks. Manage the capital flow and logistics of the small and medium-sized enterprises in the upper and lower reaches, endorse the credit of the core enterprises, and provide the financial services of loans to the small and micro-enterprises in the chain.

### **2.2 The significance of small and micro enterprises in supply chain financial service**

For small and micro-enterprises, through the supply chain financial services, can obtain effective funds to help small and micro-enterprises to solve the financing difficulties and supply chain imbalances; Through supply chain finance, banks can integrate credit into the purchase and sale behavior of upstream and downstream enterprises, enhance their commercial credit, promote the establishment of long-term strategic synergy between small and micro-enterprises and core enterprises, and enhance the competitiveness of supply chain. At the same time, the prominent feature of supply chain finance is to rely on the credit of large enterprises in the core of the industrial chain, thus helping small and micro-enterprises around the industry chain up and down the industry chain to reduce the threshold of loans, lighten the dependence on land and real estate mortgage, and activate the current assets. Increase the availability of loans. Supply chain financial services can significantly reduce financing costs for the development of small and micro-enterprises.

## **3. The current situation of small and micro enterprises in supply chain financial Services**

The country's accounts receivable financing needs exceeded 13 trillion yuan, and only 1 trillion yuan of financing needs were met, and mainly by large banks serving the first-tier upstream suppliers of super-large core enterprises in 2018. And at the long end of the supply chain, small and micro-enterprises have a financing gap of nearly 12 trillion yuan. In order to solve the financing dilemma of small and micro-enterprises, banks and other traditional financial institutions start with the core enterprises in the supply chain and innovate the supply chain financial business through the way of credit transfer.

## **4. Problems of small and micro enterprises in supply chain financial services**

Traditional banks and financial technology companies are to bring warmth for the financing of small and micro-enterprises in the supply chain finance. However, with the development of business, the help of supply chain finance to small and micro-enterprises in concrete practice is not as prominent as expected, and there are still many difficult problems to be solved. At present, the majority of the supply chain financial market is still dominated by the major banks, and the approval procedures of the banks directly lead to many small and medium-sized micro-enterprises financing difficulties, slow financing, especially difficult to meet the e-commerce era manufacturers' rapid, flexible demand for funds.

### **4.1 Problems in financing of small and micro enterprises**

Small and micro-enterprises generally have such problems as imperfect corporate governance structure, high asset-liability ratio, less proprietary capital, poor business stability, weak ability to resist risks, lack of effective guarantee against collateral, low scientific and technological content of products, backward production equipment, and so on. The problems are mainly in the following

aspects: most small and micro-enterprises have a low starting point, lack of scientific management personnel, extensive management, limited access to information channels, lack of the ability to judge market information. Most of the financial data of small and micro-enterprises have not been audited by professional audit institutions, and the distortion of financial statement information is serious. Small and micro-enterprises to deal with mortgage loans, generally to evaluate, notarization, registration, insurance and other external procedures, procedures are cumbersome, the burden of expenses and affect the use of enterprise funds plan. Some managers have some hidden information, such as bad hobby, non-governmental lending and so on. It is difficult for bank credit personnel to obtain this information, which brings a great risk point for bank loan post-management. The financing guarantee of small and micro-enterprises is lack of enough quality collateral and it is difficult to seek out guarantee.

#### **4.2 Problems existing in financial institutions serving small and micro enterprises**

The problems of financial institutions are mainly reflected in the following aspects: some banks over-pursue commercial operations, their policies are biased towards high-quality customers, major customers and gold customers, with housing and government projects as the mainstay, and the intention of expanding small and micro-enterprises is not strong. Insufficient support for key areas of the real economy; At present, most of the banks' assessment of employees is limited to deposit, total loans, but not to deposit, loan structure to refine, which leads to the credit personnel to grow bigger and stronger as the goal, ignoring the small and micro-enterprises of the financial support; In order to support the credit of small and micro-enterprises, it is necessary to invest a large amount of human capital, and the lack of financial talents is a common problem that most banks are facing at present because of the characteristics of small and micro-enterprises such as scattered distribution and small loan quota. The current classification of loan-limiting industry in some banks is so rough that the allocation of loan resources is unreasonable, and the credit evaluation of institutions cannot effectively evaluate the types of enterprises and entrepreneurs' ability and so on.

#### **5. Analysis on the problems of small and micro enterprises in supply chain financial services**

Because of the low operational cost and low efficiency, banks are faced with the constraints of business scale and customer efficiency in the traditional supply chain finance and inclusive finance, which is also the reason why supply chain finance is difficult to develop rapidly for so many years. The existence of market positioning, operation mechanism and evaluation system of some financial institutions also restricts the progress of financial support for real economy, which makes the contradiction between supply and demand between financial institutions and small and micro-enterprises. At the same time, the internal bank loan audit is strict, the loan enterprises require sufficient and effective mortgage assets, credit guarantee mechanism and a clear source of repayment, most small and micro-enterprises are difficult to meet the conditions. The problems of small and micro enterprises in supply chain financial services are many and difficult to solve in a short period of time. It is necessary to further change the development thinking and speed up the development of small and micro enterprises in supply chain financial services.

#### **6. Countermeasures of small and micro enterprises in supply chain financial service**

The standardized development of supply chain finance is conducive to widening the financing channels of small and micro enterprises and ensuring the capital flow to the real economy, which is not only the urgent need of small and micro enterprises, but also the inevitable requirement of financial service innovation. All aspects of society work together to promote supply chain finance and other innovative financing models suitable for the characteristics of small and micro-enterprises, constantly optimize the financing environment of small and micro-enterprises, train supply chain finance talents, promote the healthy development of small-and micro-enterprises, and make more contributions to the high-quality development of China's economy and society.

## **6.1 Establishing ecosystem of the supply chain finance**

From the perspective of accessibility, size and market opportunity, supply chain finance is the direction of future Internet enterprises and traditional banking reform. The development trend of supply chain finance in the future is to make the ecosystem platform of combining industry and finance. According to Blue Gold, in the future, a platform model will be built into an ecosystem that combines industry and finance. Internet enterprises and traditional banks need to accelerate the innovation of supply chain financial model based on ecological analytical paradigm, construct the supply chain financial ecosystem, and analyze the energy diffusion effect of core enterprises and the abrupt state of system stability. This paper analyzes the game decision-making of three kinds of financing tools, such as prepayment account, chattel pledge and accounts receivable, and constructs the coordination mechanism of capital flow from three dimensions: flow rate, flow direction and supply chain working capital based on working capital turnover period for collaborative management to improve the quality of supply chain financial services small and micro-enterprises.

## **6.2 Comprehensive application of information development and improvement of information system**

With the application of information technology such as big data, the Internet of things, block chains, and so on, the production, supply, sale, storage and other information originally deposited in the industrial chain have been revitalized, promoting the organic integration of resources and elements, such as information, technology, funds, commodities, and so on. Help financial institutions to better identify high-quality enterprises and provide better financial services for companies with orders, markets, and credit. Therefore, in the new era, it is necessary to adhere to the idea of combining industry and finance, rely on the Internet, big data and other advanced technologies, comprehensively apply information technology to develop, improve the information system of supply chain finance, and vigorously develop online supply chain finance business, focus on core enterprises, core assets, core data, supply chain financial services for small and micro-enterprises.

## **6.3 Training supply chain finance talents**

As a subdivided and innovative business field, supply chain finance is a comprehensive practical discipline based on the theory of finance and the practice of supply chain industry. The level of cognition (attention is not knowledge) about the industry and finance of practitioners is very high. Therefore, it is necessary to train financial talents in supply chain, to cultivate strong ability of financial knowledge learning and cognitive modeling, and to have the ability to innovate new thinking to systematically analyze and plan the financial business system of supply chain, and so on.

## **7. Conclusion**

In a word, supply chain finance is the best practice of combining industry and finance, solves the problem of asymmetric information between finance and industry development, realizes the coordination between asset side and capital side in supply chain, and improves the competitiveness of industry chain. It is of great significance to alleviate the difficulty of financing. Therefore, the financial industry should commit itself to using science and technology and big data technology to promote financial innovation and financial service innovation, and strive to build a comprehensive service platform of the industrial chain for small and micro-enterprises to provide financial services to the center of the industry chain. Help small and micro enterprises to enhance the ability of capital planning, capital scheduling and wealth management, and achieve the sustainable and healthy development of small and micro enterprises.

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