

## **Research on the Core Competitiveness of Logistics Enterprises from the Perspective of Financial Indicators**

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**Abstract:** This paper analyzes the status quo and financial indicators of logistics enterprises. Under the basic principles of the construction of competitiveness indicators system of logistics enterprises, this paper selects the main factors affecting the competitiveness of logistics enterprises, namely, operation and turnover ability of enterprise resource, acquisition ability of logistics profit, compensation debt ability of logistics. These indicators construct the evaluation system, which objectively evaluates the core competitiveness of logistics enterprises as a way to understand the development of China's logistics enterprises and provide reference for better and faster development of logistics enterprises in China.

### **1. Introduction**

With the rapid development of the world economy and the further globalization of market competition, the business circles of various countries have gradually shifted their focus to the logistics industry. [1] With the development of China's economy, the logistics field has been gradually emphasized as an emerging industry. [2] However, the logistics industry in China is still at an early stage and there is still a big gap in terms of the logistics development between China and developed countries.[3] This is mainly reflected in four aspects. Firstly, it is the high cost. According to statistics, China's logistics costs are about 1 times higher than that in developed countries; secondly, it is the slow turnover; thirdly, it is the large inventory; finally, it is the low efficiency. Therefore, it is necessary to evaluate the competitiveness of China's logistics enterprises.

### **2. Financial Indicators and Core Competitiveness of Enterprises**

#### **2.1 Financial Indicators of Enterprises**

The financial indicators of enterprises are used to collect and convey financial information, which is an economic indicator reflecting the financial activities of enterprises. It can effectively explain the production and operation process and achievements of enterprises. The financial indicators of enterprises can be calculated through data related to corporate financial reporting. Financial indicators are often used for performance evaluation, which can reflect business performance in a straightforward manner.[4] It is possible to accurately judge and evaluate the economic benefits of enterprises by using financial indicators to evaluate the business results and financial status of enterprises. As the financial indicators are the criteria for evaluation and judgment, how to effectively select and use them is particularly important, and it needs to be based on different evaluation objects.

#### **2.2 Core Competitiveness of Enterprises**

The competitiveness of logistics enterprises refers to that enterprises engaged in logistics activities make full use of their own resources and advantages and provide customers with higher quality and efficient services at a lower cost in the context of competitive environment of the market. Therefore, it will occupy a more favorable market position and market share and meanwhile it will achieve the dual purpose of producing income and gaining sustainable development. The

competitiveness of logistics companies is to integrate their capabilities in many aspects such as organization, service and finance.

### **3. Financial Indicators of the Core Competitiveness of Logistics Enterprises**

The core competitiveness of logistics enterprises under financial indicators is mainly reflected in the storage and transportation capacity of logistics enterprises, the ability of acquiring profits, the development ability and the ability of repaying debts.

#### **3.1 Operational Ability Indicators of Logistics**

The operational ability of the logistics enterprises mainly refers to that an enterprise operates normally and orderly according to its own material and human conditions. This is the basis for the core competitiveness of logistics enterprises. How to use the limited resources of the enterprise to operate is closely related to the success or failure of enterprises.[5] The operational ability of a logistics enterprise is mainly divided into two parts: the operational ability of the enterprise resource and human resources in the enterprises. The operation of enterprise resources refers to that the enterprise operates normally based on the capital and fixed assets of the enterprise, produces the products of the logistics industry and receives the customers or clients' comprehensive response to product acceptance. If the customer is more positive about the product or service, it means that the resource operation of the enterprise is successful and it indicates that the logistics enterprise is superior to other enterprises. This is one of the core competitiveness of the enterprise. In addition, the operation of logistics enterprises also includes another important aspect, that is, the operation of human resources in the enterprises. The operation of human resources is closely related to the operation of enterprise resources.

#### **3.2 Indicators of Profit Acquisition Ability of Logistics**

The profit acquisition ability of the logistics industry is also a key aspect of the logistics enterprise's core competitiveness. From the perspective of enterprise purpose and survival, as the enterprise focuses on profit and even if the logistics enterprise enjoys better services and products, it has few profits. Therefore, it indicates that the core competitiveness of this enterprise must not be strong. The logistics industry is a high-investment industry, including infrastructure construction and investment in equipment, human resources and wages of employees. If a company is not or rarely profitable, the consequence is that the company's development will be stagnant or even retrogressive. Therefore, the profit acquisition ability of enterprises is undoubtedly an important aspect of the company's core competitiveness.

#### **3.3 Indicators of Logistics Development Ability**

The logistics development ability of an enterprise reflects the potential of a company's development. Logistics enterprises have two development directions. One is the vertical development of logistics enterprises, and the other is the horizontal development of logistics enterprises. The vertical development is mainly to improve the self-construction of the enterprise with the aim of bringing a better service experience to customers at a lower cost. The main way for the vertical development of logistics enterprises is to scientifically plan the business processes of enterprises to improve the efficiency of logistics operations, thereby gaining more profits and better customer experience. The horizontal development of an enterprise means that only the replication of enterprise or the expansion of the site is carried out on the original basis of the enterprise. Although the operation cost of a single enterprise is high, which leads to few profits, the overall enterprise will be higher due to the expansion of the enterprise. These two development modes are two typical development ways of logistics enterprises and they cannot live without the strong capital of the enterprises and the investment of talents.

#### **3.4 Indicators of Debt Repayment Ability of Logistics**

Due to the development and operation of logistics enterprises, debts will inevitably occur in

many cases. The debt repayment ability of logistics enterprises reflects the profitability and development momentum of enterprises. If the operation of logistics enterprises is good, its ability to repay debt is strong and if not, its ability to repay debt is weak. Therefore, the ability of logistics enterprises to repay debts is also an aspect of the core competitiveness of enterprises.

## 4. Evaluation of the Core Competitiveness of Logistics Enterprises

### 4.1 Construction of the Indicator System

According to the research on the core competitiveness of enterprises, based on the characteristics of the services provided by logistics enterprises and their main business processes, the indicator system of core competitiveness of logistics enterprises under financial indicators mainly includes four major aspects, as shown in Figure 1.

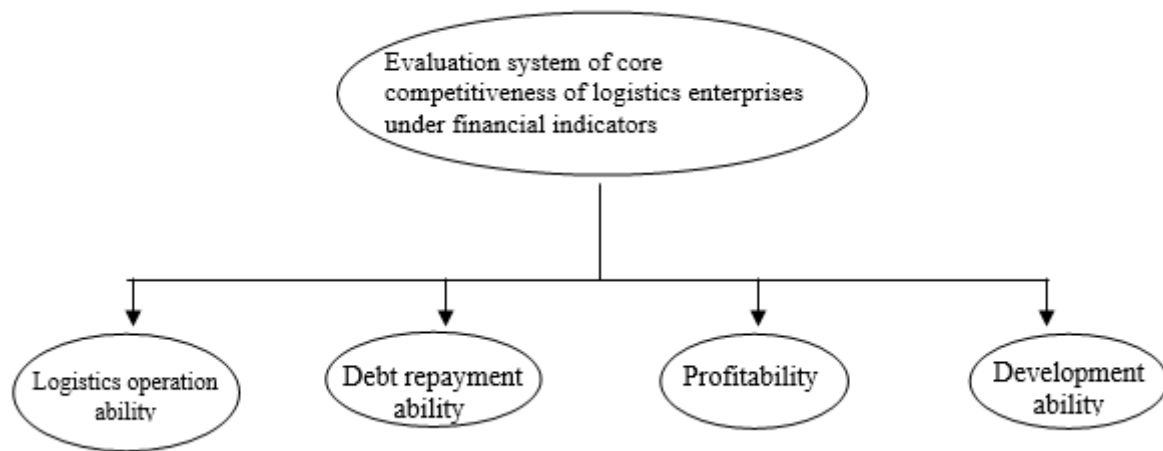


Figure 1 Structure of financial indicators affecting the core competitiveness of logistics enterprises

### 4.2 Constructing the Pairwise Comparison Matrix

According to the constructed hierarchical structure model, the relevant elements are scored in pairs, and the relative weight -  $a_{ij}$  is used to describe the importance of  $A_i$  and  $A_j$  compared with the upper factors. Taking the factors participating in the comparison as an example, a pairwise comparison matrix  $A = (a_{ij})_{n \times n}$  can be constructed. As shown in Fig. 2, for the target layer A, the middle layer has four factors, namely  $A_1$ ,  $A_2$ ,  $A_3$ , and  $A_4$ . Comparison of matrix A can be obtained by comparing two pairs, as shown in Table 1.

Table 1 Comparison matrix

A	$A_1$	$A_2$	$A_3$	$A_4$
$A_1$	$a_{11}$	$a_{12}$	$a_{13}$	$a_{14}$
$A_2$	$a_{21}$	$a_{22}$	$a_{23}$	$a_{24}$
$A_3$	$a_{31}$	$a_{32}$	$a_{33}$	$a_{34}$
$A_4$	$a_{41}$	$a_{42}$	$a_{43}$	$a_{44}$

The pairwise comparison matrix constructed by the analytic hierarchy process is a positive reciprocal matrix and the eigenvector corresponding to its largest eigen value is usually used as the weight vector.

### 4.3 Analysis of Evaluation Results

According to the specific numerical values of the financial evaluation indicators of the selected core enterprises and the weight values of each index, a comprehensive evaluation of the financial indicators of the core competitiveness of the sample logistics enterprises can be obtained. It can be seen from the evaluation results that the proportion of logistics operation ability, logistics debt repayment ability, logistics profitability and logistics development ability in the financial indicators

of the core competitiveness of logistics enterprises are 0.1657, 0.5232, 0.2587 and 0.0524 respectively. Among them, the debt repayment ability of logistics has the greatest impact on the core competitiveness of sample enterprises, followed by logistics profitability and operational ability. In terms of the comprehensive evaluation results of the sample enterprises, the overall evaluation score is 0.9583, indicating that the overall great impact of financial indicators on the core competitiveness of logistics enterprises. Among them, the inventory turnover indicators has the most obvious impact on the core competitiveness of logistics enterprises. In addition, the core competitiveness of logistics enterprises is also affected by factors such as logistics asset-liability ratio, total asset turnover rate, asset quick-moving ratio, and logistics cost promotion rate.

## 5. Conclusion

With the rapid global economic development, the development of China's logistics industry has brought unprecedented opportunities and challenges. In order to accelerate the development of China's logistics industry, great efforts have been made to improve the competitiveness of logistics enterprises. The survival and development of China's logistics enterprises can only be promoted by cultivating and improving the core competitiveness. Therefore, China's logistics enterprises must enhance the awareness of modern logistics, explore market demand, seize opportunities, and accelerate the introduction of advanced management methods and technologies to ensure their continuous progress and development. At present, as China's research on the logistics industry is still at an early age, the evaluation of the competitiveness of logistics enterprises needs further development and improvement. The grasp of various factors has not been accurate and comprehensive. Based on financial indicators, this paper briefly analyzes the factors affecting the core competitiveness of logistics enterprises and aims to give some suggestions for the in-depth study of other scholars.

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