

## Research on Enterprise Financial Management and Enterprise Financing Channel

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**Abstract:** Finance and financing are two important components in the development of enterprises, which are directly related to the sustainable development of enterprises. In the process of enterprise development, there is often a shortage of funds. The shortage of funds is an important problem that perplexes the development of enterprises. Therefore, this paper studies the related issues of enterprise financial management and enterprise financing channels. It also analyses the relationship between enterprise financing and enterprise financial management, and puts forward relevant countermeasures. The difficulty of financing and the amount of money are closely related to the financial management level and ability of the company. It is recommended to break through the financial management bottleneck from the “four high priority”: attach great importance to the creation of corporate credit image. We attach great importance to the diversification of the company's own potential. Attach great importance to corporate financial management. Attach great importance to the construction of business management team.

### 1. Introduction

Enterprise financial management has a very important position in the whole enterprise. The institutionalized management of financial work can effectively utilize funds, and can guide the development direction of enterprises and improve the economic and environmental problems of enterprises [1]. In financial management, enterprises using institutionalized financial management will provide strong support for enterprise development. However, many companies now have many defects in their work in these two areas, mainly because the management system is unreasonable [2]. As one of the most important issues, financing is the main content that affects the development of enterprises. In the new era, it is necessary to expand financing channels and provide financial security for enterprise development, which is a major problem that needs to be analyzed and solved [3]. SME financing is the source of investment. If SMEs cannot effectively finance, then investment is also promising for SMEs. Lack of effective financing SMEs will not develop or may not survive [4]. In addition, the financing of enterprises is also an important issue, plaguing the development of enterprises, broadening financing channels, and providing effective support for the development of enterprises [5]. Enterprise financing problem is also one of the important problems that perplex the development of enterprises, broaden financing channels, and provide effective support for the development of enterprises [6]. In addition, the improvement of financial management ability and the broadening of enterprise financing channels are conducive to the realization of enterprise strategic objectives and the acquisition of economic benefits.

The development of enterprises can not be separated from good management, and financial management, as an important part of enterprise development, directly affects the development of enterprises. At present, many enterprises have different degrees of problems in the system, and the level of financial management is generally low [7]. Enterprise financial management is the main link in the whole work of an enterprise. Making a sound system for it and implementing management can realize the rational use of enterprise funds and enhance the economic benefits of the enterprise. Capital is the soul and foundation of enterprise development. Financial management plays an important role in enterprise development. Only by effectively utilizing capital can the economic environment of enterprises be improved [8]. The reason is that there are factors such as insufficient technological innovation, small scale of production, and large external economic impact.

However, from the perspective of financial management, the core problem lies in the difficulty of financing and poor management of SMEs. As the most crucial component of China's economic development process, the role of SMEs cannot be ignored [9]. In addition, financing is a monetary means for companies to raise funds in order to obtain funds. The use of financing hands to obtain more funds for enterprises is a manifestation of the improvement of financial management capabilities of enterprises, and it is inseparable from the joint efforts of all financial personnel of the enterprise [10]. Therefore, the two are related to each other and restrict each other. Corporate finance is also an important reason that restricts the development of enterprises. Factors such as narrow financing channels and few financing channels affect the further development of enterprises.

## **2. Problems in the Process of Corporate Financial Management and Corporate Finance**

### **2.1. Improper financial management methods**

Financial management is very rigorous management behavior, companies must adopt a scientific and rational approach to the best use of financial management. Enterprises must establish a sound financial management system, and only by implementing strict management can fully reflect its important value. However, the current problem is that although enterprises are aware of the importance of financial management, management methods are not in place, financial management is in a chaotic state, and funds are wasted. However, if the financial management system is confusing and the management and control capabilities are weak, even if the company's temporary economic benefits are good, it will cause the investors to lower their development expectations and cause financing difficulties. Of course, this situation has improved in large enterprises, but for small and medium-sized enterprises, the focus is on operational risks, while weakening financial management, financial management is more casual, financial management level needs to be improved. However, direct financing methods such as issuing stock financing have rejected SMEs because of the high threshold. At present, the financing channels of SMEs are very narrow. They mainly rely on financing from banks and other financial institutions, and their costs are relatively high. At the same time, small and medium-sized enterprises have a small share of their own assets, which do not meet the basic mortgage requirements, and they do not attach importance to credit management in the daily management process, thus increasing the difficulty of financing.

### **2.2. Imperfect internal accounting system**

Our country has made relevant accounting management system for the financial management of enterprises, but this system has not been paid attention to in the process of implementation, and the implementation is not obvious. It reflects that leaders interfere in corporate finance at will and influence financial management with their will. They often decide the specific matters of financial management with their own preferences, ignoring the specific institutional arrangements. Therefore, the system can not be effectively implemented. In small and medium-sized enterprises, leadership centralization is very common and interferes in company affairs at will. It seriously affects the normal operation of enterprises, hinders the institutionalized development of enterprises, and easily leads to confusion in the management of enterprises. Another reason is the lack of professional guarantee mechanism and financing platform, so enterprises are facing severe challenges in the development. SMEs have small scale of production, single economic activities, limited market development capabilities, and inadequate financial systems, making it difficult for SMEs to attract investment from financial institutions. At the same time, even if the company has established a relevant financial management system, there are very few enterprises that strictly adhere to it. Some enterprises still have problems such as non-compliance, irregularity, and responsibility. Employees are in conflict, which not only reduces the financial management ability of the company, but also affects the smooth development and operation of other related work. The result is that the system is in vain, the financial management is chaotic, the cost management is out of control, the payment is out of control, and internal corruption occurs, leading to chaos in the management of the entire enterprise.

### 3. Strengthen the Financial Management Level of Enterprises and Enhance the Financing Ability of Enterprises

#### 3.1. Standardize finance, promote the improvement of business operations, and lay the foundation for financing

If enterprises cannot realize the rolling development needs of their own use of funds, they need financing. Financial management ability directly affects the healthy development of enterprises. Higher financial management capabilities can bring more financing to enterprises and provide more economic benefits for enterprise progress. Therefore, enterprise development must first improve the financial management system, which requires comprehensive management of corporate financial aspects, and gradually analyze and manage. The relevant managers of the enterprise need to analyze and manage the financial work, and control the large expenditures, plan the payment terms of the operating contract, increase the utilization rate of funds invisibly, and reduce the waste of funds. It is necessary to clarify the responsibilities of each staff member so that the financial management of the enterprise can be in an orderly state and lay a good foundation for the efficient development of enterprise financing. In the process of financial management of enterprises, we should strictly control the large number of expenditures of enterprises, improve the utilization rate of funds and reduce unnecessary waste. Enterprise management is a system which involves people, finance, material and information. Financial management is the basis of system management, and standardized financial management is the core of other elements of enterprise economic management.

After successful loans from banks, enterprises are faced with higher financing costs. As can be seen from Figure 1, the financing costs of enterprises include loan interest, mortgage assessment cost, guarantee cost, risk margin interest and so on.

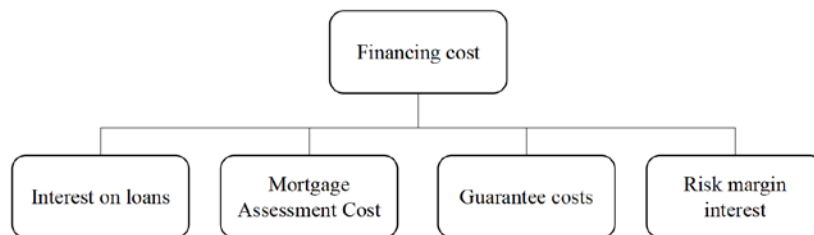


Fig.1. Composition of financing cost

#### 3.2. Feasibility study on financial management objectives of enterprises

In the era of knowledge economy, although financial capital is still an indispensable factor of production for the survival and development of enterprises, the role of intellectual capital in the whole social process, especially in the sustainable development, is more important. Enterprises should first find out their own problems in credit, and take certain solutions and measures to solve the problems existing in enterprises. This reflects the overall level of development and financing capacity of enterprises, so in the new era, enterprises need to improve the financial management system from the essence. Through the analysis of the optimum cash holdings, we can reasonably determine the capital needed for the normal operation of the enterprise. The strength of the enterprise is weak, and it is often impossible to operate a variety of products to diversify risks. However, it is possible to concentrate on specialized operations by selecting a market segment that enables enterprises to exert their own advantages, and to increase market share, and also achieve operational success. At the same time, the financial management information system introduced by the enterprise should also meet the usage habits of the staff, which is easy to operate and easy to grasp. In addition, we must expand other financing channels to promote business development.

### 4. Conclusion

With the rapid development of China's economy in recent years, China's market competition has become increasingly fierce. Because the funds are related to the healthy development of the

enterprise, and the financial management and financing ability affects the income and expenditure level of the enterprise property, it is a necessary way for the sustainable development of the enterprise. Through effective internal financial control, it is possible to prevent and avoid deviations in the production and operation of enterprises. Strengthen property control and establish and improve the internal control system for property management. Therefore, it has been widely recognized and has become the dominant point of view in the current theoretical and physical circles. Enterprises should pay special attention to financing in financial management. Financing is an indispensable step in the process of enterprise development. However, financing is only a problem of enterprise development. If we want to do a good job, we should pay attention to other aspects. In summary, with the rapid development of China's economy, market competition has become increasingly fierce. In order to protect their competitive position, enterprises must strengthen financial management, broaden financing channels, and enhance the level of financing. Only in this way can enterprises keep pace with the development of the times.

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