

Internet Finance and the Innovation of Financing Mode of Small and Micro Enterprises

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Abstract: In the current economic development of China, small and micro enterprises have made important contributions. Especially in promoting the further development of the local economy and providing employment posts, it has played a vital role. But as everyone knows, the market environment changes constantly, the competition is becoming increasingly fierce, small and micro businesses in this environment has difficult development. One of the most serious problems that restricts the development of small and micro enterprises is the financing of small and micro enterprises. The emergence of Internet Finance provides an effective way for the financing path of small and micro enterprises. This paper describes the Internet Finance and small micro enterprise financing mode and the related content of the Internet Finance and small micro enterprise financing mode innovation significance, and focuses on the Internet financial innovation strategy of small and micro enterprise financing model, hoping to provide some help for be small and micro businesses.

1. Introduction

Professor Lang Xianping, a famous economist in China, is the first scholar to put forward the concept of small and micro businesses. It is a general term for individual businesses, small businesses and micro enterprises. For a long time, the economic strength of China's small and micro businesses is relatively weak. In order to promote its development, our government has given preferential tax relief to tax policies. But in recent years, due to the complex and changeable economic situation at home and abroad, small and micro businesses are still struggling in the development process, especially the financing problem is more difficult. In this case, it is imperative to innovate the financing mode of small and micro enterprises. This article is to explore the innovation strategy of Internet Finance and small and micro enterprises financing mode [1].

2. The significance of Internet Finance and the innovation of financing model for small and micro enterprises

From the current situation, combining Internet Finance with small and micro enterprise financing mode, exploring its innovation and development channels is an effective way to achieve win-win between the two. First, small and micro enterprises finance through Internet finance, and can achieve their sustainable development. Second, according to the needs of small and micro enterprises, Internet finance can provide a variety of financing ways to achieve financial innovation. In the development of national economy, small and micro businesses themselves are important parts. Their stable development can not only provide more jobs for the employment staff, but also promote the prosperity and development of the market and meet the diverse needs of the masses. In addition, the way to promote the development of small and micro enterprises through Internet finance is also the key point of our country's financial and financial policies in recent years. In the current context, the Chinese government promulgated the financial and fiscal policy are in support of Internet financial services to small and micro enterprise development. This reflects from the side that the government of our country has realized that the Internet finance has a certain role in solving the problem of financing for small and micro enterprises. Therefore, strengthening the financing model of small and micro enterprises and the Internet financial innovation will help to promote the common development of the two [2].

For a long time, the problem of financing for small and micro enterprises has restricted its survival and development. Especially in recent years, under the complicated and changeable market environment, the debt management of small and micro businesses is serious, and the demand for financing is strong, which is characterized by short financing period, large amount of financing and urgent financing needs. However, due to the relatively small scale of small and micro businesses, weak economic strength and relatively few fixed assets that can be secured, small and micro businesses have fewer financing channels, difficult financing and low financing quota. The way of Internet Finance provides an effective way for financing difficulties of small and micro businesses. Compared with traditional bank lending, Internet financial financing mode has the advantages of strong pertinence, fast lending speed and low threshold. Through the Internet financial financing model, the traditional financing model of small and micro enterprises has been further developed and innovating, which has widened the financing channels for small and micro enterprises. At the same time, in the network of financial ecology, small and micro enterprises can obtain more resources, such as the acquisition of trade partners, the provision of service consultation, and so on. In addition, the Internet Finance provides a variety of financing methods for small and micro enterprises, which is conducive to the development of small and micro enterprises.

3. Analysis of the financing problems of small and micro enterprises

In the development of national economy, small and micro enterprises are the key components. In particular, it has played an important role in promoting the development of local economy and providing jobs. However, small and micro enterprises generally have the problem of financing. The lack of funds is one of the main factors that affect the healthy development of small and micro businesses, and the reason behind them is the false and asymmetric financial information. Many Chinese Small and micro businesses in order to obtain bank loans, in order to defraud the bank trust in the bank loan approval will make false financial statements, in order to avoid the adverse impact of the financial information, but once the bank found that it has directly influenced the bank lending Small and micro businesses. But if the bank is not aware of it, the moral risk will become bigger after the small and micro enterprises have completed the transaction with the banks. But it is this kind of incomplete contractual nature that leads to the difficulty of financing for small and micro enterprises. There is a lack of good trust between banks and small and micro businesses. Small and micro businesses defraud bank loans with false financial information, which not only affects the rational allocation of bank credit resources, but also brings heavy moral hazard to small and micro businesses. Thus, the problem of asymmetric financial information is the core element that leads to the financing difficulties of small and micro enterprises [3].

The theory of financial suppression is a theory put forward by American economist Mackinnon and others for developing countries. They noticed the amount on the basis of Kells, dialectically discusses the relationship between financial development and economic development of mutual promotion and mutual restraint, and put forward the theory of financial repression according to the actual situation of the developing countries. The core of this theory is how to operate the market, monetary policy and financial policy in the developing countries. And under the financial restraint, the income of the deposit is low, that is to say, the interest obtained by the savings is relatively small. While the bank can not be decided according to the degree of risk control of interest rates, relatively low loan interest rates can attract lower income and lower the risk of the project, so the problem is a high risk project, unable to obtain bank loans, only with the help of credit rationing.

At present, our government still implements macro regulation on financial activities, that is to say, the adjustment of interest rate and exchange rate is carried out artificially. However, as a developing country, our social capital is not enough, and the social demand is bigger than the social attack. The government departments regulate the loan interest rate through administrative means, and the lower loan interest rate will inevitably lead the enterprises to go to the market. But in the actual housing loan business, the bank is more inclined to the enterprise with larger scale and close relationship with the government agencies when the bank carries out the loan credit resource allocation. In this case, small and micro businesses want to get a piece of the bank to get a bank

loan. Thus, the government's financial intervention has not helped small and micro businesses to solve the problem of financing difficulties. Bank credit funds have basically been left behind by large state-owned enterprises. This is also one of the reasons for the financing difficulties of small and micro enterprises.

4. Internet Finance and innovation of financing model of small and micro enterprises

The current P2P net loan financing mode is more popular, and it is popular with many small and micro enterprises. P2P net loan is also called everyone loan. This network loan model is realized through the network loan platform, and the borrower and the borrower provide the relevant information on the platform and carry on the transaction. The way the Internet loan platform gains profits is the charge of management and service, not profit by earning interest. On the Internet loan platform, the providers of funds can provide capital information according to the needs of the funds, and the demand for funds can choose the right way to borrow money. After the completion of the transaction, not only the fund can be obtained by the capital demand side, but the fund attacker can also obtain a satisfactory interest income. In this process, the P2P network loan platform only provides an online trading place for the borrowers and the borrowers. The specific process is as follows: the supply of funds will loan information posted on P2P network lending platform, Small and micro businesses can browse information through the P2P network lending platform, such as interest rate, repayment period and so on, in comparison, Small and micro businesses can choose the most cost-effective money supply side. And the funding providers can also understand the specific conditions of small and micro businesses according to the P2P network platform, such as corporate credit, financial status, whether they have the ability to repay, etc., when both sides fully understand, a preliminary cooperation premise can be reached. Finally, after the P2P network loan platform, the small micro enterprise and the fund supply side can reach the credit agreement after mutual trust, and can achieve mutual win [4].

Application of small loan financing model based on large data base at present, it is the information age, and it is a big data age. Through the collection, processing and application of large data information, it can provide a more scientific sentence for the enterprise to make strategic decisions. The small loan financing mode based on big data is based on big data technology, setting up a small loan company, and then lending to the demand for funds. For example, the Alibaba microfinance company, which was established in 2010, is a typical example of the microfinance model. It is China's first small loan company in the field of e-commerce, its product is unique, and does not need any mortgage guarantee, it only needs to apply for loans through its own credit. For example, ant loan is a form of microfinance based on the Taobao credit record. Under the condition of large data flow based on small loans are as follows: firstly, Small and micro businesses with financing needs through the online application form submitted to the company to apply for small loans, small loan companies after receipt of the application, according to the Small and micro businesses credit rating and debt paying ability and other aspects of analysis, to assess whether Small and micro businesses have a small loan qualification. If small and micro businesses succeed in obtaining loan approval, small and micro businesses need to provide microfinance companies with financial information and fund usage regularly. And small loan companies can carry out credit evaluation according to the specific conditions provided, in order to control the loan risk reasonably. In the current large data environment, because of the large scale of data and diversified forms, the user's demand for data is becoming more and more diverse. So how to protect the authenticity of data in this era of complex information becomes a difficult problem. Because once the collection gets the distortion of the information, it will have a very bad impact. Therefore, it is necessary to ensure the true and reliable data when applying the small loan financing mode under the large data base. 4.3The application of mode of public financing and financing

This financing mode is more like a knowledge type investment. As the initiator of the project, it can display its own project plan on the website. Investors can choose their own reliable investment projects and invest according to information. After investment, the project can be implemented. If the project is successfully implemented in the final stage, the initiator can make a certain return on

the investor according to the agreed terms. The specific process is as follows: small and micro enterprises, as the sponsors of the project, can display their own projects through the Internet platform, and authorize the product or equity of the company to be displayed on the website platform displayed by the project. And investors can invest and buy according to the products or shares that the small and micro enterprises show. When the web platform receives cash, it is assigned to the public account of the small and micro enterprises. In the whole process, the investor has made the corresponding investment, the small and micro enterprises have also successfully carried on the financing. From this process, we can easily find that there are mainly two types of fund-raising financing mode: one is to raise funds through equity, one is to raise funds through innovative projects [5].

The third party payment, as the name implies, must be a party in addition to the financing and investment side, which is more similar to the intermediary. But the premise of the third party payment financing mode is that the third party must have enough economic strength and credit guarantee. Only in this way can it be an independent institution, providing a trading platform for both sides. Through the third party trading platform, purchasers can make payments to the accounts provided by the third party platform after purchase, and the third party will transmit relevant information to the sales party after receiving the funds, and the seller will deliver the goods. Finally, after the buyer receives the goods and passes the inspection, the third party can provide the goods to the seller. The specific process is as follows: small and micro businesses through the third party payment financing mode, that is, on the third party's trading platform after the commodity purchase, purchase, and the seller to conclude a transaction. Then the payment of the goods is paid by the third party payment platform. The third party payment platform will be transmitted to the sales party by the information of the small and micro enterprises, which requires the sales party to deliver the goods and ensure that the goods arrive within the specified time. After receiving the goods, the purchaser will transmit the information received to third parties. At this time, the third party can draw the money from the buyer to the account of the sales party and complete the transaction. As one of the microfinance services, the third party payment method can solve the problem of financing difficulties of small and micro enterprises to a certain extent [6].

5. Conclusions

At present, the financial constraints and the asymmetric financial information between banks and enterprises have led to the difficulty of financing for small and micro enterprises. In this case, our government must strengthen the application of the Internet finance, especially to focus on the Internet Finance and small micro enterprise financing mode innovation, integration and optimization of only two people, to be able to Small and micro businesses to seek an effective way of development. To sum up, in the current fierce market competition, the joint development and mutual promotion between Internet Finance and banks can promote the rational allocation of credit resources and realize the rational flow of funds.

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