

# Problems and Countermeasures in Financial Management of Internet Financial Enterprises

Li Xiaoyun

Guangdong University of Petrochemical Technology, the School of Economics and Management, Maoming, Guangdong, China

**Keywords:** Internet Finance, Enterprises, Financial Management, Problems, Countermeasures

**Abstract:** in Recent Years, the Economic Development of Countries Around the World Has Become Increasingly Close, and China's Economic Environment Has Undergone Tremendous Changes. Financial Management Construction Has Gradually Become a Key Link in the Improvement of the Management System of Internet Financial Enterprises. Carrying out and Strengthening Financial Management Can Help Companies Streamline Internal Financial Processes and Financial Projects, and Obviously Help Companies Improve Their Market Competitiveness. Moreover, Financial Management is an Important Cornerstone of the Internal Management System of the Enterprise, and It is Largely the Root of the Smooth Operation of the Enterprise. Therefore, Based on the Background of "Internet +", the Article Discusses the Problems in the Financial Management of Internet Financial Enterprises, and Proposes Corresponding Solutions.

## 1. Introduction

### 1.1 Literature Review

The Trend of Economic Globalization and Regional Diversification Has Led to the Rapid Development of Internet Economy. the Gradual Expansion of the Internet Economy Provides Rich Opportunities for Development, But Also Creates a More Intense Market Environment for the Competition of Internet Financial Enterprises. in This Regard, Many Experts and Scholars in the Internet Financial Industry Have Launched a Heated Discussion and Research. Liu Jiao Scholars Believe That There Are Significant Differences between Internet Finance and Traditional Finance in Business Form, Main Characteristics, Development Direction and Main Problems. Therefore, Attaching Importance to Their Own Financial Management Work Has Become the Key for Internet Financial Enterprises to Obtain a Certain Share of the National Market Economy (Liu, 2018). Based on the Financial Management Process of Financial Companies, Zhu Chen Scholars Further Optimize the Traditional Financial Management Mode with the Help of Information Technology (Zhu, 2019). Wan Huiping Scholars Have Discussed That Small and Medium-Sized Financial Enterprises, as a High-Risk Industry, Are Facing Increasingly Fierce Competition from Financial Enterprises. in Order to Maintain a Good Enterprise Development Advantage and Gain a Place in the Market, We Need to Constantly Improve the Problems in Our Financial Management (Wan, 2019). Wang Hongchun, a Scholar, Has Pointed out That Internet Financial Enterprises Have Achieved Good Development and Progress Due to the Strong Impetus of the Internet Economy. and through the Construction of Enterprise Financial Management Model, It Can Obviously Promote the Core Competitiveness of Enterprises (Wang, 2018).

### 1.2 Research Purposes

In the current context of the times, how to maintain market competitiveness and seek long-term development direction has become a major problem faced by many Internet financial enterprises. At present, many financial management modes of financial enterprises have obvious problems and shortcomings in management consciousness, management system, internal supervision and personnel quality. Effective improvement of financial management mode can promote the competitiveness of enterprises and ensure the smooth development of enterprises' economic business

(Shi and Li, 2019). The emergence and popularization of “Internet +” means that the development of Internet information technology has gradually entered the stage of maturity and perfection. With more opportunities for enterprises, many enterprises are also forced to face many challenges (Zhao, 2016). In this regard, this paper combs the research theory of many domestic scholars, based on the existing theoretical literature, to explore the problems existing in the financial management of Internet financial enterprises. According to the practical problems, the paper puts forward relevant solutions, in order to provide some ideas and theoretical reference for the development of Internet finance.

## 2. The Important Role of Internet Financial Enterprises in Developing Financial Management

With the development of Internet in financial institutions, many Internet enterprises have a good opportunity to expand the financial field. At present, the business model of Internet finance mainly consists of four kinds, as shown in Figure 1, namely, Internet banking, third-party payment, Internet financing and Internet financing. According to the characteristics of business model, optimizing and improving enterprise financial management model has become one of the key breakthroughs in the development of Internet financial enterprises (Zou, 2016). Specifically, Internet financial enterprises carry out financial management, mainly divided into two aspects.

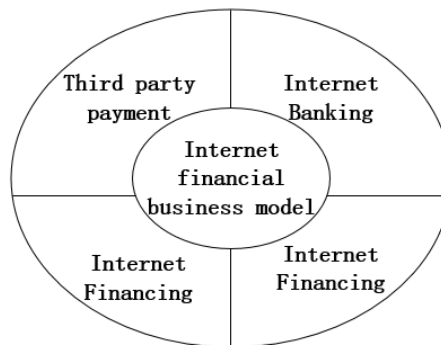


Fig.1 Main Business Models of Internet Finance

On the one hand, the financial management of Internet financial enterprises can promote the competitiveness of enterprises in the market. With the continuous development and progress of information technology, Internet financial enterprises need to make full use of new scientific and technological means to constantly optimize and innovate their products. Through the research and analysis of market demand, the use of information technology means to achieve high-quality enterprise products and customer services. Financial management is a key part of the overall work for the operation of enterprises (Yan, 2014). A good financial management model can truthfully reflect the business situation of an enterprise. Therefore, the financial department can provide complete and accurate financial data to support and guarantee the decision-making of enterprise managers, thus guiding the scientific development of enterprises.

On the other hand, the financial management of Internet financial enterprises can help to prevent market risks. Part of the market risk comes from the impact of the external environment, and the other part comes from the internal operation of the enterprise. Superior financial management system can not only standardize the work behavior of financial personnel, but also play a good incentive role. Internet finance is a new industry with high risks and high returns. Therefore, higher requirements and standards are put forward for enterprise risk prevention and financial management. The safe and standardized operation of enterprise funds can realize the efficient utilization and rational allocation of enterprise funds, and help enterprises to better guard against market risks.

## 3. Major Problems in Financial Management of Internet Financial Enterprises

### 3.1 Imperfect Financial Management System

At present, when many Internet financial enterprises construct their financial management model,

they do not combine their own development with the actual situation. Therefore, the current financial management system is not perfect, there are many problems and limitations. Due to the limitation of traditional management concepts, many management of Internet financial enterprises do not attach importance to financial management, especially many small start-up enterprises. Therefore, the enterprise has not formulated a reasonable standard of restraint management mechanism, which makes it difficult for management to carry out and carry out all-round financial supervision and financial management. The imperfection of this financial management system will lead to the loss of funds in the actual operation of Internet financial enterprises, which may lead to serious problems such as the rupture of the capital chain, which is not conducive to the long-term development of enterprises. In addition, the imperfect financial management system will lead to many positions with unclear rights and responsibilities. Once a major financial accident occurs, there may be a phenomenon of responsibility shifting.

### **3.2 Risk Monitoring is Still Blank**

In fact, any business link of any enterprise is faced with many risks. Once the risk comes, if the financial strategy is not appropriate, it will bring incalculable economic losses and other losses to the enterprise. For example, policy risk, market risk, operational risk and credit risk all belong to the risk problems faced by modern Internet financial enterprises at all times. In view of the existing market environment, many Internet financial enterprises are not aware of risk prevention, and there is no scientific and reasonable risk supervision plan in the enterprise, which is still in a blank position. However, for the Internet financial enterprises, the insufficient ability of risk supervision and risk control will lead to insufficient risk response.

### **3.3 The Information Technology Level of Financial Management is Backward**

The popularization and application of modern information technology has created good conditions for many enterprises to carry out information management. However, in the operation strategy of many Internet financial enterprises, excessive attention is paid to the realization and achievement of profit goals. Moreover, many enterprises are unwilling to invest a lot of time and money in information management, which is not cost-effective and not worth the backward recognition. Some enterprises, though aware of the importance of information management, have also invested a certain amount of financial, material and human resources to carry out the information-based reform of financial management mode. However, due to inappropriate methods, inappropriate working mode and other issues, did not achieve the desired results.

## **4. Improvement of Financial Management of Internet Financial Enterprises**

### **4.1 Building a Complete and Systematic Financial Management System**

The smooth development of enterprise financial management requires a scientific and rational financial management system. In this regard, Internet financial enterprises should strengthen the control and management of internal financial work, so as to form a complete and systematic financial management system. Specifically, to build a financial management system, we should fully understand and analyze the company's business model and business characteristics. According to the actual needs of enterprise development, we design and plan the specific matters of financial management, so as to promote the optimization and perfection of enterprise financial management system. Under the background of "Internet +", Internet financial enterprises should make full use of the advantages of information technology to carry out modern financial management. In this regard, we can build a financial data processing platform for information aggregation and integrated management, update business data, even upload relevant financial data, so as to provide accurate and rich information basis for management decision-making.

### **4.2 Establishment of Modern Financial Risk Early Warning and Monitoring Scheme**

Financial risk is also one of the key obstacles to the development of Internet financial enterprises. Moreover, Internet finance itself has many uncertainties and high risks. Risk prevention is an

important point in the development of Internet financial enterprises. Therefore, Internet enterprises should also establish a modern financial risk early warning and monitoring program. Generally speaking, financial risk early warning scheme involves financial and economic indicators, early warning system, feedback processing mechanism, etc. By constantly improving and supplementing these contents, enterprises can significantly improve their risk prevention and control capabilities, thus better coping with the complex and changeable financial market environment.

#### **4.3 Improve the Level of Financial Management Informatization**

The level of financial management informationization mainly reflects that enterprises can achieve rapid integration of resources and scientific co-ordination. Relying on the background of “Internet +”, Internet financial enterprises can fully learn and use modern information technology. On the one hand, Internet financial enterprises can build a comprehensive budget management system, through the past business data and market change information, to design a scientific budget in line with the development strategy of enterprises. On the other hand, with the help of modern information technology, Internet financial enterprises can collect, analyze and transfer information data quickly, effectively avoiding the problems of data loss or data leakage in traditional management mode. Moreover, timely and efficient implementation of budget indicators is conducive to the development of the work of various departments and internal coordination, thus helping enterprises to truly enhance their core competitiveness.

#### **References**

- [1] Liu J (2018). Problems and Countermeasures in financial management of Internet financial enterprises. *Accounting Learning*, 13 (20), 26-27.
- [2] Zhu C. (2019). Problems and Countermeasures in financial management of Internet financial enterprises. *Finance Economy*, 38 (08), 231-232.
- [3] Wan H.P. (2019). Problems and Countermeasures in financial management of small and medium-sized financial enterprises. *China Market*, 26 (18), 45-46.
- [4] Wang H.C. (2018). Common problems and Countermeasures in financial management of Internet financial enterprises. *Accounting Learning*, 13 (02), 61-61+99.
- [5] Shi R.Y., Li Y.S. (2019). On the problems and Countermeasures in financial management of financial enterprises. *Modern Economic Information*, 34 (05), 295-295.
- [6] Zhao Y. (2016). Problems and Countermeasures of SME financial management in the era of “Internet +”. *Times Finance*, 37 (29), 163-164.
- [7] Zou M.Q. (2016). Research on Enterprise Financial Management under Internet Finance. *China Township Enterprises Accounting*, 24 (4), 247-249.
- [8] Yan C.L. (2014). Problems and Countermeasures of enterprise financial management. *Modern Economic Information*, 29 (23), 269-269.