

Discussion of Enterprises' Financial Strategic Management and Countermeasures under New Economic Situation

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Abstract: After joining the WTO, China's economic market is continuously rising and the competition between enterprises is becoming greatly fierce. Enterprises need to face the competition both in home and abroad, they should deeply think how to correctly position the function of financial strategic management, which had to be solved immediately. Most enterprises have set up the concept of quality and brand to adapt to changes and competitions in the market environment. All these need enterprises to make corresponding changes from the business philosophy to market position in order to meet the requirement of development as well as challenges. However, due to the deficiency of Chinese enterprises' understanding of financial strategic orientation, the management of enterprises has entered some erroneous zones in their work, which has affected the formulation and effective implementation of financial strategy. Through the shallow analysis of the enterprise's financial strategic management, this paper tries to put forward a series of new proposals and plans.

Keywords: Financial Strategic Management, Enterprises, Development, Countermeasures.

1. INTRODUCTION

Since the adoption of the reform and opening up policy, the economic market of our country has turned from planned economy to market economy, and has formed a comprehensive competition situation; After China joined WTO, the width and depth of the competition between enterprises is on the increase. How to exactly pin-point financial strategic management has become a problem that needs in-depth research for enterprises; With the global economy integration gradually evolves, it brings huge impact and influence to the financial strategic management of our country's enterprises, the change of environment of the market, the formation of competition pattern, application of advanced technology and the renewal of consumption concept, these all require enterprises to reform from both the concept and management idea to the way of financial management and the market positioning in order to adapt to the needs of development. However, the uncertainty of an enterprise's financial environment fills its financial activities with risks. In addition to opportunities, quite a lot of dangers arise from time to time in its financial management (Liu, Z.S., 2010). This thesis is to offer series of new suggestions and schemes for the enterprise financial management.

2. THE MAJOR EXISTING PROBLEMS OF ENTERPRISE FINANCIAL STRATEGIC MANAGEMENT UNDER CURRENT ECONOMY SITUATION

Take a broad view of the current economic market, because the potential of the enterprises or the products themselves haven't yet been fully developed, the market is lack of cognition and understanding of the enterprise and their products, caused the core products cannot provide large amount of circulating fund for the enterprise, which led to the lack of cash flow at certain time. In addition, when enterprises need to adjust the market and management structure, they are facing a dilemma of further reinforce the centralized control of finance or adjust the ownership structure, adopt an advance and retreat combined investment strategy or reinforce the financial operation of the new market. Thus, the management must decide those key matters that affect the enterprise financial strategy in order to make moves that are beneficial to enterprises' further development.

2.1 The Enterprise Financial Strategic Management Concept Needs to be Improved.

Strategic management is "a set of managerial decisions and actions that determines the long-run performance of a corporation" (Wheelen and Hunger. 2010). A Strategic financial management consists of "financial strategies which are goals, patterns or alternatives designed to improve and optimize financial management in order to achieve corporate results" where financial strategy "represents a path to achieve and maintain business competitiveness and position a company as a world-class organization" (Salazar, et.al, 2012). We can see from the experience of some domestic enterprises, they put a lot of enthusiasm and resources during the stage of strategy formulation, after entering the implementation stage, due to the complex of the work and increasing investment, the initial enthusiasm was nowhere to be found, especially when encounter big difficulties in work.

2.2 The Internal Financial Control Has Yet to be Improved.

The current situation is that domestic enterprises have many financial problems. It all comes down to this--The enterprises don't have a complete financial management method to follow.

2.3 The Enterprise Conformity Strategy Has Yet to be Improved.

As the highest level of enterprise strategies, company strategy particularly emphasis on an overall point of view to decide the business scope and carry out the allocation of resources; Functional strategy requires Functional Departments like R&D, Production, Marketing, Finance, HR and etc. to formulate objectives and plans for their own departments, it is the materialize of company strategy. Financial Strategy must be formulated based on company strategy.

2.4 Enterprise Internal Financial Statement is too Ambiguous.

Management of all levels needs to provide statement to the outside according to the requirements of the accounting system. Right now most enterprises only have balance sheet, profit sheet and cash flow statement, the statistic is too ambiguous and macroscopic and is lack of managerial statements. This is not sufficient to meet the internal managerial demand.

3. DOMESTIC ENTERPRISE FINANCIAL STRATEGIC MANAGEMENT GOALS AND CONCEPTS

Strategic Management is “the process of developing a game plan to guide a company as it strives to accomplish its vision, mission, goals, and objectives and to keep it straying off-course” (Zimmerer, T. W, et.al., 2005). As we all know, enterprise financial management is the management of enterprise capital operation. Strategic management behavior in enterprises involves “an attempt to cope more effectively with the great and rising demands emanating from both outside and inside the firm by (i) giving the development of the firm a long-range direction; (ii) formulating and applying an overall concept of the firm; (iii) generating, implementing, and controlling basic strategies and sub-strategies; and (iv) utilizing such special "strategic" tools as strengths/weaknesses analysis and opportunity/risk analysis, among others” (Pleitner, 1989).

3.1 Economic Calculation

Enterprises reinforce the economic calculation through financial activities, improve the operating management, lower the cost of maintenance, reduce consumption and increase accumulation is one of the best ways to improve investment returns and economic benefit.

3.2 Diversified Operation

Actively organize funds, open new markets, and implement diversified operation, only when enterprises actively expand the business scope can they go further.

3.3 Financial Supervision

The operation and management of the enterprise must adhere to national policy and financial law, supervise the estimated expenditure and each economic indicator, make sure the fund-raising is legal and the application of funds has a constant increase of effects.

As a whole, the future development strategy of the enterprise, investment expansion scale consolidation and management of capital should give consideration to the difficulty of fund-raising and high-low of the cost, and then make a proper fund-raising scale and structure decision. Emphasize on the analysis of enterprise internal capital demand, use the improvement of the overall efficiency of the enterprise, make a long-term and overall plan for the capital according to the internal and external finance management environment as well as its variation trend, properly use the internal finance allocation function, put the scale merit of the capital in play, cultivate the profit growth points. In addition, emphasize on training and attracting some senior financial management talents such as economy analysis expert and risk management expert.

4. STRATEGIC FINANCIAL MANAGEMENT MEASURE

4.1 Monetary Capital Centralized Management

Monetary Capital is the blood of the enterprise, the establishment and development must rely on enough funds, if one enterprise is lack of or even have no fund, no plan or projects can be achieved. Working

capital management has a particular importance for firms in emerging markets (Hande, 2015). So

enterprise must achieve unified financing, unified dispatch and unified monitoring. On the one hand, centralize the monetary capital settlement in the bank deposit settlement account, reduce the fund precipitation, make sure the normal implement of operation; On the other hand, reinforce the planned management of fund using, use the time difference of fund income and expenses to properly arrange bank loan and repayment schedule, save the interest expense.

4.2 Unified Finance and Accounting System

Generally speaking, finance management is based on the objective existence of financial activities and financial relationship during the process of reproduction; accounting is a management method that uses voucher, account books and specified statements to accumulate, classify, record, report, analyze, compare and evaluate certain organizations' economic activities and economic benefits. Thus, unified finance and accounting system is the key to maintain accounting work order, improve accounting work quality.

4.3 Unified Tax-administration

An enterprise should let headquarter to coordinate with tax department, perform unified management of branch companies' income tax and turnover tax, achieve unified issuing and management of value added tax invoice, check and supervise to avoid mistakes.

4.4 Pre-event management-- Implement full-scale budget management

Establish a conglomerate strategy oriented full-scale management system, form a complete system in formulating budget goals, process control, appraise and examine etc. Meanwhile, check and ratify enterprises' overall capital budget, gradually achieve the standardization of capital management, improve the ability of capital regulate and control as well as supervision.

4.5 In-event Management-- Implement Monthly, Quarterly and Annual Accounts Management

Because the differences between scales and branches of inner management level, the implementation of this management method is necessary. Execute monthly, quarterly and annually by executives. Clear the financial process of each branch company in time.

4.6 After event management--Implement Annual Performance Assessment

If the enterprise wants to establish a political dependable, have a perfect mastery of business skills,

understands the business, good at management finance and accountancy team, then the implementation of annual performance assessment is necessary. This system can be launched by head quarter, and each branch company response actively, recommend an individual that has contribution to this enterprise or have excellent performance as role model and reward this individual. In addition, performance assessment should be implemented on each working individual, which can let him/her respect and love more of his/her job. Gradually combine the professional ethic with technique posts, so as to give play to incentive function. Also, the professional training and education of finance and accountancy team is very

important, train talents that are good at many things and expert in one, strengthen the energy of finance and accounting personnel.

5. CONCLUSION

The strategic system of some enterprises exists problems of poor conformity and coordination between enterprise financial strategy and enterprise overall strategy as well as other functional strategies, which stand out as fail to agree objectives, serious selfish departmentalism, engage in endless haggling and shifting of responsibility and big difficulties in coordination, this is sure to affect the conformity advantage and management effects of the financial strategic management. Thus, the implementation of new financial strategic management measures is extremely urgent.

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