

Literature Review of Financial Strategy Management Research

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Abstract: Financial strategy management is the practice of strategic management thought in financial management. The methods and elements of strategic management are introduced into the field of financial management, which promotes the development of financial management towards financial strategy management. This paper explores the past and present of financial strategy management theory by studying relevant literatures at home and abroad, and explores the future development direction of financial strategy management from the frontier literature. Keywords: Financial strategy, strategic management, literature review.

1. INTRODUCTION

The term strategy has been around for a long time. Sun Wu's "The Art of War" is considered to be the earliest book on the overall planning of strategy in China. From the Western situation, the emergence of corporate strategy is about after the 1950s. This paper explores the past and present of financial strategy management theory by studying relevant literatures at home and abroad, and explores the future development direction of financial strategy management from the frontier literature.

2. SUMMARY OF FOREIGN STUDIES ON FINANCIAL STRATEGY MANAGEMENT

Foreign research on financial strategy management began in the 1960s and can be divided into three phases:

2.1 From the 1960s to the 1980s, foreign financial strategy theory began to develop.

American management scientist Chandler A D (1962) [1] first introduced the concept of "strategy" into the field of business management. He comprehensively analyzed the relationship between the internal and external environment, organizational strategy and organizational structure of the organization, and laid the foundation for the study of corporate strategic theory. American scholar H. I. Ansoff (1976) [2] first proposed the concept of "corporate strategic management" in his "Enterprise Strategy". Since then, scholars such as Tom Copand have continued to develop research in depth, and thus the "strategy" has been

transferred from military terminology to the corporate world, and has gradually gained widespread attention in the corporate world.

This stage is mainly to have a macro grasp of the financial strategy, to conduct a positioning analysis, and to highlight the status and role of the financial strategy in combination with the environment, market changes, and organizational structure.

2.2 From the 1980s to the 1990s, corporate strategic management thoughts have developed

British scholar Simmonds K (1982) [3] proposed the concept of "strategic management accounting". He believes that through the management accounting system, it analyzes the status quo and the factors of change in determining the market position of each enterprise, and formulates corresponding strategic management decisions accordingly. EF Harrison and CH John (1985) first proposed the concept of "financial strategy" and defined it as: the capital structure and funding plan provided by the enterprise to cope with its survival and development and the implementation of the competitive strategy. A series of financial decisions. Subsequently, Michael E. Porter (1987) [4] studied financial strategy from the industry competition level, and the proposed five-force model theory has become an analytical tool widely used in the formulation of competitive strategies. Ruth Bender and Keith Ward (1993) [5] proposed to divide enterprises into four stages: initial stage, growth stage, maturity stage and recession stage according to life cycle theory. They believe that the financial strategy is to use the most appropriate way to raise funds and effectively manage the use of these funds, including the company's profit reinvestment or distribution decisions. The book rises from the static analysis of financial strategy to the dynamic decision-making of financial strategy, emphasizing the practical role of financial strategy.

It can be seen that at this stage, with the continuous changes in the business environment and management requirements of enterprises, the research object of corporate financial strategy has expanded from financing to financing, investment, dividend distribution and other three major impacts on the financial flow of enterprises. The integration of multiple subject knowledge content makes financial strategy play an increasingly important role in corporate strategy. Due to the sharp increase of uncertainties, the corporate financial strategy must be placed under a dynamic environment. Informatization and flexible management can support the important task of enterprise development. The breadth and depth of financial strategy research in this period are unprecedented, and some representative figures and some representative opinions that have been widely respected so far have emerged.

In the late 1990s, the external environment faced by enterprises changed drastically. The formulation of corporate strategies must take into account many unpredictable risk factors in the external environment. Therefore, managers pay more attention to the combination of external environment and internal organizational structure, and apply dynamic strategies to corporate finance. Management, financial strategy theory development is more complete.

The research of American scholar Michael Hammer (1998) focuses on the harmonization of internal and external relations of enterprises, emphasizing the high integration of external

environment and the healthy development of enterprises. His views gained more recognition at that time, and the research on the relationship between enterprise development and the external environment entered a new stage. Later in the beginning of this century, the study of the strategic value of finance attracted the attention of scholars. American scholar Paul Stoneham (2002) uses financial strategy as a necessary means of corporate proliferation to maximize its value. His research has greatly promoted the necessity of strengthening financial strategy management in the new era and evaluating the indicators of financial strategy. Jeffrey S. Harrison and Caron H. St. John et al. (2010)[6] repeatedly emphasized the concept of "financial strategy" in "Strategic Management Essentials", pointing out that financial strategy is an important factor in studying corporate capital structure and financing sources. Corporate strategy and discusses its important role in corporate financial management. Salikin N et al. (2014) [7] believe that capital is a key factor for SMEs to strengthen their advantages and reduce their deficiencies, but insufficient funds have largely hindered the financing of SMEs. Therefore, scientific and rational financial management is for SMEs. Particularly important. By analyzing the advantages and disadvantages of Indonesian SMEs' financial management, they proposed a specific path to optimize financial management, in order to face future business challenges and promote the development of SMEs.

In summary, the West has formed a basically unanimous opinion on the importance of financial strategy. The study of financial strategy, from the perspective of the main body, focuses on the financial strategy of a single enterprise; from a research perspective, it is financial the strategy is oriented to the functional layer strategy of strategic management. It studies how to make strategic decisions from the process of strategy implementation. In terms of research content, it mainly includes financing strategy, investment strategy and profit distribution. The emergence of new technologies has provided useful reference for the study of financial strategies. Some foreign scholars have successively docked technology, information, resources and financial strategies, and put forward some new research ideas. However, due to the imbalance of economic development and the differences in the political environment, some of these points need to be carefully considered.

3. SUMMARY OF DOMESTIC STUDIES ON FINANCIAL STRATEGIC MANAGEMENT

From the perspective of China, the emergence of corporate strategy is after the 1880s. At present, financial strategy management research has attracted more and more domestic scholars' attention. Domestic scholars have made useful explorations on financial strategy management based on the absorption of foreign research results and the combination of China's national conditions.

Liu Zhiyuan (1997) [8] financial strategy is defined as: in order to seek a balanced and effective flow of corporate funds and achieve corporate strategy, in order to enhance the financial competitive advantage of enterprises, on the basis of analyzing the impact of internal and

external factors on capital flows, Global, long-term and creative planning and ensuring the process of its implementation.

Yan Dawu, Lu Zhengfei (2000) [9] from the two dimensions of financial management and corporate strategic management, the existence of financial strategy management and financial strategy are independent. They believe that financial management is a key component of modern company function management and is extremely important to the company's management system. Establishing the financial goals of enterprises is the logical starting point of financial strategy management; environmental analysis is the focus of management; financial strategy needs to go through three major steps: strategic success, implementation and evaluation.

Wei Minghai (2001) [10] is the first scholar in China to combine financial strategy and cycle theory. He believes that the financial strategy of the enterprise refers to the value analysis as the basic under the overall strategy of the enterprise, so as to promote The company's working capital realizes long-term balanced and efficient circulation and allocation as a basic measurement standard, and is used to realize the strategic thinking mode and specific decision-making activities of the company's long-term profitability.

Wang Man, Yu Yue (2008) [11] integrated strategic thinking into the main vein of financial management, and tried to use the strategic concept to innovate and expand financial management. It is believed that financial strategy management should not be limited to traditional content such as fundraising, distribution, and investment. Instead, it should redefine and examine the contents of financial management research with a strategic perspective. Re-examine the positioning of financial strategy management to send a discipline, and draw a blueprint for the framework of financial strategy management to send a discipline system, and analyze it with the strategic cost management discipline and strategic management accounting discipline, and finally it is necessary to At the strategic level, financial management is integrated with management accounting and cost management.

Cao Yushan (2010) [12] believes that corporate financial management has already entered the "financial strategic management" period. Focusing on the two aspects of "financial strategy in corporate strategy" and "enterprise strategy in finance", the paper gives a financial strategy concept that integrates strategy and finance, and believes that competitive strategy and financial strategy are complementary to each other. The form of medium value management is financial strategy. On this basis, the research direction of future financial strategy is further discussed.

Fu Hongying (2015) [13] believes that effective implementation and continuous revision of a sound financial strategy is a financial strategy that meets the needs of corporate development. She believes that once the financial strategy is established, it must be decomposed at different levels, so that it can be effectively implemented. It is impossible to hang the financial strategy on the wall and hang it on the wall, but it is necessary to implement it. It really reflects the guiding value of the financial strategy.

Zhao Xinran, Quan Ye (2017) [14] studied the financial strategy transformation based on value management practice. Taking the implementation and control of Huawei's financial strategy transformation as an example, it discusses the process of financial strategy transformation based on value management is systematic and continuous. At the same time, it will be adjusted with the strategic requirements of different stages of enterprise development. For this reason, different enterprises should combine with the actual situation when implementing the financial management strategy, and rationally link product management and capital utilization strategies to formulate a step-by-step implementation plan. Realize value added, and then create and obtain economic benefits.

In summary, after more than 20 years of academic research, Chinese scholars' research on financial strategy has been fruitful, and the literature reviewed in this article is only the tip of the iceberg of financial strategy research. The research on China's financial strategy can be roughly divided into basic theoretical research, including the connotation, composition, framework and other theories of financial strategy; financial strategy research based on life cycle; financial strategy research based on value growth; financial strategy design implementation steps Research, etc.

Although the current research on the theory and practice of corporate financial strategy has made considerable progress, there are still many shortcomings compared to more mature financial management and strategic management. Further research is needed on the meaning, operational mechanism, main essence and theoretical content of the corporate financial strategy. In particular, China's current research on the financial development strategy of enterprises has not been able to effectively meet the huge needs of the rapid development of modern enterprises in China. In order to adapt to the modern enterprise to go to the market, win the competition, and occupy a favorable position on the international stage, it is necessary to carry out in-depth and systematic research on the essence and core content of China's modern enterprise financial strategy, and establish a complete and suitable for our contemporary The financial strategy management theory system of the specific development of the enterprise provides guidance and assistance for guiding the financial strategy practice of the enterprise.

4. CONCLUSION

For the combing of the literature, we can find similar rules: generally start with the most basic concepts, from sensibility to rationality, then complete the process of concrete to abstraction, and continue to make corrections after being widely used in practice. The research on the previous financial strategy management is mostly limited to the thinking of the internal environment of the enterprise, and then extends to the external environment of the enterprise. At the same time, with the great historical changes, the integration of new elements into the financial strategy, including the use of life cycle theory, to promote the financial strategy to learn from other disciplines, and constantly improve and enrich, this is also the inevitable need for people to understand the development of things.

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