

Problems and Countermeasures of Small and Medium-Sized Enterprise Management

Lantian Zhao

Harbin Fengming Seedling Planting Co., Harbin 150000, China

Abstract

In today's rapid economic development, the market competition is gradually becoming more and more intense. Looking at the global economy, small and medium-sized enterprises play a decisive role in how to accelerate the economic development of developing countries. Along with the requirements of the market nowadays, most of the total national GDP is created by SMEs, no matter from the perspective of employment or economic development. Therefore, small and medium-sized enterprises are an important basis for a country to be able to develop at a high speed. In the management process of an enterprise, financial management plays an absolute role in the future development of the enterprise. Although, the development of financial management of SMEs in China has made certain achievements, some enterprises also have certain management loopholes from the perspective of the current level of economic development in China. In the following, we will analyze some of the existing financial management problems.

Keywords

Problems and Countermeasures; Small and Medium-sized Enterprise; Management.

1. The Current Situation of Financial Management of Small and Medium-Sized Enterprises

The economy of small and medium-sized enterprises, as one of the important components of the economy of developing countries, plays a decisive role in the prosperity of society and its economic development. According to the relevant data released by the state, the economy of small and medium-sized enterprises accounts for 60% of the total GDP of the country, of which half of the amount of taxes paid to the state comes from small and medium-sized enterprises. Small and medium-sized enterprises are not only the support base of China's economy but also the main place of employment for our population, according to statistics, nearly 70% of the urban population works in small and medium-sized enterprises. Compared to large listed companies, SMEs are small in size and have simple access to capital, so the factors that constrain their development are particularly evident in corporate financial management.

The contribution of SMEs to society is becoming more and more evident, both in terms of social coherence and in terms of promoting employment and economic growth. For developing countries, SMEs play a top-down role in the economy of their country. However, the existence of many problems can lead to obvious bottlenecks in the development of enterprises, and for many SMEs, the main problems exist in financial and other related aspects.

2. The Main Problems of the Management of Small and Medium-Sized Enterprises

2.1. Difficulties in Enterprise Financing and Problems in Capital Operation

For developing countries, most of the SMEs have small amount of capital and low creditworthiness of qualification. National financial institutions are not very active in crediting SMEs. In our country, the credit guarantee system of small and medium-sized enterprises is not sound, and most guarantee institutions are not well equipped, so the development of small and medium-sized enterprises will be affected to a certain extent, and most of the private enterprises, due to some problems, will be subject to the guarantee institutions alone to bear the risk of loans, and cannot establish a shared responsibility system with the relevant financial institutions. Therefore, most of the small and medium-sized enterprises encounter a crisis or need funds to run, only through self-financing way to solve.

2.2. Low Level of Financial Managing and Weak Risk Awareness of Smes

The management of small and medium-sized enterprises is relatively backward and solid, and these problems are mainly due to the conservative thinking of managers. The management system of SMEs is not perfect, and the management usually lacks long-term strategic planning and is short-sighted; the internal organizational structure is relatively loose; the business leadership involved in management is not of high quality itself, and management decisions are arbitrary and simple, leading to the lack of effective supervision and control mechanisms and related measures in many SMEs, and management chaos directly leads to lower efficiency of employees and even loss of assets. In addition, management is crucial to the formation of corporate culture, which is the core of financial staff selection and even affects the determination of financial management responsibilities and authority as well as financial information disclosure. Corporate culture is also a very important factor in attracting and stabilizing financial management talent. Therefore, the personal quality and ability of managers are crucial to the development of enterprises and are closely related to various problems that arise in financial management. Today's rapid economic development of society, all walks of life there is fierce competition, in order to enterprise development in the economic market to keep pace with the need to constantly improve the level of financial management. However, due to many problems of managers, many enterprises do not have enough crisis awareness and pay too much attention to corporate profits while ignoring the essence of financial work.

The irregularity and poor science of financial management of some enterprises lead to many loopholes. Because there is no perfect management style, it often leads to great problems of funds. Whether it is idle funds, or shortage of funds will make the enterprise's capital utilization rate drop.

The inability to optimize the use of funds will inevitably lead to the limitations of enterprise development. Many enterprises do not strictly follow the requirements of accounting standards in financial management, and the lack of a perfect management system will make the enterprise financial management work with great limitations. Even if some enterprises have formulated feasible financial management rules and regulations, but some human factors will lead to these systems can not be applied to the actual work. Most small and medium-sized enterprises only focus on accounting work, and even many management decision-makers think that financial management and accounting are the same, which will lead to many deviations in financial management work.

2.3. Irregular Management of Enterprise Capital Utilization

There are some problems in the capital management of small and medium-sized enterprises in general. First, there is no effective use plan for enterprise funds, and most of the enterprise

managers dispose of funds randomly according to their own will, which cannot maximize the efficiency of funds, which restricts the development of enterprises. Second, the lack of market research in small and medium-sized enterprises, in the absence of market research, there is a large amount of hoarding of raw materials, and accounts receivable in small and medium-sized enterprises there is a human factor, in the inability to collect accounts receivable, and a large number of inventory piles affect the normal operation of enterprise funds, these will lead to the development of enterprises, recently small and medium-sized enterprises are overwhelmed by the collapse.

3. Solve the Financial Management of Small and Medium-Sized Enterprises on this

3.1. Reasonable Expansion of Enterprise Financing Channels

At present, the relevant departments in China have introduced laws and regulations to promote the rapid development of small and medium-sized enterprises. According to the "Small and Medium-sized Enterprise Promotion Law" and other relevant provisions, we can see that the state attaches great importance to the development of small and medium-sized enterprises. For a long time, China's small and medium-sized enterprises have received strong support from the state in the development process, and the market competition also improves opportunities for small and medium-sized enterprises. Under the external link transformation, it is very important to encourage the necessity of small and medium-sized enterprise institutions, so that to a certain extent to help small and medium-sized enterprises to expand the financing path.

3.2. Strengthen the Level of Financial Management and Improve the Corresponding Risk Management System

First of all, the managers of enterprises should improve their own cognitive level of financial management work. They should have a visionary forecast of financial management work, highlight the importance of financial management work in their daily work, standardize the rules and regulations of relevant management work, and apply these rules and regulations to the actual work of the enterprise. Ensure that every work in financial management work has relevant system support. And strengthen the system of supervision strategy, so that these financial management standard system to get strong implementation. In the management process of small and medium-sized enterprises, it is more important to focus on risk control. In the process of business operation, there will encounter many practical and unexpected situations, therefore, risk management cannot be ignored. System-related plans are needed to serve the internal control needs. However, risk management and internal control are co-existing and they are interdependent. Therefore, risk management must be given increased attention as a necessary part of business development and growth. For risk assessment, control and other work to exist in all aspects of financial management. Therefore, enterprises establish a reliable risk management system, which is also a kind of regulation of financial management.

3.3. Apply Scientific Methods to Strengthen the Management of Enterprise Funds

How to use the funds rationally to produce maximum benefits is a key step in the specific process of small and medium-sized enterprise development. First of all, we should carefully judge whether the use of funds is reasonable, to have a specific date of return and payment, the importance of balance between income and expenditure is self-evident, only the optimal use of funds can make the enterprise in the liquidity and fixed funds reasonable disposal, so that the benign development of enterprises.

Small and medium-sized enterprises need to build a modern financial management model, on the basis of which to improve the level of financial management to enable enterprises to develop more quickly, will have a more powerful competitiveness in the market. In the process of financial management, the use of scientific management techniques, for example, is for the audit of the enterprise's financial work, can be based on the actual situation, the various problems encountered, through the calculation, comparison, synthesis and other scientific management way to perform this work. Because, the financial management of the enterprise is a systematic project. Including many links, many work is closely related. Therefore, it is important to focus on the actual situation in the financial management work and use management tools flexibly. Maximize the utilization rate of enterprise capital.

4. Conclusion

With the rapid development of social economy, small and medium-sized enterprises have a decisive position in the national economy. However, the level of financial management of the enterprise will affect the development direction of the whole enterprise, and to a certain extent, the national economy. In the current social situation, many small and medium-sized enterprises in the daily operation process of the main problems are mainly in the financial management work, unclear accounts, financial information is not true, many companies in order to make the accounts look good so that the company accounts falsified, haphazard, so that small and medium-sized enterprises have false losses, false gains and losses of all kinds of illusions. The reasons for this are, firstly, the enterprise itself does not have a strong financial foundation, the accounting staff is not of high personal quality, and cannot successfully exercise legal supervision in the case of obedience to management; secondly, the enterprise managers themselves are not strong in legal awareness, and do not pay attention to the financial system and the mandatory and seriousness of the financial intermediary law. In order to properly solve the above embarrassing problems, enterprises need to strengthen the structure of the accounting team and provide professional guidance and ideological education to the relevant personnel in order to improve the supervisory awareness of accounting staff. Only by thoroughly strengthening the concerted education of all employees, the legal awareness and legal concept of employees can be gradually improved in the management. Only through the joint efforts of all employees can we improve the level of corporate governance and enhance the level of financial management, thus realizing the improvement of corporate competitiveness. Therefore, a sound financial management system is a decisive strength to enhance the development of small and medium-sized enterprises.

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