

Research on the Financial Management Strategy of Chinese Language International Education and Training Enterprises under COVID-19

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Abstract

With the development of China's economy and the expansion of international influence, more and more countries begin to pay attention to Chinese education and training, the influence of Chinese in foreign language teaching is constantly improving, and the international education of Chinese is also full of vitality. In the domestic market, some professional Chinese language international education and training enterprises, such as Shanghai Jusen Education, also came into being. However, in early 2020, a terrible COVID-19 epidemic swept the world, having a great impact on the work, life and education of people around the world. Regions around the world affected by the epidemic have taken measures to temporarily close schools, with students shifting from offline learning to comprehensive online learning. At the same time, the epidemic has also had a great impact on the development of the Chinese-language international education enterprises, such as the decline in enrollment, the decline of school-running entities, and the decline in corporate profits. This paper focuses on the financial management issues and strategies of Chinese-language international education and training enterprises under the background of COVID-19 epidemic, in order to reduce the negative effects brought by COVID-19 and promote the benign development of enterprises.

Keywords

COVID-19; Chinese Language International Education; Industry Analysis.

1. Introduction

Due to the impact of the COVID-19 epidemic, the market environment is complex and changeable, and the financial management situation of many Chinese-language international education and training enterprises is not optimistic. What is more, they may face problems such as broken capital chain and declining credit rating. In order to realize the benign and healthy development of the enterprise, optimize the financial management mode, and improve the level of fiscal and tax management, it has become an urgent task for the Chinese language international education and training enterprises.

This paper analyzes the problems faced by Chinese-language education and training enterprises under the background of COVID-19 from the perspective of enterprise financial management, including macro-environment analysis and micro-impact analysis, and puts forward enterprise management response strategies, in order to reduce the negative effects brought by the epidemic and realize the sustainable development of enterprises.

2. Macro-environment Analysis of Financial Management of Chinese Language International Education and Training Enterprises under COVID-19

Enterprise financial management environment refers to the general term of various conditions that affect the financial management and financial activities of the enterprise. It includes four aspects: legal environment, economic environment, financial environment and technical environment:

1. Legal environment

Legal environment refers to the relevant laws and regulations that enterprises should abide by when they have external economic relations, including tax law, enterprise general financial rules, basic norms of internal control, company law and so on.

In recent years, in order to promote the promotion of Chinese language education, the country has made a series of favorable policies, such as setting up Confucius Institutes and setting up Chinese language examinations and competitions. During the COVID-19 period, in order to promote the development of various small and medium-sized enterprises, a series of preferential enterprise policies have also been introduced, providing a relatively favorable social environment for foreigners to learn Chinese.

2. The Economic environment

Key elements of the economic environment include: GDP, interest rate level, fiscal and monetary policy, inflation, unemployment rate level, exchange rate, market mechanism, market demand, etc. among the various external environments of financial management, the economic environment is the most important.

With the development of China's economy and its expanding influence on the international stage, more and more foreigners come to China to work or study. However, the spread of COVID-19 has made many Chinese students who want to be unable to come, and some domestic Chinese international education teachers cannot go abroad because of teaching due to the epidemic, which has reduced the number of students in domestic Chinese international education and training enterprises and reduced corporate profits.

3. The Financial environment

The financial environment includes financial institutions, financial instruments and financial markets. According to the financing object, financial markets include capital market, foreign exchange market and gold market. With effective financial instruments, assets can be turned to the demand side.

Most of the Chinese language international education and training enterprises are small and medium-sized enterprises. Under the impact of COVID-19 epidemic, the flow of population has slowed down than before the epidemic, and the number of people who travel or study has decreased, resulting in a decrease in the number of Chinese language training enrollment and a decrease in corporate profits. How to conduct corporate financing through financial instruments to tide over the difficulties has become an important research topic.

4. Technical environment

Technical environment refers to the technical means and technical conditions for financial management. It plays a vital role in the efficiency and effect of enterprise financial management. Good enterprise accounting information system is one of the important contents in the enterprise financial management technology environment.

3. Analysis of the Impact of COVID-19 on the Financial Management of Chinese-Language International Education and Training Enterprises

1. School-running entities decreased, and enterprise efficiency decreased

There are generally two kinds of the international Chinese education and training institutions in the market, one is specialized in the international Chinese education and training enterprises, and the other is the Chinese international education and training is only one branch. Due to the impact of COVID-19, the number of foreigners working or studying in China has decreased significantly, leading to the number of students from the Chinese language international education and training enterprises, resulting in a decline in corporate income. At the same time, some foreigners who had used to study for classes in China also appeared to refund or no longer renew the fees, resulting in the reduction of corporate benefits.

2. Operating pressure increases, and corporate costs rise

Due to the COVID-19 epidemic, some cities have implemented closed management for a period of time due to epidemic prevention requirements. During the closed period of the epidemic, the training enterprises were unable to attend offline classes and institutional enrollment work, but they still had to pay the rent, property fees and teachers' salaries on time, while the income decreased and the cost also rose. Although online teaching can be used, compared with offline teaching, online teaching has low customer viscosity, the interaction between teachers and students is limited, and the students' renewal ability is general. All these factors increase the operating pressure of Chinese international education and training enterprises.

3. Capital pressure is greater, the enterprise financing is more difficult

Corporate financing generally includes two aspects: direct financing and indirect financing, including specific: bank loan, stock financing, bond financing, financial leasing and overseas financing. Small and medium-sized enterprises financing is often much more difficult than operating enterprises. Generally, the more difficult the capital turnover, the more difficult the financing. The COVID-19 epidemic is a major emergency, and many small and medium-sized enterprises are even more difficult to face this emergency because they do not have enough capital flow. Many Chinese language international education enterprises in the market belong to small and medium-sized enterprises. In order to maintain production and operation, they must have sufficient financial support. However, stock financing, bond financing and overseas financing are not applicable to small and medium-sized enterprises. As for bank loans, they are also limited by the size of the enterprise and the enterprise benefits. When the enterprise benefits decline, the financing costs will rise accordingly, making the financing more difficult. Without enough capital flow, enterprises' ability to face the COVID-19 emergency declines, which is not conducive to the healthy development of enterprises.

4. Analysis of the Business Strategy of Chinese International Education and Training Industry under COVID-19

1. Strengthen financial management and control enterprise costs

Cost control is a major issue that all enterprises should face, which includes not only material cost, but also labor cost. Due to the COVID-19 epidemic, the education and training market is generally depressed. In the case of unsatisfactory revenue increase, more attention should be paid to reducing expenditure. Strengthen financial management, and pay attention to control the cost and expenditure in all links of enterprise operation, in order to have a certain ability to resist risk in the market competition. To strengthen financial management, we should also control the blind investment of enterprises and rationally allocate fixed assets and current assets.

2. Expand financing channels to reduce operating pressure

The common financing methods of small and medium-sized enterprises are: comprehensive credit granting, credit guarantee loan, bill discount financing, etc. Expanding financing channels to reduce operating pressure is very important for many education and training institutions. In terms of financing, we should actively communicate with banks and strive for more financial support. In addition, during the epidemic period, all provinces and cities have introduced some preferential tax policies, and enterprises should actively seize the policy dividends to better cope with a series of challenges brought by the epidemic.

3. Change the business model and improve the quality of personnel

The education and training industry has been seriously affected by the epidemic, offline classes have been blocked, students have been reduced, and operating costs have increased. How to accelerate the transformation of business model has become a top priority. When offline teaching is transformed into online teaching, how to customer serve the limitations of online teaching has become a subject for Chinese international education and training enterprises to study. In terms of improving the quality of personnel, we should increase the training of excellent Chinese teachers, strengthen the training of teachers' online teaching ability, improve the reward mechanism, and improve the salary, so as to stabilize the excellent talents, so as to promote the healthy development of the whole Chinese international education and training industry.

5. Conclusion

The biggest impact of COVID-19 on international Chinese-language education enterprises is the transformation from traditional offline teaching to comprehensive online teaching, such as online teaching through video software such as "Dingding".

The COVID-19 epidemic has had a great impact on the Chinese international language education and training industry, with a series of problems, such as fewer school-running entities, declining corporate benefits, increased operating pressure, rising corporate costs, greater capital pressure, and difficult corporate financing. Facing the adverse effects, enterprises should strengthen the financial management, control the enterprise cost, expand the financing channels and reduce the operation pressure, improve the personnel quality, and promote the healthy and long-term development of enterprises.

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