

Research on Financial Management of SMEs

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Abstract: As a whole, SMEs have made outstanding contributions to the economic development of all countries. Today, as the economy is increasingly globalized, countries are paying more and more attention to the role of SMEs. Although China's SMEs have also played a major role in promoting the country's economic development, at present, a considerable number of SMEs simply pursue sales and market share, neglecting the core position of financial management, management ideas are rigid and backward, and enterprise management is limited to production. In the business management pattern, the role of corporate financial management and risk control has not been fully exerted, and it has also brought many negative impacts on the credit and financing channels of SMEs in China. The main reason is the lack of an effective financial management model. Therefore, it is imperative to deepen financial reform, explore financial potential, improve financial management, reform the operation mode of financial management, and construct a financial management model that is compatible with the current situation of SMEs in China.

1. Introduction

As we all know, financial management is an important part of enterprise management. The more developed a company is, the more important it is for financial management. Paying attention to financial management will help improve the internal management system of SMEs in China; it will help reduce costs and improve economic efficiency; Enhance, thus better financing and financing; conducive to corporate investment, improve investment returns and so on. Therefore, on the basis of a series of favorable policies that the government has introduced and will soon introduce, China's small and medium-sized enterprises should pay close attention to financial management and give full play to the functions and functions of financial management, so as to develop healthily and steadily in the fierce market competition. Make a bigger contribution. In summary, China's SMEs are extremely important to the development of the national economy, but because China's SMEs have not yet formed a systematic and relatively complete financial management model, financial management lags behind the requirements of the market economy for enterprises. It has affected the improvement of the enterprise's efficiency level. Therefore, it is imperative to deepen financial reform, tap the financial potential, improve the financial management level, reform the operation mode of financial management, and construct a financial management model that adapts to the current situation of SMEs in China.

2. Financial Management Model Theory

The definition of management model involves management ideas, management objectives, management objects, management tools and the final state of management. From the content of its composition, there are the following seven sub-modes: the management concept model embodying management ideas and management objectives, the organizational structure model as the management object, the organizational behavior pattern and organizational image model reflecting the management effect, and the organization as the management means. Communication mode, management incentive mode and management control mode. Management philosophy refers to the basic beliefs that reflect the ideals, pursuits and values of management organizations and guide the long-term survival and development of management organizations. The concept is the driving force for the survival and development of enterprises. The success of enterprises requires managers to

establish their own core ideas. The management of any organization is the management of the structure. In the enterprise, managers often face a variety of structures: organizational structure, capital structure, industrial structure, and so on. The structural model mentioned here refers to the organizational structure of the enterprise, which has a direct and profound impact on the structure of other categories. The organizational structure is determined according to the strategic objectives and decision-making plan. It is the integration status of managers' resources for people, finances, and materials. A reasonable organizational structure model should guide enterprises to achieve strategic management objectives, and can effectively and reasonably integrate enterprise, financial, and material resources according to the actual situation of the enterprise. Organizational behavior refers to the response of an individual, group or organization of an organization to an endogenous or exogenous stimulus from the perspective of the organization. The realization of any goal depends on the implementation of certain behaviors. Organizational behavior should be based on management objectives and efficiency requirements in advance and rational design and development of corresponding behavioral norms, and can reflect the inherent consistency of the various job behaviors of all members of the organization. The organizational image is the overall impression formed by the public after comprehensive evaluation of the organization. The organizational image usually includes physical image, job image, quality image, efficiency image and social image. The organizational image can reflect the level of management and effectiveness. Good management, good organizational image; poor management, poor organizational image, showing that a good organizational image is an important intangible asset for enterprises. Organizational communication is the necessary foundation and important content of scientific management. Managers must pay attention to the status and role of communication in management. If the communication question is solved, then the organization has been successful. Communication mainly includes information communication, emotional communication and behavior communication. Enterprises should scientifically design the communication and communication methods according to the communication goals and efficiency requirements. A successful communication model should enable close relationships between members of the organization, enhance their sense of teamwork, and develop their overall vision. Management incentives are measures that are taken to enable staff to be able to withstand and efficiently complete the tasks assigned by the organization. A scientifically sound incentive should consider the object, means, frequency, extent and effect of the incentive to fully mobilize the enthusiasm of the employee's work and enable the organization to form a close and collaborative team.

Management control refers to a series of measures and procedures adopted to monitor the activities of employees so that the organization can move forward healthily towards the established goals. A scientific and rational control model requires the organization to develop a scientific control standard, control content, control procedures and control methods based on organizational goals and performance requirements. Looking at these seven sub-modes, we can easily find that this just reflects the basic process of management: starting from the management concept, setting management objectives and tasks, using management tools (organizational communication, management incentives and management control) to act on management objects An organizational structure that achieves certain management effects (organizational behavior and organizational image).

3. Problems in the financial management mode of China's SMEs

The problems existing in the financial management concept of SMEs in China are mainly due to the lack of attention to financial management and the lack of scientific financial management concepts. On the one hand, the management ability and management quality of China's SME managers are relatively poor, management ideas are backward, lack of modern financial management awareness, no financial management is incorporated into the effective system of enterprise management, excessive pursuit of short-term benefits, and accounting Light financial management, many SMEs do not have financial institutions, no full-time financial management personnel, financial management functions are managed by accounting or other departments, or by

corporate executives, advanced and scientific financial decision-making methods are difficult to obtain standardized operations. On the other hand, the leaders of SMEs in China lack the proper understanding and research on the theoretical methods of financial management, resulting in the indulgence of financial personnel's responsibilities, overstepping power, resulting in financial management confusion, financial monitoring is not strict, and accounting information is distorted. When setting up financial management objectives, SMEs in China should either aim at profitability or blindly follow and imitate other companies. Without knowing the financial management objectives, they will be affected by the internal and external environment of the enterprise. The choice of financial management objectives should be considered. Multi-faceted factors, pure imitation is not acceptable. In addition, since the owners of SMEs in China are often managers at the same time, the decision-making of the company's main decisions, including fundraising, investment, and distribution, is made by the owner's manager. As a natural person in real life, the owner manager has not only physical goals but also spiritual goals. Sometimes the spiritual goal plays a greater role in the financial management decisions of the company than the material goal. For example, the main goal of some sole proprietorships or "family" companies is to solve the employment problem, they will not, and the environment does not allow them to maximize profits as their main goal, which will lead to the long-term development of the enterprise. To hinder.

4. Countermeasures for improving and developing the financial management mode of China's SMEs

In order to effectively overcome the shortcomings brought about by the centralization of corporate leaders and family management, and promote the deeper development of enterprises, the owners and managers of SMEs must strengthen their learning, effectively change the concept of financial management, and establish financial management as the core of enterprise management. idea. We must strengthen financial management as an important part of the implementation of China's SME management system, and implement it into all functional departments within the enterprise. In addition, China's SMEs should also establish a humanistic and diversified risk management concept to adapt to the new financial management environment. Determining scientific and clear financial management objectives is not only an inevitable requirement for the development of SMEs in China, but also an objective environment for the management of SMEs in China. Reasonable financial management objectives should not only reflect the objective laws of financial activities of SMEs, but also reflect the requirements of the macroeconomic system and business management methods. They are objective, comparable, and operability, and focus on solvency, operational capability and Unification of profitability. Specifically, as a premise for an enterprise to carry out effective financial management activities, a reasonable financial management objective should meet the following characteristics: measurability, consistency, phase and comprehensive. According to the actual situation in China, the profit maximization goal of sustainable development is suitable for the financial management mode of most SMEs in China at present, which solves the financial problems in the development process of SMEs in China.

Organization theory points out that the organizational structure of an enterprise can be divided into H-type, U-type, M-type and other types according to its internal power, responsibility and profit relationship structure. When improving and perfecting financial organizations, SMEs in China should define the functions of financial organizations according to the company's development strategy and development stage, rationally set up financial organizations and positions, and achieve a smooth transition of management improvement; Integrate the accounting process, clarify the status of accounting and the focus of financial management in the complete process, thereby clarifying the responsibilities between financial personnel, business personnel at all levels and senior management, and improving the efficiency and effectiveness of organization and management; Financial basic management system, standardizing financial work. For the choice of financial rights and responsibilities, it is definitely not a simple choice in the decision-making mode of centralized or decentralized, but to effectively control the "rights", so that the adjustment is effective, coordinated and effective. In view of the fact that the financial rights and responsibilities

of SMEs in China are too concentrated, the financial management level and management scope should be reasonably set, the financial management system should be selected in accordance with the enterprise management organization, and the financial management authority should be appropriately decentralized. The senior management of the enterprise should only conduct major transactions. Make decisions, and equalize power and responsibility, effectively implement who is responsible and perform the full role of financial management. Due to decentralization, financial personnel are transformed from passive performers of decision-making to decision-making participants. This approach can not only overcome the shortcomings of SMEs' excessive financial decision-making power, but also improve decision-making efficiency and make rapid changes to market information. Respond to the sudden business opportunities.

5. Conclusion

The financial management mode refers to a management state in which the manager integrates the financial management objectives, financial management objects and financial management methods under the guidance of certain financial management ideas to promote the effective and reasonable operation of financial management activities. The financial management model is mainly composed of five sub-modes: financial management concept model, financial management target model, financial relationship model, financial rights and responsibility model, and financial operation mode. The financial operation mode includes the establishment of financial organization, financial information communication mechanism, financial management and control mechanism, and financial incentive mechanism.

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