

Discuss the Financial Strategy Management of Technology Companies

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Abstract: An important part of the enterprise development strategy is the financial strategy. If you want to make the enterprise develop steadily, you need to carry out scientific strategies, especially financial strategic planning. The operation of an enterprise is a dynamic change process, with its own life cycle, and the characteristics of each cycle are different. In response to these differences, the specific methods of each stage will also change from time to time. In the face of many complex changes, not only do large textile enterprises need to cope with the pressure brought by risks, but a large number of small and medium-sized textile enterprises in the industry also need to improve their strength and reduce the impact of risks. Against this background, Technology companies., as a technology enterprise, determines the current cycle of the company, adjusts its financial strategy according to the characteristics of the life cycle, and reasonably plans the financial content of the enterprise, which is of great significance to its long-term development.

Keyword: Financial Management, Strategic Research, Finance.

1 INTRODUCTION

Financial strategy is an objective requirement for financial management activities under the new era. It integrates the principles and methods of strategic management. Based on adapting to the environment and scientific use of existing conditions, it aims to achieve the long-term balanced flow and allocation of enterprise funds, so that enterprises have strong financial capabilities, so as to carry out long-term planning and management of enterprise financial activities. For enterprises, if they want to develop continuously and healthy, they must have the ability to continuously create value and maximize value. To achieve this, we need to take value creation as the orientation and implement value management in the financial strategic management link. This article takes this perspective as the starting point, comprehensively applies many theories, such as budget, value, strategy, finance and other management theories, and performance evaluation theory, takes value creation as the core, further expands the scope of financial strategic management, significantly improves the value creation ability of enterprises, and then promotes enterprises to achieve the goal of maximizing value., This paper studies the financial strategy management of enterprises based on value creation^[1].

1.1 Research Background

Technology companies, It belongs to a local high-tech enterprise. The company is mainly responsible for the industry of science and technology, chemical promotion, and the operation

of science and technology products and services. At the same time, it also takes into account the research and development of some technical products. In the process of the industrialization of the company's high technology, all management activities of the enterprise must be based on strategic management. The main contents of enterprise strategic management include the management of future uncertainties. According to the characteristics and needs of technology enterprises, it is necessary to study the management theory and management methods of advanced science and technology enterprises, provide theoretical support for the development of enterprises, and enhance the core competitiveness of enterprises. Financial strategy is very important for an enterprise. It stands in the future to advise enterprises and formulate strategies suitable for the enterprise itself and make it sustainable. Enterprises should strengthen financial strategic management, do a good job in long-term planning, refine the planning into each year, and plan the annual financial budget goals. Strengthening the financial strategic management of enterprises is very helpful for enterprises to achieve their business goals. The catalytic role.

1.2 Research Significance

The development of e-commerce is as fast as sitting on a rocket. The e-commerce industry is developing rapidly, and the application of e-commerce in all aspects is constantly broadening and deepening.

At present, with the continuous development and growth of e-commerce enterprises such as Taobao Tmall, JD.com and Alibaba, the volume of electronic transactions has also increased rapidly. At the same time, it has also affected the current traditional financial management environment, so the development of emerging e-commerce financial management is imminent. Strategic financial managementIt is summarized from people's experience in practice. TheoryThe specific theoretical basis is based on a certain logical relationship. Organic combinationIt is used for guidance. Financial managementA complete and multi-level theoretical system of practice, strategic financial managementConcept, Principle 、 MethodProgramThe organic knowledge system composed of others. It can be used to evaluate, predict and improve financial management. Financial managementKey elementIt is the specificization of financial management objects. The determination of strategic financial management elements should be based on the basic principles of strategic financial management. FoundationsThe basic framework for strategic financial management. Theterminology of strategic financial management includes the following:^[2]

- (1) Strategic planning. Strategic financial management has been demarcated. Main bodyTaxiMission, formulateGuiding principle, determineTarget And set the goals of the financial management subject.Plan.
- (2) Strategic decision making. Evaluate the strategic management program and choose the most suitable one. Corporate strategyDevelop survival programs.
- (3) Strategic control. Determine the implementation strategyOrganizational structure,LeadAnd incentive and monitoring strategies in the main goal of financial management.Effectiveness.
- (4) Strategic performance evaluation. Performance evaluation is between the activities of enterprise members and the enterprise strategy. BondIt is motivation, evaluation and control. StaffBehaviourAn effective tool. Performance evaluation usually includesPerformance indicatorsSetting, scale, evaluation, control, feedback, adjustment, motivation, etc. Strategic

performance evaluation revolves around the Strategic management Goal to carry out and promote Business objectives of the enterprise. It was successfully completed.

2 FINANCIAL STRATEGIC MANAGEMENT ANALYSIS OF SCIENCE AND TECHNOLOGY ENTERPRISES

2.1 Issue Statement

Traditional financial management is no longer the development of e-commerce. The development of e-commerce has led to the emergence of new e-commerce accounting. This question will analyze the problems faced by e-commerce enterprises and study the difference between traditional accounting and emerging e-commerce accounting. In the end, the financial strategic management chosen by each enterprise allows e-commerce enterprises to develop continuously and steadily. Accounting for e-commerce will change the original model and form, improve the quality of accounting work, and also promote the development of accounting. Researchers chose this topic to learn the information technology financial war. The effectiveness of minor management. Through analysis, the following problems will be solved:

1. Analyzing the financial management environment and combining the requirements of the overall strategy of the enterprise, it improves the financial ability of the enterprise.
2. Financial strategy management focuses on the systematic analysis of financial statements, which improves the overall coordination of the enterprise;
3. Financial strategic management focuses on long-term interests and overall performance, which helps to create and maintain the financial management advantages of the enterprise, thus creating and maintaining the competitive advantage of the enterprise. ;
- 5 . All advantages and disadvantages can be clearly seen through data analysis;
- 6 . Collect financial data and establish more reasonable strategic goals;
- 7 . Observe the financial strategic development plan and profit-centered financial plan;
8. Determine the effectiveness of financial strategy management.
9. It can solve the practical problems existing in the enterprise.
- Ten. Improve the operating efficiency of the enterprise and maximize the value of the enterprise.
11. Try to use cost-effective methods to quickly solve problems arising in implementation.

2.2 Research and Design

Content determines the form, and the nature of social sciences determines the choice of research methods. Like natural sciences, using strict mathematical statistical methods to compile human factors into numbers, and information will be missing (Li Gaoyong and Mao Jiye, 2015). Compared with other methods, management qualitative research with case studies as the main content is easy to explore the significance and purpose of human participation. Due to the theoretical framework of the relationship between business model, financial strategy and enterprise value, and based on the business model and financial strategy, effective measurement

indicators have not yet been formed, so that the empirical analysis method based on large samples cannot be used. Therefore, this paper uses a qualitative research method based on case studies^[3].

In recent years Technology companies A lot of money has been invested in product technology research and development. , In the next few years, the company will still strive to complete the project establishment of provincial and municipal science and Technology committees in a way, so that Technology companies Become the leader in the era of the development of China's IoT. Technology companies Long-term development is being achieved in the fierce industry market competition with a prudent overall strategy, and the market share is gradually expanding. Actively cater to the development trend of the domestic and foreign economic environment under the new normal, actively grasp the adjustment of the national industrial structure, adjust the company's industrial structure, coordinate the relationship between R&D projects and the market, and enable the traditional remote water meter products of enterprises to obtain new vitality with the help of new technologies.

2.3 Financial Strategy of Technology Companies.

2.3.1 Investment Strategy^[4]

In recent years, the company has continuously promoted the R&D process of independent brands. While expanding the profit level, it optimizes the allocation of resources by improving R&D investment. In recent years Technology companies While increasing R&D investment, a series of policies have also been implemented to control the input-output efficiency of R&D support. On the basis of improving R&D efficiency, a certain R&D cost will be reduced in 2020. Objectively speaking, the enterprise investment strategy mainly includes two aspects: internal investment strategy and external investment strategy. Technology companies Investment in fixed assets and intangible assets is internal investment, and long-term investment is foreign investment.

While increasing R&D investment, the company also implemented a series of policies to control the input-output efficiency of R&D expenditure. On the basis of improving R&D efficiency, certain R&D costs were reduced in 2020. It can be seen from Table 1 that enterprise investment strategy mainly includes internal investment strategy and external investment strategy. A Technology Co., Ltd.'s investment in fixed assets and intangible assets belongs to internal investment, while long-term investment belongs to external investment^[5].

Table 1 A Investment of Science and Technology Co., Ltd. from 2016 to 2018 Unit: yuan

	2018year	2019year	2020year
fixed assets	90,999,650.90	76,260,545.25	74,337,207.22
Intangible assets	8,107,796.18	8,056,044.14	9,046,515.98
long-term investment	-	-	11,343,000.00
Total assets	159,891,917.32	182,449,115.30	196,596,556.04
Fixed assets/total assets (%)	56.91	41.8	37.81
Intangible assets/total assets (%)	5.07	4.42	4.6
Long term investment/total assets (%)			5.77

Note: The data are sorted out according to the audit report of Science and Technology Co., Ltd. from 2018 to 2020.

2.3.2 Analysis of the Causes of the Financial Strategy of Technology Companies.

1. Lack of reasonable evaluation of corporate investment
2. Conservative fundraising strategies lead to unreasonable funding structures.
3. Lack of effective incentives for income distribution

2.3.3 Evaluation of the Effectiveness of the Implementation of the Financial Strategy

The impact of each branch strategy in the financial strategy on the enterprise's financial strategy varies, so there are also differences in the importance of each indicator set according to the enterprise's financial strategic plan, so it is necessary to distribute the weight of the selected relevant indicators and determine their importance in the financial strategy. When assigning weights to indicators, this paper chooses gray correlation analysis to escort the applicability and operability of subsequent calculations and evaluations.

Technology companies

The dividend distribution strategy is also unsatisfactory, and the score is only 3.4522,

As the strategy with the lowest score in financial strategy, it has many disadvantages:

Technology companies. The interests of shareholders have not been fully considered. Although the high dividend distribution policy can improve the image of enterprises among investors, the cost of capital will increase with the increase of the number of shares, and Technology companies

The current business status does not match. and

Through Table 1, we can analyze technology companies, If a higher dividend is distributed to shareholders, it will reduce the retained earnings of the enterprise and indirectly reduce the amount of internal financing of the enterprise. Technology companies. External financing is required, which will generate financing costs and increase. Technology companies, The cost is difficult to maintain. Technology companies, Continuous production and operation.

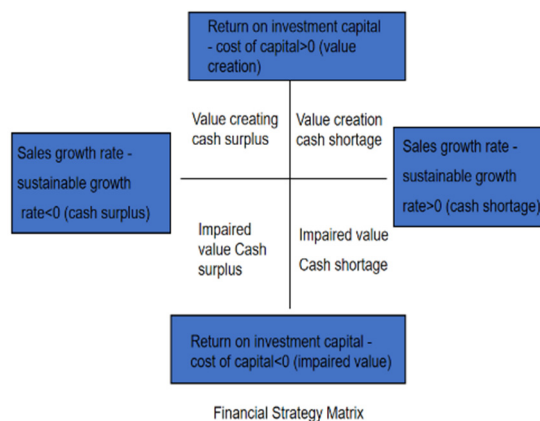


Figure1 Financial Strategy Matrix

3 TECHNOLOGY COMPANY

Suggestions for improving the fundraising strategy

3.1 Propose

According to the company's overall strategic goals, the current maturity periodTechnology companiesIt is necessary to maintain stability, gradually expand production and consolidate the market position. In order to maintain this stability, its strategic focus is to improve efficiency. At the same time, it also takes into account the requirements of improving sales level and service quality.Technology companiesThe financial strategy of maturity needs to achieve sustainable development, optimize the allocation of funds, and maximize the benefits of capital.

3.2 Technology Companiessuggestions for Improving the Fundraising Strategy

1.Broaden external financing channels

The company's financing channel is single, and more financial support may be needed if it wants to have new developments in the future. At present, the company's tendency in debt financing is weak, and the debt ratio is low. Therefore, in the long run, in order to meet the needs of the company to continue to expand its scale, financing should be more active. Consider increasing debt financing for allocation, with debt financing as the main external financing channel.

In the financing process, companies should focus on solving financial risk control problems as a key part. According to the actual situation, determine the appropriate financing rate and strive to achieve the goal at a lower cost, so that the company can raise enough funds.

Technology companiesToo much attention is paid to domestic investment in the direction of investment, but the intensity of foreign investment is small. Although domestic investment can improve the production efficiency of enterprises and expand the market size. You can't rush to invest in areas that are too different from the company. You can take the market as the unified core and reduce investment mistakes.

2.Improve core competitiveness

Core competitiveness affects the survival of enterprises and is the core of enterprise development. Enterprises should not only expand their production scale, but also tend to improve their core competitiveness and cultivate and expand their own advantages, so as to win the favor of more buyers in the protective clothing market. At the same time, it is necessary to strengthen R&D and marketing, and expand brand influence. This can form a brand effect, attract more customers, promote a steady increase in sales, and make more profits.

3.3 Technology Companiessuggestions for Improving the Profit Distribution Strategy

1.Establish a sound incentive distribution mechanism

2.Improve financial performance evaluation

During the actual implementation of the financial strategy, there may be many situations that cause optimization measures to fail to achieve the purpose of optimization. In order to avoid this situation, in the process of optimizing the financial strategy, the following five safeguards

are formulated to ensure that Technology companies The optimization of the financial strategy has been effectively implemented.

3.4 Financial Strategic Safeguard Measures of Technology Companies

If the financial strategy is to be effectively implemented, the preparation before implementation is indispensable. The perfection of the preliminary preparation will directly affect the overall implementation of the financial strategy. Through hierarchical management and supervision of budgeting, the rationality of budgeting is ensured. The decomposition and implementation of the budget also decomposes the goals and responsibilities, thus effectively ensuring the implementation of the financial strategy and gradually achieving the overall goals of the enterprise. The specific programming cycle is shown in Figure.

3.5 Establish an Evaluation and Incentive Mechanism for Financial Strategy Implementation

After making the preliminary preparations, in order to ensure the continuation of the financial strategy work, it is also necessary to pay attention to the assessment and evaluation of the financial strategy within a certain period of time and the motivation of relevant personnel afterwards.

1. Establish a financial strategy implementation assessment and evaluation system
2. Combining performance and incentive mechanism

3.6 Strengthen Management's Awareness of Financial Strategy

Whether the financial strategy can be effectively implemented is closely related to management's financial strategy awareness. The implementation of financial strategies cannot rely solely on the financial department, but requires collaboration and coordination among enterprises as a whole. For example, in terms of departmental budgets, if enterprises cannot reach a unified understanding, departments are likely to focus on their own interests and do not consider the company's overall strategic implementation, resulting in the implementation of financial strategies being formal and cannot be truly implemented. Based on this situation, the establishment of managers' financial strategic awareness is a prerequisite for the effective implementation of the financial strategy of the whole enterprise^[6].

Strengthening risk control; and establishing an information feedback system to achieve the long-term and stable development of enterprises.

3.7 Analysis of Business Risk Environment

Matching method	characteristic	give an example
Matching of high operational risk and high financial risk	High overall risk. This match does not meet the requirements of creditors.	A start-up high-tech company, assuming that it can obtain most of its capital through borrowing, has a high probability of bankruptcy, but is unlikely to succeed.
Matching of high business risk and low financial risk	There is a medium level of total risk. This match is a realistic match that can meet the expectations of shareholders and creditors at the same time.	A start-up high-tech company mainly uses equity financing, and rarely uses or does not use debt financing.
Matching of low business risk and high financial risk	There is a medium level of total risk. This match is a realistic match that can meet the expectations of shareholders and creditors at the same time.	A mature public enterprise uses a large number of loans to raise funds.
Matching of low operational risk and low financial risk	There is a very low overall risk. This kind of matching does not meet the expectations of equity investors and is not a realistic match.	A mature public enterprise only borrows a little debt capital.

Figure 2 Financial risk characteristic

Operational risk analysis includes the overall environment and industry environment. The combination of commercial risk and financial risk has four characteristics. Figure 2. To analyze the overall environmental factors, the key is to determine the opportunities and threats of enterprises. At present, the overall environmental factors can be divided into: first, economic factors. The characteristics and development direction of the relevant competitive economy that enterprises need to participate in is the economic environment. It not only affects the growth of enterprise value, but also affects the formation of enterprise financial strategy. Second, finance. Under the market economy environment, the financing and investment of enterprises cannot be separated from the support of the financial environment. Type and quantity of financial institutions and related financial products, and the maturity of financial markets will have an impact on the capital of enterprises, thereby affecting their value. Third, the market size. The larger the market size, the greater the possibility of segmentation. Therefore, both large and small enterprises believe that there is a greater opportunity to scale up. Fourth, laws and policies. National macro laws and policies will have a significant impact on the competitiveness of enterprises. Fifth, technology, science and technology are undoubtedly the primary productive forces. The technical level will directly affect the scientificity and efficiency of production. In addition, it can also provide guidance for the investment direction of enterprise funds. Sixth, social culture. The changing trend of public life patterns and values is very important for consumer goods manufacturers. The demand for industrial goods often comes from the consumer goods industry, that is, the dynamic change of the demand for consumer goods industry will significantly affect the demand for industrial goods. Therefore, the dynamic changes of social and cultural factors will have an impact on many industries.

3.8 Profitability Analysis

For real enterprises, profitability analysis usually takes indicators such as return on equity and return on total assets, which can be sorted out.

Table 2. Profitability Analysis Table of Guangdong A Information Technology Co., LTD Unit:

	In 2018,	In 2019,	In 2020,
Average Total assets	113473911.2	171170516.3	189522835.7
Return on equity (%)	13.97	8.42	8.69
Return on Total Assets (%)	17.09	7.46	7.62

Note: The data are compiled according to the 2018-2020 audit report of Guangdong A Information Technology Co., LTD.

It can be seen from Table 2 that the profitability analysis of Guangdong A Information Technology Co., Ltd. from 2018 to 2020 shows that the average total assets of Guangdong A Information Technology Co., Ltd. has continued to rise, but the return on net assets and the return on total assets have both declined, indicating that the company's profits have declined, but its main business capacity is still relatively competitive compared with other water meter industries in China.

3.9 Operational Capacity Analysis

As can be seen from the operating capacity analysis, the accounts receivable turnover ratio of A Information Technology Co., Ltd. was maintained between 3.5 and 2 from 2018 to 2019, which indicates that the company's accounts receivable recovery is not ideal, and the company's fund use efficiency is relatively cross. However, the current asset turnover ratio of Guangdong A Information Technology Co., Ltd. between 2018 and 2019 was greater than 1, indicating that the company's main business income was higher than the current assets at this stage, the enterprise's current asset turnover rate was also fast, and the utilization of current assets was relatively ideal. However, the turnover of current assets dropped to 0.84 in 2018, indicating that the turnover of current assets of the company declined in 2020, and the utilization of current assets needs to be improved. From 2018 to 2020, the total asset turnover of the company did not exceed 0.6, which was not high compared with the same industry, indicating that the investment efficiency of the company was not good.

Table 3 Operational Capacity Analysis Table of Guangdong A Information Technology Co., LTD Unit: time

	In 2018,	In 2019,	In 2020,
Accounts receivable turnover	3.29	3.24	2.39
Current asset turnover	1.46	1.15	0.84
Total asset turnover	0.59	0.53	0.44

Note: The data are compiled according to the 2018-2020 audit report of Guangdong A Information Technology Co., LTD.

3.10 Comprehensive Analysis of Financial Position

By analyzing the financial statements of Guangdong A Information Technology Co., LTD from 2018 to 2020, the current financial strategy of the company makes the company's financial status in terms of debt paying ability, profitability and operating ability as follows^[7]:

First, A information technology co., LTD. Guangdong asset-liability ratio reached the highest in 2019, mainly due to the influence of the new financing, this phase of the financial leverage ratio is relatively low, the specific performance in the short-term debt paying ability strong, but its debt management and financing model has relatively large limitation, and poor liquidity, However, the asset-liability ratio declined again in 2020.

Second, the return on assets of Guangdong A Information Technology Co., Ltd. showed a slow downward trend. After 2019, the company began to try external debt financing and the financial expenses also affected the overall business performance of the company^[8].

Third, Guangdong A Information Technology Co., LTD., from 2018 to 2020, the company's capital use efficiency was high, and the current asset turnover rate in 2018 and 2019 remained above 1, indicating that the current asset utilization rate at this stage was in line with the industry average level, but the current asset turnover rate decreased in 2020.

In conclusion, before 2018, Guangdong A Information Technology Co., Ltd. mainly used internal financing. In 2019, the enterprise began to try external financing, but the financing mode was single and the scale was small. The decline of fixed asset investment has not effectively improved the efficiency of enterprise asset investment. At present, the former Guangdong A Information Technology Co., Ltd. relies solely on the financial budget management strategy, which leads to the insufficient growth of the enterprise's financial control ability, and it is urgent to optimize the financial strategy.

3.11 Establish A High-Level Risk Management Awareness of Enterprises

The outbreak of COVID-19 is also Technology companies It brings opportunities and challenges. Affected by the COVID-19 pandemic, physical stores have been basically closed, which has a huge impact on enterprises dominated by offline retail channels, but Technology companies The main sales channel is online channels, right. Technology companies The impact is less. At the same time, with the closure of restaurants, consumers have to cook at home by themselves, which also increases the demand for small kitchen appliances in China. This chapter is mainly Technology companies Suggestions for improving the mature financial strategy are made. Broaden external financing channels in fundraising strategy, optimize the financing structure and reduce risks; do a good job in the budget, improve core competitiveness, and expand the industrial chain in mechanism in profit distribution to attract and retain core technical talents and improve financial performance evaluation. At the same time, for the implementation of the financial strategy, relevant investment strategy; establish a perfect incentive and distribution safeguards are proposed, including strengthening budget management;

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