

# ***Probe into the Motivation and Strategy of Financial Management Innovation under the New Normal***

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**Abstract:** With the development of market economy in our country, various product industries emerge as the times require. It is difficult for the key financial management to adapt to the change of this environment. As an enterprise itself, it should see clearly the current form of financial management, constantly improve the financial management system, and avoid financial losses as much as possible. Therefore, this requires the enterprise to strengthen financial management. To a certain extent, it provides a certain basis for the management development of enterprises, making enterprises to develop steadily. Enterprises play a vital role in China's reform and opening-up, and they can improve China's economic development level and provide a large number of jobs for China's elderly people. Therefore, enterprises play a key role in the economic development of our country. However, in the process of enterprise's development, there will certainly be internal problems, and the problems are getting more and more serious, especially the imperfect financial management system, so that the enterprise's development has been greatly hindered. To this kind of question, this paper mainly has analyzed the motivation of enterprise financial management innovation as well as some countermeasures of strengthening the enterprise financial management innovation.

As the name suggests, the innovation of enterprise financial management refers to the qualitative leap and progress which is realized by the adjustment of the Financial Management Department of the company due to some factors. For the enterprise, the process of this sudden change is actually the innovation process of the enterprise Financial Management Department. Although financial management innovation is a new way of financial management for enterprises and it is very effective, it has not been implemented by enterprises. In essence, this kind of financial innovation is a kind of sublimation for enterprises to compete in the market economy. It takes as the top priority of the enterprise financial management and the management, the management and the production, therefore we should treat it correctly. The new combination of various conditions, as well as the transformation process of the enterprise's original financial management system. In the process of financial management innovation, some enterprises must be abandoned by the market because of the lack of management style and ability.

## **1. The motivation of enterprise financial management innovation**

Now, with the continuous development of the market economy, people's requirements for the

quality of life are getting higher and higher, and their spiritual needs are also getting higher and higher. Therefore, enterprises must keep up with the pace of the times if they want to meet people's requirements and the needs of consumers. Enterprise financial management used to mainly use manpower to calculate the financial. Now, with the progress of the Times, the continuous improvement of the level of science and technology, the continuous perfection of electronic technology, computers can replace manpower in financial management to play its value and how to use this kind of high-tech is also a necessary condition that the enterprise management departments need to constantly improve. In the past, as the Financial Department of enterprise management, it was mainly to implement the financial management system promulgated by the state. For the developing market economy, it is not enough just to rely on this point, we should also work out a financial management system in line with the current, give full play to the participation of employees, so that enterprises can truly achieve democracy and science. At the same time, the reform of science and technology and the reform of management must require the innovation of enterprise financial management. The competition of enterprises in the future is not only scientific competition, but also another great competition as management system. If an enterprise, regardless of the changes in the market, can not be reformed according to the needs of the market and can not cooperate well with the scientific management, it will make it difficult for the enterprise to achieve long-term development. Therefore, if an enterprise wants to achieve long-term development, the Financial Management Department must pay close attention to the scientific management reform, must adapt the present trend to creates enterprise financial management pattern conforming to the market economy development. Of course, there are more and more uncertain factors, and the form of business has become more and more complex, which also requires innovation in corporate financial management.

## **2. The present situation of financial management in Chinese enterprises**

### **2.1 Blind investment and disorder expanding of the scope of enterprises**

In the economic development of our country, some enterprises do not realize their own ability level, also do not see clearly their own development goal, carry on the blind investment and expanding their own category without rhythm, which caused the serious loss to the enterprise. In the following, take the bankruptcy of KMK CO., Ltd, a well-known enterprise in Yichang, as an example to analyze.

After KMK CO., Ltd started to achieve some success because of its unusual way of operation, the company boss was eager to achieve success, wanted to make the company bigger and stronger, and his idea of seeking maximum profits in the way of operation was constantly strengthened, therefore, the "300 principles" were launched. That is to say, it would set up 100 enterprises, 100 companies and open 100 supermarkets. As soon as this policy was launched, more than 100 group-owned enterprises were set up, spanning even dozens of industries. The products included beer, glass wine bottles, diamond, piano, diesel and so on, in addition to welding rod, the featured product of KMK CO., Ltd.

This practice of KMK CO., Ltd is that there is no detailed investigation for needs of market economy and development direction. Instead, it just blindly invested projects, expanded category, finally made the group have to go bankrupt road. It can be seen that, as the management personnel of an enterprise, they should strengthen their understanding of economic management and financial management, constantly learn new knowledge of financial management, and change traditional financial management concepts. More importantly, before making the next investment, they should conduct a comprehensive research on the market and analyze the feasibility of the investment project. Only when all the factors are taken into account, can they come up with a project that meets

the market demand, so that make enterprise in an invincible position in the social competition and obtain the greatest benefit, otherwise the enterprise will be defeated.

## **2.2 The unreasonable financial framework and insufficient awareness**

In the process of establishing financial structure, there are always some phenomena of management being compressed, which plays the characteristics of high efficiency and fast speed of financial management. But in fact, financial institutions set up by most companies are the reverse, the intermediate stage of the financial management is more complex, making financial management departments appear inefficient, less flexibility; Even some companies do not have clear financial institutions, the chaotic division of labor, or even worse, no financial institutions at all. Some people once thought that financial management was nothing more than bookkeeping, accounting and account reporting, and that the profits of an enterprise were created, rather than the one-sided idea managed by the financial management department. This group of people ignore the value of financial management. To some extent, the company has an imperfect financial organizational structure and an unreasonable institutional setting.

## **2.3 Post setting**

In some enterprises in our country, many of them are family-style management forms, which will create cross-cutting problems for the posts of financial institutions. Some business managers do not include financial management positions in the structural mechanism of business management for their own reasons. What is more serious is that business managers mistake financial management as the position of business financial management. The post of enterprise financial management has lost its value and significance in enterprise management, resulting in the state of loss.

## **3. Innovative strategies for financial management development**

### **3.1 Do a good job in the financial management of investment, fund-raising and capital utilization**

In the rapid development of market economy today, before the investment of enterprises, whether for the benefit of enterprises or for the impact of society, it is necessary to think and study repeatedly to see whether it is in line with the current environment. Corporate decision makers must lead middle-level cadres to market for research and to learn from their peers. Through the investigation and forecast, the project size and investment requires for profit analysis, in order to whether research products meets market demand and whether to win customer's welcome.

### **3.2 Re-establish the financial structure and constant improving the financial institutions**

As an enterprise, the reorganization of the financial structure, not only clarifies the financial department of the various working procedures, but also implements the corresponding responsible personnel with responsibility, power, benefits. On the one hand, it can effectively control the cost of the enterprise, so that the speed of work can be constantly improved. On the other hand, it has the advantage of stimulating the potential of the enterprise's employees, so that the vitality of the enterprise can be constantly enhanced.

First, we should effectively supervise the usual costs of the enterprise financial organizations and institutions and financial management. Through the establishment of jobs, we can clarify the responsibilities of employees and the division of responsibilities, so that we can implement each

post with the management of mutual supervision. Second, from the perspective of the enterprise, if the financial system itself is very unreasonable, then we must first carry out effective rectification between financial positions and financial relations. Thus we can design a set of financial performance evaluation system with finance and fund as the management center, and then accelerate the flow of enterprise funds, optimize and combine the capital structure, ensure the continuous increment of capital, in order to strengthen the role of financial management to a certain extent, improve the status of financial management. Third, we should take the financial process re-engineering, value creation, risk control as the core, compress the intermediate link, make the value generation and confirmation correspond to each other.

### 3.3 Establish and perfect the financial management system with Chinese characteristics

Each country has its own unique economic model, political system, and cultural background, which determines the financial management of enterprises in a variety of ways, even in the same country, in different cities, in different industries. As a result, different companies in the management of financial management will inevitably have a certain degree of difference. Therefore, as one of the main objectives of enterprise financial management is to establish a financial management system with Chinese characteristics, which must adapt to China's market economy and basic national conditions. From this point of view, enterprise financial management can not be forced to go international, it should be suitable for China's national conditions. To make national character strong, only in line with Chinese characteristics of the enterprise financial management system is the most feasible.

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