Capital Distribution and Management of Innovative Internet Team for College Students

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Abstract. With the development of The Times, “science is the first productive force” has been recognized. Innovation plays an important role in enhancing comprehensive strength and promoting economic development. College students' innovation and entrepreneurship has become a trend, and more and more college students' innovative teams have been formed, in which the allocation and management of team capital is a very key link. This paper introduces the source and use of funds for college students' innovation and innovation teams and puts forward solutions to the problems of fund management and distribution in the process of team operation. According to many years of team capital management and reference to the relevant group team management experience, this paper also summarizes the experience and existing problems in financial aspects of team building over the years, draws the conclusion of solving the complex capital contradiction and puts forward some methods of team capital operation and management.

Introduction

Introduction of the Innovation Team

With the continuous improvement of social requirements on innovation and entrepreneurship of college students, colleges and universities have gradually been actively engaged in the cultivation of college students' innovation and entrepreneurship ability. College students' innovation and entrepreneurship team [1] is a form of its development. The team is a way to bring together a group of people with different abilities to develop projects and participate in competitions to maximize their effectiveness and achieve win-win results.

This paper mainly takes the Internet + innovation and entrepreneurship team of college students as an example to elaborate, hereinafter referred to as the Internet + team of college students. College students' Internet + team is a product conforming to the information age. It is a group of college students with certain innovation and entrepreneurship ability and Internet knowledge, skills and accomplishment. It is conducive to knowledge sharing, resource sharing and thinking sharing, grasping Internet entrepreneurship opportunities and turning them into achievable business plans, so as to achieve the overall entrepreneurial goals of the team while improving abilities.

Background of Capital Operation and Distribution

According to the source of funds, innovation and entrepreneurship Internet teams [2] of college students are mainly divided into two forms. The first is a self-running team, which is funded mainly by project development for private or enterprise. This kind of team has strong independence and is not restricted or managed by schools and colleges. It requires a high degree of fund allocation and management. The second type is the tutorial team, whose funding mainly comes from the application of tutors to the school, and their fields and equipment are funded by the school. The whole team is actually subordinate to the school, guided and managed by the faculties and teachers. The independence is inferior to the former. However, no matter which form of team, the allocation and management of funds is not easy. Financial management [3] plays a core role in the development of a team, and is often the part that is most easily overlooked. The lack of fund management in the team will lead to problems such as fund dispersion and inefficient utilization. Serious problems will lead to the break of the fund chain of the team and eventually lead to the
dissolution of the team. Having a good financial management mode in the team is the starting point for the overall management, which is conducive to improving the project development progress of the team and promoting stable and coordinated development.

**Capital of Innovative Team**

**Sources of Funds**

As the innovation and entrepreneurship internet teams of college students have not yet risen to the real social level, there are a few ways to raise funds and sources. The main sources of funds are self-financing by team members, helping private or enterprise to carry out project development like software outsourcing obtaining income and the profit of an independently developed project, team and team members’ competition bonus income, school funds and tutor’s sponsorship. In addition, when the team developed to a certain size, the project developed rapidly and achieved certain results. Teams can raise venture capital and angel funds. However, for startup teams, innovation teams of college students often have the problem of “lack of experience and capital”. So financial management is essential, especially for the startup team.

**The Operation and Use of Funds**

The operation and use of team funds is the key issue of the whole team's capital management [4]. From Figure 1 we can see the use of team funds is mainly in the following aspects: team capital construction and operation costs, project development costs, competition costs, paper payment, business trip reimbursement, party building costs, team member training costs and so on. The standardized and efficient use of real team funds should be properly allocated and conducive to the team's future construction and development, technical progress, internal structure adjustment, team culture construction, innovative project development, and member quality improvement.

![Figure 1. Team revenue expenditure chart.](image)

**Problems and Contradictions**

**Current Situation of Innovation Team Capital Management**

At present, most innovation and entrepreneurship teams of college students in China only pay attention to the cultivation of technical talents, but the construction of financial [5] personnel team, and it cares less about the management of capital, which has become a common problem in
innovative and entrepreneurship teams of college students. Start-up team building and composition are usually for the school has a certain ability to carry out project development of excellent technical personnel, or the instructor selected the usual performance and performance of the students with good grades. These team members are often limited to technical developers, who lack financial management experience despite their outstanding technical expertise. This will lead to confusion and inefficiency in the use of funds, which will affect the improvement of the team and hinder the sustainable development of the team.

The team is small-scale, with limited funds and poor fund-raising ability. Once the team fails to receive new projects or the mentor stops funding, the drawbacks of fund shortage will be exposed immediately. At the same time, leaders in the team lack the knowledge of capital management and there is no standardized capital management mode. It is easy for the break of capital chain to lead to the operation difficulty of the team, and the worst result may lead to the dissolution of the team. Therefore, the innovation and entrepreneurship teams of college students must pay attention to the management of funds, formulate their own management strategies suitable for team development and promote the stable development of the team.

The Problems of Funds Management

For most innovative and entrepreneurship Internet teams in colleges and universities, the general team goal determined by the core entrepreneur, namely the team leader, is taken as the standard of fund management and allocation system, and there is no exact fund management system. How to carry out fund management is mainly through the word of mouth between each team member, commonly known as the practice, which is very convenient but cannot play the role of management and supervision of capital flow. In addition, there is no financial staff, and the fund management and distribution have the disadvantages of decentralization. Generally, the team leader designates some technical personnel to serve as the team leader, and the fund management is arbitrary. In order to build a better team, the university innovative Internet team should pay attention to the problem of fund management and distribution and improve the fund management system. Here are some common funding issues for innovation and entrepreneurship teams.

First, the lack of standardized capital management system. This is mainly due to the innovation team's own shortcomings in the lack of professional financial personnel. How will the team's money be spent? Where to use it? How many? This is the most common problem we have in the process of team application. There is no accurate answer and it needs to be formulated according to the team's own situation, which is a part of the enterprise strategy. There is no capital strategic planning in the team, and the members did not set clear strategic goals when they got together by chance, thus forming the bad habit of “taking a step and seeing a step” in the use of capital.

Second, the use of funds is inefficient and there is a lack of capital budget. The financial information of the team is not transparent, and there is no evidence to rely on. The existing number of team funds and the details of income and expenditure are not disclosed, which are mainly operated by the leader alone. Although financial personnel are set up, there is a lack of financial knowledge and the problem of fund use disorder exists. There is no clear budget management of funds to standardize the direction of the use of funds, resulting in reduced efficiency of the use of funds.

Third, the lack of supervision and management of team funds. Team members play a vital role in the source and direction of funds and in the better management of funds. The internal team should strengthen the management of the fund audit system, clarify the approver of the use of funds and ensure the effective and clear use of team funds.

The Problems of Funds Distribution

In the case of limited team funds and normal operation to ensure the maximum use efficiency of various funds, reasonable allocation of funds is very important. The team has the mentality of “take things as they come”, allocating funds when needed without considering whether the expenditure of funds is reasonable or not and the relationship between the use of funds. It is easy to cause excessive use of funds for one activity, only to find that there is no extra available funds when other
projects need funds, and the funds are wasted without any reason. Such a wrong decision may lead to project delay and slow progress of technical improvement.

The use and use of the funds mentioned above refers to the expenses involved in the team operation process. If there is a shortage of funds, but the project development needs to be carried out at the same time, the payment of paper fees for team members, the payment of team competition registration fees and so on, there are a lot of contradictions in the allocation of funds.

The Contradiction between the Use of Funds and the Feedback of Results

After solving above a series of problems, new problems arise from operation. Professional financial management personnel have been allocated, reasonable fund management system has been established and funds between various activities have been allocated correctly, but the expected goals have not been achieved successfully. There is a contradiction between the use of funds and the feedback of results, that is, the so-called “no pains, no gains”.

1. How is money distributed among team members? There is no reasonable performance appraisal standard, and there is a phenomenon that team members' efforts and gains are not equal. Ignoring the difference in contributions among members leads to the larger members not getting more financial support to play a greater role.

2. Ignoring the problem of opportunity cost and failure cost, and choosing the risk [10] degree of the project to invest are deviated from the results, and we need to consider them into the scope of capital management. Such as the development of the project did not pass the review, competition did not win awards and paper published failure and so on.

3. How do you measure their performance? For example, the capital allocation rules between writing a paper and winning a provincial third prize are in conflict with each other.

The Methods to Solve the Financial Problems

According to the mentioned content above, the innovation team mainly has low capital utilization rate, difficulties in team operation, and capital management affects the development of the team. After analysis, we found that the causes are mainly in the following three aspects, at the same time, we also put forward the corresponding solutions.

First, there is a lack of professional fund management, including professional financial personnel, system, budget and inspection. Among them, professional financial personnel are the key factors to promote the efficient use of team funds. They can help establish and improve the team's fund management system, budget system and supervision system. Due to the lack of professional
financial personnel, the division of labor is not clear, resulting in low efficiency. To solve this problem, it is important to introduce finance majors into the team.

The performance appraisal of financial personnel should be linked to the fund management, so as to improve the enthusiasm of financial personnel in fund management and improve the accuracy of decision-making. As well as other members of the team, they should play the role of supervision and inspection to reduce and prevent the fund from being used incorrectly, which leads to inefficient fund utilization. In the team, financial information should also be transparent and clear accounting books should be recorded to summarize the income and expenditure of individuals and the team, laying a foundation for performance assessment. In the team daily ledger using simple method, need to register income and expenditure items, income for debit, expenditure for credit, monthly closing, summarized by semester. Make the specific situation of income and expenditure public every month, so that the team's daily fund operation can be based on and tracked down.

Second, the rational allocation of funds. There are many daily projects in the team, and the limited funds are needed to maintain the development of the project and the self-improvement and development of the members. We can use SWOT model [11] to transform them into an assessment method suitable for the use of the team, analyze the advantages and disadvantages of the team, make a reasonable allocation decision and prevent the inconsistency between the result feedback and the effort. At the same time, “gantt chart” can be used to allocate funds reasonably according to the progress of different projects, so as to optimize the allocation [12] of funds.

![SWOT Mode](image)

We can analyze the internal and external conditions of the team according to the improved SWOT model in figure 3, which includes strengths, weaknesses, opportunities and threats. Make clear the advantages and disadvantages of the team, and determine the rationality of capital allocation among the team projects.

Third, performance evaluation [13], the development of performance evaluation standards. Each semester requires performance evaluation, detailed explanation and report of the fund management and application of this semester. Detailed performance evaluation standard, between the different work carried out in accordance with the point scale distribution, foundation is divided into 60 points, write a paper to get 5 points, for example, if won third prize on the basis of the five points with two points, the second prize and five points, the first prize and 7 points, the final monthly performance to carry on the overall ranking, and examine and verify the rationality of the allocation of funds, standard adjustment.

Before and after the end of the programmers, product managers, scientific research personnel, to participate in the game are allocated by the month, most of the money in the beginning of this month according to the work tasks and work performance ranking allocated funds last month, for
example, the top 10% in this month work tasks based on increased by 20% as a bonus, after 10% of members to reduce 20% of the funds as a punishment. Can allocate fund reasonably already can arouse the enthusiasm of member again.

Finally, we should combine the supervision and inspection [14] before, during and after the event. In advance, do a good job in budget management, to prevent fund use disorder. In the event, team members shall conduct supervision and inspection, find mistakes and timely modify the budget, so as to improve the efficiency of capital utilization. After the event, I found the problems, summarized my experience and made a more accurate judgment for the capital budget [15] of the next semester. The process for solving the team's existing financial problems is shown in figure 4.

![Flow chart of capital problem solving](image)

**Figure 4. Flow chart of capital problem solving.**

**Conclusions**

In order to manage and allocate the funds of the team well, solve the problems of lack of standardized fund management system, budget management, supervision and management, and deal with the contradictions among projects, team members and individual work performance, the standard allocation standard plays a key role.

According to our experience, we put forward corresponding solutions to the above problems, which are mainly divided into the following four parts.

The introduction of professional financial personnel, to achieve a clear division of labor to maintain structural stability is very important. The team needs to develop a reasonable fund management and distribution system, standardize financial problems, and do a good job in budget and supervision is the key to improve efficiency.

Define criteria for allocation of funds among projects. They evaluate the team project reasonably, follow up the work progress, and optimize the fund allocation.

Conduct performance appraisal. When dealing with the problem of inconsistent contributions of team members, the financial staff of the team should achieve a relatively fair distribution, so as to improve the internal work enthusiasm.

Inspection is essential. The team needs to summarize the work of financial management and allocation over a period of time to lay a foundation for making more accurate capital plans.

For a better development and growth of the team, not only the four points above should be standardized capital management, but also the efficiency of capital utilization should be paid attention to improve the enthusiasm of the team and the rationalization of capital structure.
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