Study on the Restrictive Factors and Countermeasures of Enterprise Liquidity Benign Operation

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Abstract. Liquidity in the process of enterprise survival and development plays a vital role in maintaining a, not only in relation to the current economic benefits for enterprises, but also have a critical impact on the long-term development, improve the overall competitiveness of the market. Liquidity is mostly cash or other funds can be quickly converted to cash. Expansion of credit funds, stock funds precipitation, product cost is high, asset structure under reasonable, asset loss and many other issues in the current corporate liquidity operations, it is necessary for us to take corresponding measures to prevent and deal with the liquidity crisis.

1 Introduction

Liquidity is required for the enterprises to carry out the necessary continuous business activity of working capital, liquidity short running period, and has a fast turnover rate and forms of most is to cash or other rapid conversion into cash. Corporate liquidity shortage is a chronic problem in enterprise, a business working capital turnover period long or not in circulation, will seriously affect the enterprise development, and even affect the enterprise's safety. Therefore, to strengthen liquidity management is enterprises urgently need to solve the main problems, it is necessary for us to take corresponding measures to carry out comprehensive treatment, for the development of enterprises make a due contribution.

2 A review of enterprise liquidity operations.

Corporate liquidity is the lifeblood of the survival and development of enterprises. In any one of the small and medium-sized enterprise, do not have enough liquidity or lack of liquidity, shortage, loss and depletion, will get into trouble, stagnation or collapse. Therefore, we must high efficiency operation of monetary funds, attaches great importance to revitalize and liquidity, while the understanding of related enterprises liquidity operations related theory is the most basic requirements.

Liquidity is to maintain normal production and operation activities, for the purchase of the object of labor, payment of wages and other production and operation cost of the essential working capital is also used to purchase of raw materials, fuel, and then put in production, after processing into finished products, after sales to recover the money. Liquidity is from the production field into circulation and from the circulation into production areas, cyclic and continuous flow.

Corporate liquidity in the operation has the following four characteristics: liquidity occupation morphology is variable, occupied the number of volatility, liquidity cycle and business cycle of production with consistency and sources of liquidity has flexibility and diversity. It is these features also produced some problems to be solved in the enterprise operation.

The liquidity of enterprises plays an important role in enterprise operation. First, liquidity is an important content of enterprise financial management work. The required cash, accounts receivable and inventory management method should be the main flow of capital projects, in order to achieve the rational use of both saving liquidity, but also can speed up the turnover of floating capital, improve...
the efficiency of the use. Reduce risk. Secondly the flow of economic benefits of funds affected enterprises, under normal circumstances, in general, liquid assets, its profitability is low.

3 Restriction factors of the benign operation of enterprise liquidity

Liquidity does not flow or slow, quick money not fast or slow speed, so that the enterprise funds in a vicious cycle. Funds of the slack disease is enterprise liquidity poor operational efficiency performance, seriously restrict the survival and development of enterprises.

**Expansion of creditor's rights and funds.** The expansion of credit funds is the enterprise capital operation in a prominent and urgent problem. The general enterprise not only credit expansion, and non-performing loans majority. The present situation of enterprise credit capital expansion can be summarized as "super three" and "hidden". The "super three" refers to the credit funds of overextended and super loss. "Hidden" refers to the enterprise not only carrying on a large amount of debt, but there is still a considerable amount of potential claims.

**Inventory funds precipitation.** Corporate liquidity operations in the enterprise inventory level is mainly embodied in the following two aspects: "one is the lack of systematic management of the inventory, often resulting in account does not match the real, inventory occupation of funds cannot be accurate and effective accounting made wrong liquidity decision. The second is that some enterprises products, materials inventory overstock, a serious backlog, resulting in a large number of stock funds sedimentation in the library, can't normal turnover,

**The high cost of products.** Costs of enterprise long-term remain high, in addition to raw materials and fuel, and power and freight costs continue to rise. In addition to the wages of staff and workers in the rapidly increasing and other objective reasons, there are a lot of human factors: one is the style of luxury in many enterprises wantonly popular, no control wasteful in terms of consumption, waste is very serious; The second is the buyer's responsibility is not strong, not the price of purchasing, the goods to buy convenience.

**Assets structure is not reasonable.** Asset structure refers to the composition of assets, here is mainly reflected in the investment structure of the enterprise. At present a lot of enterprise asset structure is unreasonable, do not pay attention to self-accumulation, keen to expand reproduction, will accumulate substantially for the expansion of fixed assets, rarely used to supplement its own liquidity. The proportion of assets in the proportion of foreign investment is too large, asset liquidity is too poor, asset elasticity is small, increased business risk. And enterprise in order to reduce the risk of loans from financial institutions, resulting in high rates of assets and liabilities, interest burden, debt paying ability decreased.

**Erosion of property.** Corporate In the face of the fierce market competition, enterprises timely in order to capture the market reduce inventory, often credit as an important means of promotion, by providing credit services to customers, so as to promote the sales of the products. However, credit improve sales volume and profit at the same time, it will bring a huge risk to the enterprise. Because in the period of economic recession, unsalable goods, corporate profits decline, many should accounts receivable will enable the enterprises are facing huge bad debts risk and cash flow risk, extremely easy to cause the enterprise financial crisis, affect the enterprise's development strategy.

4 Strategies for improving the operational efficiency of enterprise liquidity funds

**Strengthen enterprise fund management.**

Set up the correct view of capital operation. investment concept is the key to the capital operation effect. Capital operation efficiency should be reflected in the security of the funds, the turnover and added value. The safety of funds is very important, there is no safety on turnover and value-added, and accelerate the capital turnover can promote the recovery of funds, improve efficiency in the use of funds, the value.

Adjustment of enterprise capital structure. The general reason of the problem of the operation of enterprise’s working capital is the problem of the capital structure and the quantity of working
capital, which is not to deal with the relationship between the flowing capital and the fixed assets. In the new period enterprises should liquidity in the adjustment of enterprise structure, set aside a certain enterprise liquidity capacity, ensure the amount and number of the flowing capital.

**Improve enterprise internal capital control.** Internal control system is the premise of the operation of enterprise liquidity, the market economy should establish strict supervision and comprehensive management of enterprise liquidity internal control system, the liquidity in the enterprise operation and operation ability basic security, expand enterprise in financing and securities loan link control efforts and management ability, enable the development of enterprises and economy environment to adapt and do the liquidity of enterprise is more complete and comprehensive control.

**Determining optimal cash holdings.** Liquidity of is an important part of the cash and cash management in addition to do a good job in the daily balance of payments, accelerate cash flow speed outside, still need to control the size of cash holdings, that is, to determine the appropriate amount of cash on hand.

**Strengthen inventory management.** At present, if the enterprises want to achieve inventory management to achieve the ideal state, we must improve the original model of inventory management, it is not only applicable to the needs of the development of modern enterprise, at the same time, we also have information, data and function. Specific measures can be from the following aspects: one is to consider the inventory management process standardization and improvement, according to the relevant provisions of the financial system strictly implement, to ensure that the inventory account card; the second is the use of ABC method, adopt different management methods to different kinds of inventory, inventory is appropriate inventory control, in order to speed up the capital turnover rate; the third is to strictly control the amount of inventory, inventory purchase volume, balance the number, but also on the bulk purchase cost and storage cost balance, minimize inventory costs.

**Strengthen the management of accounts receivable.** Strengthen enterprise management of accounts receivable to improve the operational efficiency of enterprise funds, First to the enterprise accounts receivable established to improve and standardize the internal control system, due to the enterprise accounts receivable beforehand, during and after the effective control; secondly, to the enterprise for cooperation in the external market customers to establish a standard credit management mechanism. in the commercial credit, accounting personnel must be regularly on aging analysis, to remind the relevant departments to timely collection of accounts receivable. For the overdue accounts, to analyse the reasons for the arrears for the host, summarize and gradually improve the business enterprise account receivable program.

**Strengthen investment management.** Enterprises in the past due to the lack of the corresponding level of technology and resource allocation capabilities, so that the production capacity of enterprises and real long-term growth has actually been constrained. Therefore, the way of economic growth of enterprises objectively requires the realization from extensive to intensive growth of the fundamental change. In order to adapt to this change, enterprises need to strengthen the implementation of investment management, achieve cast and effective strategy, specifically from the two aspects of the adjustment: on the one hand, adjust the enterprise financial investment strategy, increase investment in infrastructure projects, to protect the enterprise long-term economic development. on the other hand, to increase financial investment management, innovative financial investment system.

**Take deferred payment.** Delay in payment is adjust (reduce) volume of liquidity is an important method. Deferred payment small can not only alleviate pressure on the immediate payment, but also occupy reasonable payment, increase the profitability of the business of deferred payment period choices to facilitate the flow of funds inflow and outflow, to compensate for the liquidity gap.

**Pay attention to the normalization of financing and financing.** Only when a company has sufficient liquidity, in order to maintain the normal production and operation activities and the expansion of the scale of production and operation of enterprises can be selectively according to their ability and convenient use, current corporate liquidity gap, the need to use a cash surplus or by external financing to make up for the shortage of cash, cramming often too late, so the corporate liquidity management to pay attention to the normalization of financing and financing, i.e. "money when money"
Reorganization of creditor's rights. Debt reorganization is refers to the creditors due to the debtor is in financial difficulty, not press about its debt service obligations, according to the relevant provisions and the actual situation, the debtor abnormal concession of a kind of economic behavior, subject to greater economic losses because they do not make any concession in order to avoid. The reorganization of the creditor's rights usually refers to the reorganization of the bad creditor's rights, and the virtuous creditor's rights are generally not to be reformed.

5 Conclusions
Enterprises to strengthen the efficiency of capital operation is a comprehensive work, it will involve the enterprise funds management, accounts receivable management and inventory management, and many other aspects. Liquidity has not fully played its role, thus affecting the economic efficiency of enterprises to improve, but also to improve the market competitiveness of enterprises, improve economic efficiency has an important impact. Therefore, in the enterprise in the daily work of us must to attach great importance to the monetary funds management, constantly improve capital utilization level and the efficiency, strengthen the management of receivables, and comprehensively improve the enterprise to the cost of inventory control dynamics and control level.

References