

Small Business Capital Operation Problems and Strategies Research

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Abstract. Capital operations is to operate the tangible and intangible existing assets of the enterprise efficiently by way of flow, fission, portfolio and optimal configuration, which is aim for the maximum capital appreciation[1]. Capital operation is a fundamental condition for the enterprises' production and operation, also provides incentives for enterprises to create profits. This paper mainly studies small business capital operation problems, elaborates the importance of capital operation to small business, analyzes the backward economic structure, backward business philosophy, lack of standardized intermediaries and less standard assets assessment in small business capital operation, and put forward a number of solution strategies for reference.

Introduction

Since the reform and opening up, the small businesses have developed rapidly in our country, playing an important role in developing productivity, providing more job opportunities and stimulating local economic development. In the global economic integration situation, the investment environment of the business in our country has change dramatically, a large amount of foreign capital are induced into the businesses, providing enough capital for the development of enterprise. However, there are many problems existed in the development of our small businesses, such as the management of capital and structure, the adjustment of strategy and policy, influencing the existence and development of the enterprises. This situation urges the businesses to strengthen the capital operation of their internal resources, form a complete internal operation system meeting the requirement of business' development, realize the transformation of business capital from general capital to high quality capital, promote the expansion and development of business into other fields. Therefore, how to handle these issues and scientifically and rationally carry on the capital operation has become an important topic which is related to the enterprise's opening the way of capital operation and achieving the stable high speed development.

The important role of capital operation in the development of small business.

In the production management of business, the operation of capital is at a high level, which can improve the product structure, expand the scale of enterprise, optimize resource allocation, enhance the management level, these major roles can be seen from the following aspects:

Help enterprises achieve the optimal allocation of resources.

Normal working capital must guarantee the flow of capital. Corporations compete with each other to survive the high-quality and eliminate the bad-quality depending on the flow and reorganization of capital, a high-level enterprise can acquire low-level enterprises companies to improve and develop, making the best use of the resources of low-level enterprises to realize the best combination of capital, technology and resources and improve the operation scale, meanwhile bring more tax revenue to the state, and bring more benefits to the enterprise. Within the micro- enterprise, the top managers of enterprise should optimize the use of available funds and material resources, provide maximum support for the competitive products and services to further meet the strategy of the better get better of "Matthew Effect", achieving the self- regulation of resources.

Expand the business scale, and optimize the capital structure.

Capital operation should make full use of and control the capital, controlling most resources with the least cost[2]. Within the enterprise, the optimal combination of resources can achieve the capital

appreciation, it can increase the capital, expand the scale, raise economic benefits and corporate power by mergers, acquisitions, equity participation, holdings and other means. Normal and efficient capital operation can provide a solid guarantee for the rapid development of enterprises.

Meanwhile, the company's capital operation further promotes the capital structure to evolve from "deterioration" to "optimization". Shareholding system is a common and effective mode of capital operation, which can control the proportion of long-term debt capital and equity capital within a reasonable range, to reduce the risk of investment.

Help enterprises to improve their management level

Capital operation belongs to the overall and fundamental mode of operation in the enterprise. This proposes a very high management requirement for business managers. Enterprise managers in the way of capital operation, consciously improve the knowledge structure, strengthen market and benefit concept, raise the risk consciousness, and eventually improve the management level and the abilities to solve the problems; in addition, in order to improve the management level, managers will learn more advanced management methods, study the management models suitable for the enterprise and the actual situation of market, making the enterprise capital operation more successful.

Small business capital operation problems.

In the process of capital operations, the weak economic structure and imperfect capital environment, coupled with the disadvantages betrayed by small businesses themselves, make China's small businesses have numerous shortcomings in the development.

The backward familial management, imperfect economic system.

Due to a single property right relation, coupled with family management mode, ownership and management are not well separated in small business, so that the managers themselves are operators. For small-scale enterprises, managers more easily manage and control, the economic efficiency will be relatively improved; many small business managers lack of a comprehensive enterprise management capability, the scope of knowledge is very limited, to enlarge the scale of enterprise under such conditions will inevitably result in a loophole in business management and the increase of economic losses.

Taking into account the actual situation of the economic system, the state has not yet issued a sound and perfect legal and service system to protect small business, which makes them suffer unfair treatment in the actual development, which includes the monopolies of departments and industry and the policy biases and so on. Although small business bring more economic benefits, government revenues and job opportunities, also achieve the optimal allocation of resources, the government regulation, such as limiting the international competition, land acquisition, fund raising, financing and other rights of these enterprises, is still very popular in small businesses.

Lack of the standardized intermediaries.

Chinese financial system puts particular emphasis on the lending business in the past, focused on commercial banks, but did not establish more media and intermediary of property rights movement [3]. And the property transaction media is designed to adapt to the conditions like transfer of property rights, capital flow, asset restructuring, if lack of the promotion of media agency, capital flows will be extremely difficult, especially in a slow flow rate, also will increase transaction costs. In our country, the establishment of investment banks is very slow, and there are excessive speculations, too much energy are invested to the speculation on the secondary market, lack of corporate mergers and acquisitions, financial management and other profound theories, without good sense of service. In short, the very small number of standardized intermediary organizations result in a slow and unbalance flow of information.

Distorted concept of capital operation, inefficient financing and investment.

Capital operation refers to that, an enterprise applies operation modes like financing and scaling up to give full play to the potential of the enterprise and strengthen enterprise's competitiveness [4]. But now many companies have distorted the concept of capital operation, specific performances are as follows:

First, not for the purpose of a healthy development, but taking financing as the operation objective, implement false publicity for the enterprise to put on a too gorgeous coat. Make use of capital operation to cover up its misconduct, even restructure the enterprises to avoid the debt.

Second, interpret the scaling up as a mere economic development. During restructuring, the enterprise does not make a rational analysis for the future development after restructuring, blindly acquiring some small declining companies and listed companies which should be weeded out, the result is not only no expansion of the company scale, but also the more heavy burden on the enterprise.

Third, departing from its actual operating conditions, not for the purpose of better developing the enterprise and improving its competitiveness, blind capital operation so that the enterprise in completely unfamiliar field has no sufficient experiences to develop itself, and the only possible result is to hinder the normal and healthy development of the enterprise.

Non-standard asset assessment

Another important part of capital operation is asset valuation, which plays an important role in the development of asset operation. Some foreign developed countries have made some achievements in asset assessment of, forming perfect asset evaluation architecture. However, China lacks in this, still using the method of asset and capital verification in the process of restructuring and mergers and acquisitions of the enterprise. In addition, China does not establish a relatively complete system of asset valuation, no highly qualified assessment personnel, which influences the development process of our capital operation.

The strategy research of small business capital operation

Small business must recognize the importance and the necessity of strengthening the capital operation

Small business must have a correct view of the favorable impact of capital operation on the enterprise development, choosing the capital management mode which is suitable for the actual situation of enterprise. Capital is the basis of business survival, providing the nutrients required for the development of enterprise. Improving the use value of capital is the ultimate goal of the capital operation of enterprises. The capital operation is directly related to the proportion and number of capital appreciation of small business, is also the determining factor of a business to maintain fast, stable and good development in the growing market economy.

Develop capital operation strategy, select the appropriate capital operation ways

Small businesses must make a rational analysis of their production and operation, to select the capital operation ways for business development. The capitalized, potential and high-tech enterprises can choose excellent businesses combination, mergers and acquisitions and other methods for capital operation, expanding the scale of enterprises. Publicly issuing shares when the time is right.

The products that some enterprises produce sell well, and they have good technical equipments, but have too much debt, lack of development capital, and with small scale. In this case, you can use the ways of equity joint, capitalization of intangible assets to give play to the advantage of the enterprises, to further enhance them.

For the inferior enterprises in poor producing and operating situation, with less capital and not promising in a short period, you should use debt restructuring, leasing and other capital operation methods to enable enterprises to turn the corner. Different enterprises should select suitable ways of capital operation according to the actual situation, only in this way can enhance their strength to achieve good operating results.

Strengthen the intermediary agency construction, improve service levels

To better carry out capital operation, it is necessary to establish a perfect intermediary system, to promote the development of capital operation. Therefore, it is necessary to set up the intermediary structure facilities in the market which meet the social development needs and to improve the construction of its corresponding hardware facilities, give play to the electronic information technology, make the intermediary system develop in the direction of modernization, scientific,

informationization, while it is necessary to establish relevant supervision mechanisms, to improve the service quality of intermediaries, and to promote the sustainable development of intermediaries. In addition, better regulate the behaviors of intermediaries staff, such as employment with certificates, in compliance with laws and regulations in work, maintaining a rigorous and pragmatic working attitude, improving the satisfaction of job objects, promoting the business to conduct capital operation orderly, thus enhancing the strength of enterprises.

Finally, the development experience of foreign advanced intermediary organization should be learned and studied, and combined with China's actual conditions, various rules and regulations should be perfected, and an effective internal management mechanism of intermediary organizations should be established to promote its healthy and orderly development. Improve the good reputation of intermediaries in the market, and strengthen the supervision of the assets, skills and working processes, promote the level of the service for the small business capital operation.

Strengthen the construction of personnel training system for capital operation

The quality of business managers affects the enterprise's future. To improve the quality of business managers, not only require them to learn, but also need to provide them with adequate external conditions. First, strengthen their training, perfect the relevant training system, have them work with professional certificate, standardize all kinds of equipments and facilities of training base, train the talents of business administration. Second, business needs to have a sound mechanism of incentive and restraint, encouraging the capital operators by annual salary system, honor and other methods. At the same time, to perfect the training system of small business, complete the intended target of enterprise development. Especially to put emphasis on the late education of the finance staff, to improve their professional skills, overall quality and moral level, to increase their knowledge content, make a scientific analysis of the future development path of company's finance with more abundant experience and accounting Knowledge, to put forward the suggestions which is good for the business development.

Standardize assets evaluation organization

The perfect asset evaluation system plays an important role in the development of capital operation for enterprises, the state should provide some policies to help establish a sound assets evaluation organization so that the asset appraisal industry becomes more standardized.

First must improve industry access standards, establish a rational evaluation system for the staff engaged in asset evaluation, and hire the employees with higher overall qualities. Second must check and examine the original asset appraisers in the industry, persuade the employees who are not within the assessment criteria to quit.

In addition, strictly examine the establishment of assets evaluation organization. Firstly, the evaluation authority has to be fair and rational, doesn't take sides, must also be an independent subject. Secondly, the staff of evaluation authority must have a high sense of responsibility and the necessary professional skills, there are sufficient grounds and evidence to give the parties a fair conclusion.

Finally, must strictly evaluate the supervision and management system of the industry, must strictly manage the assessment method and evaluation process, etc. must strictly perform according to the industry rules and regulations to ensure the fairness of the assessment. Only with the perfect asset evaluation system as the guarantee, our capital operation can achieve a sustainable development.

Conclusions

Under the new situation, small business must be fully aware of the situation, clear learning the importance of capital operations in the survival and development of enterprise. Must carry out a detailed investigation and analysis promptly of enterprise's capital operation, look for the deeply reason for the problems of the capital operations of enterprise, and constantly open new ways for capital operations, apply the domestic and foreign outstanding theoretical achievements and successful experiences related to capital operation, guarantee the normal operation of the enterprise capital, provide a solid and stable capital protection for the business to seek healthy and rapid development. We believe that, the innovative efforts for small business capital operation strategy by

increasing the concerns about and paying more attention to the enterprise capital operation, will promote the development of our small businesses.

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