

Research on Entrepreneurship of Small, Medium and Micro-Enterprises Based on Industry Chain Fintech

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ABSTRACT

Small, medium and micro enterprises are the main forces in ensuring market entities and employment. They play an irreplaceable role in promoting economic growth, promoting independent innovation, increasing national taxes, and stabilizing the employment rate. However, small, medium and micro-enterprises generally face financial constraints during their development. The research object of this article is the small and micro retailers in the tobacco industry chain. The number of retailers in this industry is huge, and their size is very small. Under normal circumstances, it is difficult to obtain financial help from financial institutions. Industry chain financial technology is a technology that integrates small and micro retailers into the entire tobacco industry chain, and uses the real transaction data of small and micro retailers as well as core companies to realize the convenience of small and micro retailers.

Keywords: *Industrial chain finance, small and micro enterprises, financing difficulty, financing costly*

1. INTRODUCTION

Small and medium-sized enterprises play a very important role in the process of economic development in various countries, and the resilience of small and medium-sized enterprises is an important basis for economic resilience. In China, small and medium-sized enterprises contribute more than 90% of the country's enterprises, 80% of employment, about 70% of patented invention rights, more than 60% of GDP and more than 50% of tax revenue [1].

Small and micro-enterprises are the main force to protect the market and employment, and play an irreplaceable role in promoting economic growth, promoting independent innovation, increasing national tax revenue and stabilizing people's employment, but small and medium-sized enterprises are generally faced with financial constraints in their development[2].

The research in this article is based on tobacco small and micro retailers in the tobacco industry chain. Tobacco small and micro retailers have the largest number of merchants in all the industry chains, with a huge number of about 5.6 million. Since most of the merchants are mom-and-pop stores, there is no collateral of greater value. , So it is the weakest group of merchants, financing is difficult and expensive is a

long-standing problem in this industry, this article has great research value. After many times of communication with core tobacco companies and financial institutions, many financial institutions have a strong willingness to cooperate to achieve the support of tobacco industry chain data, through the support of big data from core companies and merchant risk control data in real time without mortgage To solve the problem of fast and convenient pure credit financing for tobacco small and micro retailers.

In any industry, financing is difficult and expensive. The fundamental reason for financing is the problem of information asymmetry. The emergence of financial technology in the industry chain focuses on core large enterprises and integrates small, medium and micro enterprises into the entire industry chain, which solves the real problem of enterprises. With regard to financial data, the scientific and technological means of financing assessment based on the real transaction data of small, medium and micro enterprises and core enterprises have made financial institutions willing to lend to small, medium and micro enterprises, so as to solve the problem of financing difficulties for small, medium and micro enterprises in various industries.

2. SMALL AND MEDIUM-SIZED ENTERPRISES FINANCING DIFFICULT TO FINANCE EXPENSIVE REASONS

2.1. The life cycle of small and medium-sized enterprises is too short

Chinese Yi Gang, president of the People's Bank of China, said at the 10th Lujiazui Financial Forum that the average life expectancy of small and medium-sized enterprises in the United States is about 8 years, the average life expectancy of small and medium-sized enterprises in Japan is 12 years, and the average life expectancy of small and medium-sized enterprises in China is about 3 years. This means that the risk of financial institutions lending to small and medium-sized enterprises is relatively high in China[3].

The reason for the short life cycle of my country's small, medium and micro enterprises is that the popularity of higher education in European and American countries is significantly higher than that in my country, and the cultural quality of entrepreneurs is generally higher than that in my country. On the other hand, my country's new ventures lack self-growth ability and generally lack innovation .

2.2. Small and medium-sized enterprises are less resistant to risk

In order to control their own business risks, financial institutions should have stricter approval procedures and management mechanisms, because of their own characteristics. Generally, small and micro enterprises can only make loans through mortgage guarantees. However, due to their lack of effective collateral, it is difficult to find a suitable guarantee company. Firstly, small and micro enterprises have a small amount of effective collateral and less fixed assets such as land and workshops. Most of them are current assets. Although some small and micro enterprises have a small amount of fixed assets, they lack the value of assets due to their irregular operation and management. Effective evaluation cannot become effective collateral. Most of the properties of small and micro enterprises have already been mortgaged. As a result, it is difficult to apply for additional loans. Secondly, many assets of small and micro enterprises cannot be used for mortgage loans. Due to the constraints of asset evaluation values such as patent rights and inventories, mortgage registration and other factors, the scale of bank credit products is difficult to cover, which makes it difficult for small and micro enterprises to obtain loans and obtain financing.

2.3. Small and medium-sized enterprises do not have a sound financial system

The majority of small and micro enterprises have a short establishment time, are small in scale, do not have a scientific and complete management system, lack abundant sources of funds, and have weak overall strength. Especially in financial management and internal control, there are many problems. The financial accounting system is imperfect, the internal control process is lacking, and the corporate credit level is not high. Due to the incomplete management system of small and micro enterprises, low information transparency, poor asset liquidity, weak profitability, and high risks, banks and other financial institutions will be more cautious in the approval process from the perspective of their own capital security, and the relative requirements will also be more strict. harsh. It is difficult for financial institutions to obtain true and reliable financial information of enterprises, and they cannot make accurate judgments on the operating conditions and authenticity of enterprises.

3. MARKET OPPORTUNITIES FOR INDUSTRY CHAIN FINTECH

According to statistics released by the China Banking Regulatory Commission, as of the end of 2018, the loan balance of all-calibre micro-enterprises nationwide was 33.49 trillion yuan, of which the loan balance of single-family credit to small and medium-sized enterprises with a total credit of 10 million yuan or less reached 9.36 trillion yuan, 2019 government work report in 2019 large state-owned commercial Banks to small micro enterprise loan growth above 30%, perfect the financial institutions in the internal evaluation mechanism, incentive strengthening pratt & whitney financial services. By the end of 2019, the loan balance of five large state-owned commercial banks was 2.6 trillion yuan. The 2020 government work report also put forward that "the loan growth rate of large commercial banks is higher than 40%", requiring financial institutions to continuously support the development of small micro-enterprises, which is a great challenge for financial institutions, but it is also a task that all financial institutions must complete, giving fintech companies great opportunities and market space[4].

Financing difficulties, financing expensive is simply a problem of information asymmetry, because financial institutions cannot obtain the lender's true and comprehensive information, in order to avoid risks, the financing threshold and financing price have to be raised. Small micro-enterprise financing is difficult, difficult to evaluate in credit, because small micro-enterprise information is not sufficient, not true, banks also lack the database to accurately assess

customer credit, it is difficult to according to the standards of large enterprises to small micro-enterprise loans. Either small and medium-sized enterprises are required to provide collateral for a credit increase, so that a large number of small micro-enterprises are not allowed to step back, or because of cumbersome processes leading to slow financing.

Industrial chain finance is based on the core enterprises (core enterprises mainly refers to the government, state-owned enterprises, listed companies, etc.) as the center, the small and medium-sized micro-enterprises into the entire industrial chain, to small and medium-sized enterprises and core enterprises real transaction data for financing assessment, to help solve the financing difficulties of small and medium-sized enterprises expensive problem[5].

Industry chain fintech can help financial institutions to obtain data on the real transactions of small and medium-sized enterprises, for financial institutions to accurately assess the credit situation of small and medium-sized enterprises, quasi-certainty to its effective financing needs for qualitative analysis, to determine whether to lend, how much interest rate is suitable for the judgment, effectively solve the financing difficulties, financing expensive technical problems. Micro-enterprise finance is a gold mine to be excavated, and the development of financial technology companies in the industrial chain is very broad.

4. INDUSTRIAL CHAIN FINTECH START-UP PROJECTS

After nearly a year of market research, I found that there are a lot of tobacco shops on the street, the nature of such stores is generally relatively small, basically belong to the husband and wife shops of individual micro-merchants, such merchants want to loan from financial institutions, almost impossible. This paper takes the tobacco industry chain as the core to solve the research of small and micro merchants financing difficult to finance expensive entrepreneurial projects[6].

4.1. Market space

Tobacco monopoly license is issued by our country to operate and sell tobacco license, according to the relevant information query, there are a total of 5.6 million small and micro merchants in China who have obtained tobacco monopoly retail licenses. If each merchant has a bank capital need of 200,000 yuan, then the small micro-merchants in the industrial chain have a capital demand of 1 trillion yuan per year.

4.2. Market demand

Small tobacco retails are basically small shops. During holidays such as New Year's Day, Spring Festival, Mid-Autumn Festival, National Day and other peak season holidays, the number of purchase increase several times, so that the retails need a larger demand for purchase funds[7].

4.3. Project feasibility

4.3.1. Operating with a tobacco license

Tobacco monopoly retail micro-merchants are required to operate with a license, to obtain a license has some threshold requirements, but also need to separate how many meters above the operating location has requirements, to protect the income of each small micro-merchant.

4.3.2. Income stability

Customer groups generally at home or in the workplace more fixed place to buy cigarettes, will not always change places, so the income is relatively stable, while small micro-merchants in addition to tobacco business, will certainly add wine, water, beverages, food and other products.

4.3.3. Core enterprise data support

The core enterprise of this project is the Tobacco Bureau. It needs to negotiate in detail with the core enterprise and get the big data support of the core enterprise. When the tobacco monopoly retail small and micro merchants are authorized, the core enterprise needs to provide the data to support the small and micro merchants. The assessment of the risk and repayment ability of small and micro merchants in financial institutions will help small and micro merchants in their credit financing.

4.3.4. Cooperation with financial institutions financial products

They recognize and are optimistic about the tobacco industry chain, and have a strong willingness to cooperate. They recognize the big data authority of the core companies in the tobacco industry chain and cannot be tampered with, and they recognize the small and micro businesses of the tobacco industry chain Merchant business is relatively stable, and the data obtained after authorization by small and micro merchants is used as a repayment ability assessment to jointly develop low-cost loan products [8] and jointly solve the financing problems of tobacco retail small and micro merchants.

After the project on-line, so that more small micro-merchants through the tobacco industry chain

data as a support, without collateral, you can quickly and easily get financing, so that financing in the industrial chain is no longer difficult, so that financing is no longer expensive.

4.4. Profit model

Division I for financial institutions and core enterprises to provide related technical services: including but not limited to the core enterprises to develop API data transmission interface and micro-merchant financing platform in line with the needs of financial institutions, micro-enterprises fill in the relevant data, the system will be micro-enterprise data real-time transmission to the financial institutions port, financial institutions through micro-enterprise-related data for comprehensive credit assessment.

Division I for financial institutions to provide loan-assisted draining services: including but not limited to financial institutions in the core enterprise scene end implanted drain interface, such as small micro-merchants in the payment of payment interaction process, customers can choose whether to finance services.

Profit model: technical services and big data are free, also do not charge small micro-merchants, effectively reduce the financing costs of small micro-merchants. Financial institutions for small micro-merchants after the success of financing, according to the loan amount and our company profit share.

4.5. Subsequent extension

The cooperation model of big data, blockchain and other technologies with core enterprises will continue to provide services for the financing difficulties of upstream and downstream micro enterprises based on core enterprises.

5. CONCLUSION

The small and medium-sized enterprises themselves are weak in face of risk. Therefore, they can hardly borrow debt from financial institutions, which further results in small and medium-sized enterprises financing difficult financing expensive problem. Financing difficulties are caused by the problem of information asymmetry. In order to make small and medium-sized

enterprises financing more simple, it is necessary to let financial institutions grasp the real financial data of small and medium-sized enterprises, so that financial institutions can accurately assess the credit situation of small and medium-sized enterprises. The emergence of financial technology in the industrial chain is based on the core large enterprises as the center. At the same time, the small, medium and micro-enterprises can be adopted in the entire industrial chain, so that financial institutions are willing to lend money them. Thus, the problem can be solved [9].

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