



The Impact of Financial Technology on Corporate Development

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Abstract. As a new scientific product, financial technology is used by many enterprises and has the prospect of being scientifically studied. It is very important to the academic field of finance. The development of science has brought unprecedented changes to human society, enterprises use emerging cutting-edge technologies such as big data, blockchain, cloud computing, and artificial intelligence to improve their service levels and optimize operational processes to increase efficiency while reducing internal operating costs. The main purpose of this analysis is to explore how fintech can affect social development in multiple dimensions enterprise development. First, the author briefly introduced the definition and development of financial technology to lay the foundation for subsequent analysis. Subsequently, this paper focuses on the specific impact of financial technology on financing channels and costs, payment and transaction methods, risk management capabilities, internal governance and efficiency. This paper conducts research by reading papers on related topics and finding cases, and obtains the corresponding results. Financial technology, with its unique technical advantages and innovative technologies, has been applied by enterprises to every link of enterprise operation and management, becoming a key force in promoting enterprise transformation and upgrading. By improving operational efficiency, broadening financing channels, and enhancing risk management capabilities, financial technology has brought unprecedented development opportunities to enterprises.

Keywords: Fintech, Business development, Financing costs.

1 Introduction

In recent years, financial technology, with technology and data as its core, is continuously promoting the adjustment of economic structure and the transformation and upgrading of the economic system. As the most active group in innovation, enterprises play a key role in promoting high-quality economic development [1]. Therefore, financial technology has become an important force leading industry changes, and it profoundly affects all aspects of enterprise operations. The application of financial technology not only significantly improves the operational efficiency of

enterprises, but also plays a vital role in reducing costs. By introducing advanced financial technology solutions, enterprises can automatically process large amounts of data and information and streamline business processes, thereby greatly improving work efficiency while reducing labor costs. For example, using blockchain technology for data management and transaction verification can greatly improve the accuracy and timeliness of information processing and reduce human errors and fraud.

Fintech has also brought unprecedented business innovation opportunities to enterprises. The traditional financial service model is being gradually subverted by Fintech, and emerging payment methods, smart investment advisors, risk assessment tools, etc. have emerged. These innovations have not only enriched the service methods of enterprises, but also provided customers with a more convenient and personalized financial experience. For example, the application of mobile payment and digital currency has made cross-border transactions easier and faster than ever before, and the combination of big data and artificial intelligence has made risk assessment more accurate and efficient. Driven by Fintech, enterprises can more accurately grasp market demand, optimize product design and service processes, and thus improve customer satisfaction and loyalty. This customer-centric service model not only enhances the market competitiveness of enterprises, but also opens up new profit space for enterprises. In addition, FinTech has also promoted the inclusiveness of the financial industry, allowing more people to enjoy convenient and secure financial services. Big data finance is based on technologies such as big data and cloud computing. It operates by collecting and analyzing a large amount of information on financial transaction entities in various dimensions. In practice, big data finance technology relies on high-dimensional and large sample data to collect and analyze various behavioral characteristics of various financial transaction entities related to risks, greatly improving the risk identification ability of financial institutions for individual customers and small and micro-enterprise customers in inclusive financial services [2]. In general, FinTech has an all-round impact on corporate operations. It not only improves operational efficiency and reduces costs, but also promotes business innovation and service upgrades. Faced with the wave of FinTech, enterprises should actively embrace change and make full use of advanced technologies to enhance their own strength in order to stand out in the fierce market competition. At the same time, governments and regulators also need to pay close attention to the development of FinTech and formulate corresponding policies and regulations to ensure the stability of the financial market and the rights and interests of consumers.

With the rapid development of information technology, financial technology, the deep convergence of finance and technology has led to entirely new products, is changing the global financial ecology at an unprecedented speed and profoundly affecting the operating model and competitive landscape of enterprises. Financial technology not only provides enterprises with more convenient and efficient financial services, but also promotes the innovation and upgrading of enterprise operating models. This article will deeply explore the profound impact of financial technology on enterprise operations from eight aspects, including financing channels and costs,

payment and transaction methods, risk management capabilities, internal governance and efficiency, product and service innovation, market competitiveness, financial risk control, compliance and supervision. The significance of this article's research is to enhance the ability of enterprise operations and increase the importance of enterprises to the new technology of financial technology.

2 The Impact of Financial Technology on Business Operations

2.1 Financing Channels and Costs

Fintech has opened up diversified financing channels for enterprises, greatly reducing the threshold and cost of financing. Traditionally, enterprises, especially small and medium-sized enterprises, often face the problem of difficulty and high cost of financing. Fintech can more accurately assess the credit status and business potential of enterprises through technical means such as big data and artificial intelligence, thereby providing personalized financing solutions. For example, emerging financing models such as P2P online lending, crowdfunding platforms, and supply chain finance enable enterprises to obtain the required funds more quickly while reducing financing costs. In addition, the application of blockchain technology is also exploring decentralized financing methods, which is expected to further reduce financing costs and improve financing efficiency. For small and micro enterprises, with the continuous advancement of information technology and the continuous innovation of financial services, digital currency and blockchain technology, as the focus of today's financial technology field, have brought unprecedented opportunities for the innovation of financing channels for small and micro enterprises. As an emerging financial tool, digital currency, through the characteristics of decentralization, anonymity and immutability, gives small and micro enterprise financing models greater flexibility and feasibility [3].

2.2 Payment and Transaction Methods

Fintech has promoted a revolutionary change in payment and transaction methods. From early online banking to today's mobile payments and digital currencies, Fintech has greatly facilitated the capital flow and transaction process of enterprises. The popularity of mobile payments allows enterprises to complete payment and collection anytime and anywhere, improving capital turnover. At the same time, blockchain technology can realize point-to-point transmission of information between different nodes, which helps both parties to a transaction obtain counterparty information from reliable sources at a lower information search cost, thereby effectively solving the moral hazard and adverse selection problems caused by information asymmetry [4].

2.3 Risk Management Capabilities

Fintech has significantly enhanced the risk management capabilities of enterprises. As a new financial ecological model, financial technology, especially for the transformation and penetration of risk management, has greatly improved the effectiveness and pertinence of risk management of commercial banks, effectively

solved problems such as data processing and information asymmetry, and greatly enriched the Risk management means and methods [5]. Through big data analysis and machine learning technology, companies can monitor market dynamics, customer behavior and internal operations in real time, discover potential risks in a timely manner and take measures to deal with them. For example, in credit risk assessment, financial technology can build an accurate risk assessment model based on multi-dimensional data such as customers' credit records and transaction behaviors, effectively reducing the non-performing loan rate. In addition, the non-tamper ability and traceability of blockchain technology also provide higher security and transparency for financial transactions, helping enterprises to prevent risks such as fraud and money laundering.

2.4 Internal Governance and Operational Efficiency

Fintech plays an important role in optimizing internal corporate governance and improving operational efficiency. The application of technologies such as cloud computing and enterprise resource planning (ERP) systems enables enterprises to achieve cross-departmental and cross-regional information sharing and collaborative work, improving decision-making efficiency and execution. At the same time, the application of artificial intelligence and automation tools, such as intelligent customer service and automated office systems, reduces manual operations, reduces labor costs, and improves work efficiency and accuracy. These changes help companies build more efficient and flexible organizational structures and enhance overall competitiveness. For corporate operating efficiency, the advancement of fintech is positively correlated with corporate operating efficiency. Rapid advances in fintech has promoted changes in the industry increases the input and output efficiency of corporate operations and effectively enhances corporate operating efficiency. At the same time, through diversified financial services, the level of corporate debt ratio can be reduced, corporate financial risks can be reduced, investment efficiency can be improved, and internal management effectiveness can be improved, thereby improving corporate operating efficiency [6].

2.5 Product and Service Innovation

Fintech provides a powerful impetus for the innovation of corporate products and services. By leveraging cutting-edge technologies such as big data analytics and artificial intelligence algorithms, the author aims to improve efficiency and innovation, the company is committed to in-depth analysis and accurate understanding of the specific needs and unique preferences of customers, and develop customized financial products and services that meet market demand. For example, personalized credit products based on customer consumption habits and supply chain financial services based on blockchain technology all reflect the huge potential of Fintech in promoting product innovation. In addition, the development of fintech has greatly promoted the popularization and accessibility of financial services, enabling more small and micro enterprises and the efficiency and convenience of financial services greatly enhance personal experience. Therefore, studying how Fintech promotes corporate innovation and exploring its impact and mechanism of action will

help enhance the application value of Fintech in the real economy and inject more vitality into China's economic and social development [7].

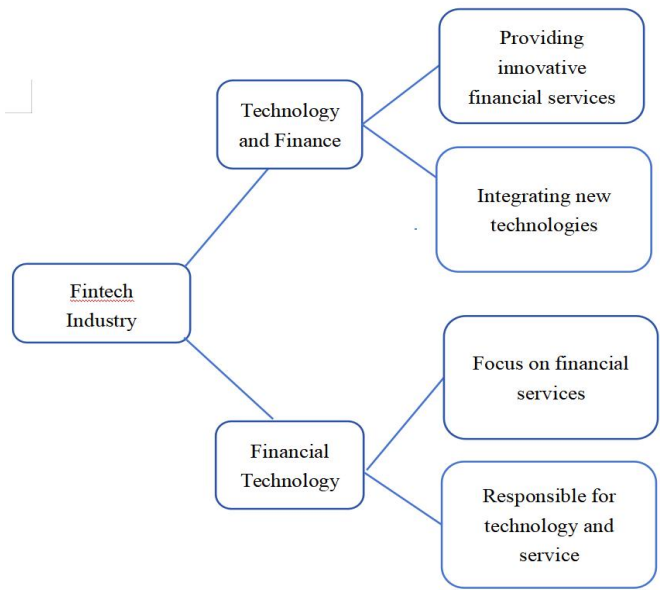


Fig. 1 Analysis of the main types of financial technology industries
Source: Qianzhan Industry Research Institute

As shown in Figure 1, the technology finance industry mainly provides innovative financial services and integrates the latest technologies of financial technology. However, financial technology mainly focuses on financial services and is mainly responsible for the two-basic links of technology and services.

2.6 Market Competitiveness

As enterprises use financial technology, their market competitiveness is gradually enhanced. For example, blockchain, big data, cloud computing and other technologies. For commercial banks, blockchain technology can effectively help banks innovate their intermediary business, thereby increasing their profitability. At the same time, it can strengthen banks' credit business capabilities in the field of supply chain finance, improve loan efficiency, and control credit risks while increasing profits, thereby enhancing banks' risk-bearing capacity and effectively improving banks' market competitiveness [8].

For traditional enterprises, on the one hand, enterprises can better cope with market challenges and improve their own profitability by optimizing financing channels, reducing financing costs, and improving operational efficiency. On the other hand, financial technology also brings differentiated competitive advantages to enterprises. Enterprises continue to innovate financial services and products, so that they cannot only meet the diversified needs of customers, but also enhance customer stickiness

and loyalty. Finally, financial technology also helps enterprises expand into international markets and help them achieve global layout.

2.7 Financial Risk Control

Fintech take a significant role in financial risk control. By building a comprehensive risk management system, enterprises can achieve comprehensive monitoring and effective management of financial risks. Big data analysis and artificial intelligence technology can capture market dynamics and potential risk signals in real time, In order to improve the accuracy and effectiveness of corporate financial decisions, scientific evidence is needed to assist. Furthermore, the introduction of blockchain technology also provides enterprises with a more safety and lucency way of financial record keeping, which helps to prevent financial fraud and fraud. In terms of funding sources, Fintech can optimize the financial market environment and ease corporate financing constraints. Fintech not only creates new financial models, products and services, but also helps to improve the financial system and optimize the financial market structure [9].

2.8 Compliance and Regulation

With the continuous evolution and improvement of information technologies encompassing big data and AI, countries have actively facilitated the integration of finance and science and technology continues to advance, and promoted the financial industry to move from the traditional financial stage to the Internet finance and financial technology stage, effectively improving the quality and efficiency of the financial industry and driving financial regulatory reforms [10]. On the one hand, regulators should strengthen supervision of financial technology companies to ensure that their businesses operate in compliance; on the other hand, they should also encourage and support the innovative development of financial technology companies and provide them with a good regulatory environment. Meanwhile, enterprises ought to also positively cooperate with the regulatory requirements of the regulatory authorities , strengthen internal compliance management, and ensure the steady development of their businesses.

2.9 Policy Support

This section will objectively analyze in the form of a table how the Chinese government has supported the development of financial technology through policies last several years, demonstrated Table 1.

Table 1: Overview of key policy support for the development of China’s fintech industry by 2023

Release time	Policy Name
2022.06	Notice on Issuing Green Finance Guidelines for the Banking and Insurance Industries
2022.02	Financial Standardization "14th Five-Year Plan" Development Plan
2022.01	The 14th Five-Year Plan for the Development of the Digital Economy
2022.01	Fintech Development Plan (2022-2025)
2021.12	Insurance Technology Development Plan for the 14th Five-Year Plan

Source: Qianzhan Industry Research Institute

As shown in Table 1, from 2021 to 2022, the Chinese government has issued relevant policies to support financial technology. The purpose of the Chinese government is to establish relevant systems through these policies, standardize the operation of enterprises, efforts should be made to improve the prevention and control indicators of financial risks, and to further improve and deepen the comprehensive statistical standards and levels of the financial industry, gradually promote the integration and application of industrial Internet, continuously cultivate financial operations within the supply chain, and promote the integrated advance development industries with digital technology. Optimize the supply of financial products, and in 2025, further improve China's financial technology development system, deeply integrate finance and technology, and enhance the satisfaction of the Chinese people with financial products and services. From another point of view, these policies also want to proactively promote the positive growth of fintech, continuously improve information technology, intensified management and level of service, and ultimately achieve carbon neutrality in corporate operations.

3 Conclusion

In summary, with its unique technological advantages and innovative applications, financial technology is gradually penetrating into every aspect of enterprise operation and becoming a key force in promoting enterprise transformation and upgrading. By improving operational efficiency, broadening financing channels, and enhancing risk management capabilities, financial technology has brought unprecedented development opportunities to enterprises. At the same time, it has promoted product innovation, accelerated the pace of enterprise transformation to digitalization and intelligence, optimized resource allocation, and enabled enterprises to respond to market changes more flexibly. More importantly, the wide application of financial technology has significantly promoted the sustainable development of enterprises and become an important supporting force for the harmonious development of economy, community and circumstances. Looking forward to the future, with the continuous improvement and innovation of technology, its application field will continue to broaden and deepen, the impact of financial technology on enterprise operations will be more far-reaching, opening up a broader space for enterprise development.

This research is mainly relying on the examine the implications of financial technology on enterprise operations. The impact of financial technology on enterprises is not only in terms of operations, but also in the process of collecting data, there may be problems of incomplete information or data bias. On the other hand, there are certain errors in the selection of collected data, which affects the accuracy of the research results. In the future, the author should expand the scope of the author research to enhance the wide applicability of the author research results. In terms of data application selection, the author will optimize and expand the channels

for data collection, use data processing software such as STATA, and process and analyze data more rigorously.

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