Strategic Application of Cost Management in Internet Finance Mode

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Abstract: With the development of global economic integration, the competition between enterprises is becoming increasingly fierce. In order to be in an invincible position in the competition, reducing costs and improving efficiency have become the goals pursued by enterprises. However, in the process of modern cost management, enterprises are faced with many challenges and problems. This paper will analyze the main problems faced by modern cost management, and put forward the corresponding countermeasures. The purpose of this paper is to explore the strategic application of cost management in the mode of Internet finance, so as to help financial enterprises achieve cost control and benefit improvement.

1. Introduction

With the rapid development of Internet technology, Internet finance model has become a major trend in the financial industry. In this mode, cost management is no longer just about the traditional concept of reducing costs and improving benefits, but more involved in strategic considerations. This paper will discuss the strategic application of cost management in the mode of Internet finance to help enterprises achieve cost optimization and improve competitive advantage. The Internet finance model has the characteristics of efficiency, convenience and innovation, which provides enterprises with rich space for business expansion. However, the cost management under this model also faces many challenges, such as investment in big data, cloud computing, network security, and how to flexibly respond in a rapidly changing market environment. Therefore, enterprises need to innovate and optimize cost management from the strategic level.

This paper first analyzes the importance of cost management under the Internet finance model, and discusses the challenges and opportunities faced by cost management under this model. Then, this paper introduces several cost management strategies applicable to the Internet finance model, such as fine cost control, cost optimization, cost benefit analysis, etc., and expounds it in detail combined with actual cases. Finally, this paper puts forward some suggestions on implementing cost management strategy under the Internet finance model to help enterprises achieve sustainable development.
2. Cost management challenges in the context of Internet finance

2.1 Increased complexity of cost accounting

With the expansion of enterprise scale and diversification of business, cost accounting becomes more and more complicated. Enterprises need to process a large amount of data to ensure the accuracy and timeliness of cost accounting, which puts forward higher requirements for cost management.

2.2 Increased difficulty in cost control

Under the pressure of market competition, enterprises need to continuously increase investment in research and development, production and sales in order to maintain competitiveness. This leads to the increasing cost expenditure of enterprises, and the difficulty of cost control is increased.

2.3 The cost budget is inconsistent with the actual execution

In the process of cost budgeting, enterprises often face the problem that the budget does not match the actual expenditure. This may be due to changes in the market environment, poor internal management and other reasons, making the cost management effect is not good.

2.4 Lack of effective cost analysis tools

The lack of effective cost analysis tools makes it difficult for enterprises to conduct in-depth cost analysis, so as to accurately identify the opportunities for cost savings and the focus of cost control.

2.5 Increasingly fierce competition

The competition in the Internet finance industry is becoming increasingly fierce, and enterprises need to continuously increase investment in technology research and development, market promotion and other aspects to improve their competitiveness and market share.

The financial industry is increasingly regulated, and companies need to invest more resources to meet compliance requirements to ensure sound business operations. The increased complexity of Internet finance business has led to greater difficulty for enterprises in cost accounting and cost control.

3. The significance of cost management in Internet finance model

With the rapid development of Internet technology, Internet finance has penetrated into all aspects of our lives. Among the many industries, the financial industry is one of the most affected by the Internet. Internet finance not only changes the traditional mode of financial services, but also provides new ideas and methods for the cost management of enterprises. This paper will explore how to use Internet finance for cost management to improve the competitiveness and profitability of enterprises.

3.1 The impact of Internet finance on cost management

Cost reduction: Through the use of big data, cloud computing and other technologies, Internet finance has improved the processing efficiency of financial services and reduced operating costs. Enterprises can use Internet financial platforms to reduce capital costs, transaction costs and
operating costs, thereby improving profitability.

3.2 Improving the efficiency of the use of funds

Internet finance provides enterprises with convenient financing channels, helps enterprises obtain funds faster, and improves the efficiency of the use of funds. In addition, all kinds of financial products on the Internet financial platform can help enterprises revitalize idle funds and improve the efficiency of the use of funds.

3.3 Optimization of cost structure

Through the Internet financial platform, enterprises can more easily carry out cost analysis and prediction, so as to better grasp the cost trend and optimize the cost structure. Enterprises can also share information with suppliers, customers and other partners through Internet financial platforms to reduce communication costs and improve cooperation efficiency.\[2\]

4. The use of Internet finance for cost management strategies

4.1 Establishment of Internet finance cost management platform

Enterprises should establish their own Internet financial cost management platform, and realize real-time monitoring, analysis and prediction of various costs through big data, cloud computing and other technical means. The following article will introduce in detail how to establish an Internet finance cost management platform.

4.1.1 Clarify goals and requirements

The first step in establishing an Internet finance cost management platform is to clarify the goals and needs. Enterprises should, according to their own operating conditions and development strategies, clarify the main objectives and expected results of the cost management platform. In addition, enterprises should also fully understand their own cost management needs, including cost accounting, cost analysis, cost forecasting and other needs, in order to provide strong support for the construction of the platform.\[1\]

4.1.2 Selecting an Appropriate Technical Solution

When establishing an Internet finance cost management platform, enterprises need to choose the right technical solution. Depending on the size, business characteristics and cost management needs of the enterprise, the enterprise can choose to build its own platform or use a third-party platform. For large enterprises or enterprises with special needs, they can consider building their own platforms; For small and medium-sized enterprises, you can consider using third-party platforms to reduce costs and improve efficiency. Regardless of which option you choose, you need to ensure that the platform can meet your cost management needs.

4.1.3 Build a data management system

The construction of Internet finance cost management platform cannot be separated from the support of data. Enterprises need to build a perfect data management system, including data collection, data cleaning, data storage and data analysis and other links. Enterprises should make full use of big data, cloud computing and other technical means to improve data processing efficiency and analysis capabilities, and provide strong support for cost management.
4.1.4 Design a reasonable cost management process

Enterprises should design a reasonable cost management process according to their own cost management needs. Cost management process should cover all aspects of enterprise cost management, including cost accounting, cost analysis, cost forecast, etc. In addition, enterprises should also ensure that the cost management process runs smoothly and reduce friction and loss in the cost management process.

4.1.5 Strengthen the security and stability of the platform

The security and stability of Internet finance cost management platform is the key to the platform construction. Enterprises need to take a series of measures to ensure the security and stability of the platform, including data security, network security, system stability and other aspects. In addition, enterprises should also establish an emergency response mechanism to deal with various risks and problems that may arise.

In short, the establishment of Internet finance cost management platform is an important way for enterprises to reduce costs, improve competitiveness and profitability. Enterprises should, according to their actual situation, clarify their goals and needs, select appropriate technical solutions, build data management systems, design reasonable cost management processes, and strengthen the security and stability of the platform to achieve the optimization of cost management.

4.2 Optimize the financing structure

Enterprises should reasonably choose various financing products on Internet financial platforms according to their own needs, reduce financing costs, and improve the efficiency of capital use. With the rapid development of Internet finance, the financing methods of enterprises have undergone earth-shaking changes. Internet finance not only provides more financing channels for enterprises, but also reduces financing costs and improves the efficiency of capital use. In this context, how to optimize the financing structure of enterprises using the Internet has become an important topic to improve competitiveness and achieve sustainable development. This paper will discuss how the Internet can optimize the financing structure of enterprises from the following aspects.

4.2.1 Expand financing channels

The rise of Internet finance has provided diversified financing channels for enterprises. In addition to traditional bank loans, equity financing and other financing methods, enterprises can also choose various financing products on the Internet financial platform, such as P2P online lending, crowdfunding, supply chain finance and so on. These financing methods have the advantages of low threshold, high efficiency and low cost, which can help alleviate the problems of difficult and expensive financing for enterprises.

4.2.2 Reduce financing costs

Through big data, cloud computing and other technical means, Internet finance has improved the processing efficiency of financial services and reduced operating costs. By financing through Internet financial platforms, enterprises can reduce financing costs and reduce financial burdens. In addition, all kinds of financial products on the Internet financial platform can help enterprises activate idle funds, improve the efficiency of the use of funds, and further reduce financing costs.\[^4\]
4.2.3 Improve the efficiency of fund use

Internet finance provides enterprises with faster and more convenient financing services, which helps enterprises obtain funds faster and improve the efficiency of the use of funds. Enterprises can realize real-time monitoring and dynamic adjustment of capital demand through the Internet financial platform to avoid idle and misallocation of funds. In addition, Internet financial platforms can also provide enterprises with more flexible financing solutions to meet the diversified financing needs of enterprises. [3]

4.3 Strengthen supply chain collaboration

In traditional supply chain management, information asymmetry is an important factor affecting supply chain synergy. In the Internet finance model, enterprises can use big data, cloud computing and other technical means to improve the transparency of supply chain information. Through the Internet financial platform, enterprises can grasp the capital demand and operation status of upstream and downstream partners in the supply chain in real time, so as to reduce the risks caused by information asymmetry and improve the synergy of the supply chain.

4.3.1 Give play to the advantages of Internet finance in supply chain financing.

Through the Internet financial platform, enterprises can achieve fast and convenient financing services and improve the efficiency of capital use. In addition, Internet financial platforms can also provide more flexible and personalized financing solutions to meet the diversified financing needs of upstream and downstream enterprises in the supply chain. Therefore, under the Internet finance model, enterprises should give full play to the advantages of supply chain financing and strengthen supply chain coordination.

4.3.2 Promote supply chain finance innovation through Internet finance

The rise of Internet finance has provided a broad space for supply chain finance innovation. Enterprises can combine their own business characteristics and needs to explore their own supply chain finance model. For example, enterprises can carry out supply chain finance business through the Internet financial platform to achieve financial support for upstream and downstream enterprises in the supply chain; Or use big data, cloud computing and other technical means to provide more accurate risk assessment and credit rating for supply chain enterprises to reduce financing risks. [5]

4.3.3 Establish supply chain coordination mechanism

Under the Internet finance model, enterprises should establish an effective supply chain coordination mechanism to promote resource sharing, risk sharing and benefit sharing between upstream and downstream enterprises in the supply chain. Through supply chain collaboration, enterprises can reduce procurement costs, improve inventory management efficiency, optimize production plans, etc., thus improving the competitiveness and profitability of the entire supply chain.

In short, under the Internet finance model, enterprises should give full play to the advantages of Internet finance in supply chain coordination, improve information transparency, give play to the function of supply chain financing, promote innovation in supply chain finance, and establish a supply chain coordination mechanism. Through these measures, enterprises can achieve the optimization of supply chain coordination, improve competitiveness and profitability.
5. Develop a clear cost management strategy

5.1 Understand the cost characteristics in the Internet financial environment

The cost characteristics in the Internet financial environment are mainly reflected in the following aspects: First, the cost composition is complex, including financial service cost, platform operating cost, risk control cost and other aspects; Second, the cost fluctuates greatly, affected by market environment, policy factors, technological innovation and other factors; Third, the cost transparency is high, and the cost data of the same industry can be easily obtained through the Internet financial platform, which is convenient for comparative analysis. When formulating cost management strategy, enterprises need to fully consider these characteristics to ensure the effectiveness and pertinence of the strategy.

5.2 Clarify the objectives of cost management

When formulating cost management strategy, enterprises need to make clear the goals and principles of cost management. The objectives of cost management mainly include reducing cost, improving efficiency, optimizing resource allocation and so on. The principles of cost management mainly include the principle of minimum cost, the principle of cost benefit and the principle of dynamic adjustment. According to the actual situation of the enterprise, the objective and principle of cost management should be clearly defined to provide guidance for the formulation of cost management strategy.

5.3 Formulate specific cost control strategies

According to the cost characteristics and the target principles of cost management in the Internet financial environment, enterprises need to formulate specific cost control strategies. These strategies mainly include: first, optimize the financial service process, reduce the cost of financial services; The second is to strengthen the platform operation coordination, reduce operating costs, improve operational efficiency; Third, the use of Internet financial technology to improve the efficiency of risk control and reduce the cost of risk control; Fourth, enterprises should implement fine cost management to improve the accuracy of cost accounting, analysis and forecasting; Fifth, enterprises should pay attention to technological innovation, timely use of new processes, new materials, new equipment, etc., to reduce production costs.

5.4 Establish a sound cost management system

In order to ensure the effective implementation of cost management strategy, enterprises need to establish a sound cost management system. This system should include cost accounting, cost analysis, cost forecasting, cost control and other links to form a complete closed loop. The enterprise should also establish the corresponding organizational structure and process, clarify the responsibilities of each department and position, and ensure the smooth development of cost management.

5.5 Strengthen the implementation and monitoring of cost management

After formulating cost management strategy, enterprises need to strengthen the implementation and monitoring of cost management. Enterprises should incorporate cost management into performance appraisal system and encourage employees to actively participate in cost management.
In addition, enterprises should also regularly evaluate and adjust the cost management strategy to
ensure the adaptability and effectiveness of the strategy.

In short, under the Internet finance, enterprises should give full play to the advantages of Internet
finance in cost management, formulate clear cost management strategies, improve cost management
level, and realize cost optimization and benefit maximization. Through these measures, enterprises
can improve their competitiveness and profitability and achieve sustainable development.

6. Establish a cost-benefit analysis system

6.1 Collecting and integrating data

When establishing a cost-benefit analysis system, enterprises need to collect and integrate all
kinds of cost data. Enterprises should make full use of technical means such as big data and cloud
computing on Internet financial platforms to improve data processing efficiency and analysis ability.
In addition, companies should ensure the accuracy and completeness of data to support cost-benefit
analysis.

6.2 Establish a cost-benefit analysis model

Enterprises should establish a cost-benefit analysis model suitable for themselves according to
their cost management needs. The model should cover cost accounting, cost analysis, cost forecast
and other links, and can be dynamically adjusted according to the actual situation of the enterprise.
In addition, companies should pay attention to the best practices in the industry and continuously
optimize and improve the cost-benefit analysis model.

6.3 Implementation of cost-benefit analysis

Enterprises should apply the cost-benefit analysis model to the actual production and
management process, and carry out dynamic monitoring and analysis of various costs. Through the
Internet financial platform, enterprises can grasp the cost changes in real time, find the causes of
cost fluctuations in a timely manner, and take effective measures to adjust. In addition, enterprises
should also take into account the cost level in the industry to evaluate their own cost-effectiveness
situation to provide strong support for decision-making.

6.4 Strengthen cost control and optimization

In the process of implementing cost-benefit analysis, enterprises should strengthen cost control
and optimization. Through the Internet financial platform, enterprises can carry out fine
management of costs, reduce cost fluctuations, and improve cost stability. In addition, enterprises
should also focus on new methods and new tools for cost optimization, such as cloud computing,
big data, etc., to improve the accuracy and real-time performance of cost-benefit analysis.

In short, under the Internet finance model, enterprises should give full play to the advantages of
Internet finance in cost management, establish a cost-benefit analysis system, improve the level of
cost management, and achieve cost optimization and benefit maximization. Through these measures,
enterprises can improve their competitiveness and profitability and achieve sustainable development.

7. Conclusion

In short, under the Internet finance model, cost management is of great significance to the
sustainable development of financial enterprises. Enterprises should, according to their own development strategies, formulate clear cost management strategies, optimize cost structure, strengthen cost budget and control, and establish a cost-benefit analysis system to achieve cost control and benefit improvement. Through these measures, enterprises can improve their competitiveness and profitability in the highly competitive Internet financial market.

References