New Energy Automobile Enterprise Financial Risk Early Warning and Risk Prevention Measures

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Abstract. In recent years, the new energy automobile industry has developed rapidly, and the industry has entered a stage of rapid growth. However, with the changes in the internal and external environment of China's economy, enterprises are facing increasingly fierce market competition, and the government is gradually reducing subsidies for new energy vehicle enterprises, in this context, enterprises need to undergo financial transformation in order to effectively avoid financial risks. In this regard, enterprise management should pay more attention to risk management, so as to ensure that enterprises can take effective measures to prevent various risks while undergoing transformation, so as to achieve high-quality development. This paper elaborates on the importance of early warning of financial risks, analyzes the causes of financial risks, and puts forward corresponding solutions to help enterprises improve their ability to deal with financial risks.

Keywords: new energy automobile industry, financial risk early warning.

1. Introduction

The development of the new energy vehicle industry is an important direction to accelerate the construction of an automobile power and an effective means to break the constraints of energy and environment, which is of great strategic significance. From the perspective of policy stage, from 2009 to 2015, China gradually established a subsidy policy system from small-scale pilot to large-scale promotion, and initially formed a complete industrial chain. From 2016 to 2020, through the "double credit" management and tax incentives, the development of new energy vehicles was promoted from both the supply and demand ends, and through measures such as raising the threshold of key technical indicators and establishing a sound regulatory system, a subsidy mechanism was formed to further support the excellent and strong, and product technology was significantly improved. However, In order to create a stable policy environment, the current framework and threshold requirements of the purchase subsidy technical index system will remain unchanged in 2022. According to the Notice of the Ministry of Finance, the Ministry of Industry and Information Technology, the Ministry of Science and Technology, and the Development and Reform Commission on Improving the Financial Subsidy Policy for the Promotion and Application of New Energy Vehicles, in 2022, the subsidy standard for new energy vehicles will be reduced by 30% from the 2021 level; The subsidy standard for vehicles that meet the requirements in the official fields of urban buses, road passenger transport, rental (including online car hailing), sanitation, urban logistics and distribution, postal express, civil aviation airports and party and government organs will be reduced by 20% on the basis of 2021.

The reduction of subsidies for new energy vehicles has brought great pressure to the finances of new energy vehicle enterprises, under such circumstances, if new energy enterprises want to achieve long-term development, they must actively adapt to the overall trend of current market reform and implement in an all-round wayOn the basis of the analysis of existing market risk factors, a good risk early warning system is built, potential financial risks are identified in a timely manner, and risk prevention and control plans are formulated in combination with existing conditions to avoid affecting the future development of enterprises.

2. The Importance of Early Warning System

New energy enterprises carrying out financial risk early warning work can carry out scientific and accurate statistics and analysis of enterprise operations, discover possible risks and hidden dangers, and take effective countermeasures in a timely manner, so as to prevent and control financial risks. However, due to the strong professionalism of financial risk early warning work, higher requirements are put forward for financial management personnel, although financial risk early warning can effectively improve the risk prevention awareness and risk response ability of enterprises, but it cannot effectively prevent financial risks for individual enterprises. The core of enterprise financial risk early warning lies in the identification and assessment of financial risks, so as to conduct a comprehensive and comprehensive analysis of risk events, and comprehensively assess the risk status of enterprises by analyzing the nature, degree, development trend and potential harm of financial risk factors, so as to draw conclusions on corporate financial risk assessment. Risk early warning requires enterprises to take corresponding measures according to the actual situation to supplement and adjust the early warning point, and timely feedback the assessment conclusions to decision makers, so as to effectively achieve the decision-making goals of enterprise financial risk management and help enterprises prevent financial risks, and adopt a management method, which has a certain risk early warning and control function and role.

3. Characteristics of Financial Risks of New Energy Vehicle Enterprises

3.1 High Debit Risk

Debt burden mainly refers to the additional debt burden caused by the debtor's inability to pay off its debts due within a certain period of time. Enterprises face a variety of risks in operation and management, among which, credit risk is a common difficulty in new energy vehicle enterprises, because new energy vehicle enterprises need a large number of research and development funds, so corporate leverage is often higher. Credit risk is a very important risk in the financial risk of enterprises. With the economic and social development, China has increased its support for economic and financial business, and some large banks, joint-stock banks and city commercial banks have successively set up credit risk management departments. If there is a lack of reasonable control or improper management, it will not only cause the rupture of the capital chain and cause the problem of bad credit loans, but also cause greater risks and harm to the enterprise.

3.2 Corporate Financing Difficulty

Financing risks are mainly manifested in the difficulties faced by enterprises in financing and high financing costs. If the economic situation is good or the company's own operation is good or the capital turnover is normal, then the enterprise will not face the problem of financing difficulties. However, if the economic situation is not good or the company's own operating conditions are poor, it is likely to cause difficulties in financing for enterprises, which in turn will affect the process of capital turnover of enterprises. Therefore, enterprises should be more cautious in their choice of financial institutions and financial products. If the economic situation is not good or the enterprise needs funds for its own development, it can be financed by credit. However, credit methods are highly sensitive to the market, so enterprises must do a good job in financial risk prevention.

4. Causes of Corporate Financial Risks

4.1 Ignorance of the External Economic Environment

The external macro environment faced by enterprises includes political, economic and social environments, and these environmental factors have a great impact on the company's financing costs. For example, some SMEs are financed mainly by debt, and the cost of financing has a significant impact on them. For example, affected by the macroeconomy, in the face of inflation, tightening, etc., the government or central bank will formulate corresponding fiscal policies and monetary policies. When implementing tightening monetary policy, banks will reduce the size of loans and raise interest rates, which will increase the financing cost of enterprises and increase the financing risks of enterprises. If you do not pay attention to the impact of external environmental factors on enterprises, the financial risks of enterprises will increase. Due to the particularity of new energy vehicle enterprises, many enterprises in the policy subsidies ignore the impact that future subsidy reductions may have on the financial situation of enterprises, resulting in financial conditions after the subsidy is reduced.

4.2 Ignorance of the External Economic Environment

Some enterprises lack a sound internal control system, and the internal control system of the enterprise is not perfect, and it is difficult to effectively prevent and control financial risks. Especially in cost management, capital management, budget management, etc., there are many shortcomings. In the absence of institutional constraints, if the enterprise has financial risks, it will lead to the collapse of the financial management system, thereby affecting the realization of the company's financial risk control function. Under favorable policy conditions, many new automobile companies have emerged to rapidly expand their markets by taking advantage of technological innovation, appearance innovation and preferential benefits. However, these new enterprises have been established for a short time and have insufficient practical experience, and have not experienced the impact of changes in external economic conditions, and the internal control system construction of enterprises is also very weak.

4.3 Unreasonable Financing Scale and Structure

Generally speaking, it is necessary to predict the company's capital needs according to the actual production and operation status of the enterprise, and make a reasonable allocation of the financing scale and financing structure. However, due to the imperfect financial management system, some enterprises have not established a corresponding budget system, resulting in unreasonable financing scale. On the one hand, if there is too little financing, it cannot maintain its normal operation and functioning. On the other hand, unreasonable financing structures will also cause financing risks. Enterprises usually use debt as the main financing channel, and the larger the scale of debt, the higher the cost of its liabilities, the more financing costs and interest it bears. If the debt scale is too large, it will also cause the unreasonable capital structure of the enterprise, and if the loan term is short, it will bring great repayment pressure to the enterprise. If the principal and interest are not repaid in full and on time, it will bring cash flow problems to the enterprise, thereby increasing the financial risk of the enterprise and having a very adverse impact on production and operation.

4.4 Lack of Scientific Investment Risk Management

Investment risk is a major financial risk common in Chinese enterprises. Many enterprises lack a set of scientific and reasonable investment management system. When making investment decisions, enterprises are often blind and lack a scientific investment risk management mechanism. Before making investment decisions, business managers often neglect to analyze and demonstrate the feasibility of the project, and rely only on experience to make decisions. In the process of raising funds, if the capital budget of the project is not carried out, such as encountering a project with a large target and a long construction period, there will be problems such as tight funds and broken capital chains. In addition, due to the small size of some enterprises, diversification is often neglected when making investment decisions. Such enterprises have limited financing capabilities, and can only achieve maximum benefits by focusing on investing in a certain project; However, once investment risks arise, it will expose enterprises to huge losses.

5. Key Points of Enterprise Financial Risk Early Warning

5.1 Risk Assessment and Early Warning

Risk evaluation and early warning are the basis of risk early warning control. After analyzing its own financial risks, enterprises can formulate corresponding risk prevention measures by comprehensively assessing the possible financial risks of the enterprise, and analyzing the causes and degrees of harm caused by possible financial risks. Through risk assessment and early warning, possible financial risks can be discovered in time, so that the enterprise can carry out risk prevention work in a timely manner, rather than allowing financial risks to occur; It can effectively prevent the adverse impact of financial risks on enterprises.

5.2 Risk Assessment System

The risk assessment system is the process of evaluating the financial risks that may occur in the course of enterprise operation, the process of predicting the business risks that may occur in the enterprise, and the process of evaluating the role played in risk prevention. Specifically, it is necessary to formulate the corresponding risk assessment index system according to the characteristics of risk factors within the enterprise, such as cash flow, assets and liabilities, asset-liability ratio, asset turnover ratio, return on net assets, etc. For the specific application of these indicators, corresponding evaluation methods and standards should be formulated according to the specific situation. In addition, it is necessary to monitor the risks that may occur in each indicator in a timely manner, which requires the establishment of a corresponding financial risk assessment system for enterprises to reflect the existing financial risks in a timely and accurate manner. Internally, the corresponding financial risk early warning mechanism can be formulated through these objectives and regularly evaluated and analyzed, so that the enterprise can establish a sound accounting system and risk prevention mechanism.

6. Measures to Strenthen the Prevention of Financial Risks

6.1 Analyze Macro Environment and Improve Financial Management Quality

Through the analysis of the actual business of the enterprise and the macroeconomic environment of the market, the long-term impact of changes in the market economic environment on the enterprise can be clarified, so as to effectively plan the next stage of work. At the same time, enterprises should also pay attention to changes in national industrial policies, tax policies and investment policies, so that they can actively respond to policy changes and grasp the initiative in the process of operation. By strengthening the analysis of changes in the market macroeconomic environment, enterprises can better adapt to the new economic environment and actively use digital risk prediction models, so as to effectively control the adverse impact of financial risks on enterprises.

6.2 Improve Internal Control System and Standardize Financial Management

For enterprises, the system is an important means to ensure the development of enterprises, which helps the enterprise organization to have strong cohesion, thereby improving the core competitiveness and preventing external factors from adversely affecting the normal operation and development of the enterprise. Therefore, on the basis of building an enterprise financial risk early warning system, enterprises should formulate a set of scientific financial information management system to provide accurate and scientific basis for the work of financial personnel, standardize the internal financial behavior of enterprises, and ensure the accuracy of corporate financial information. In addition, an effective system can provide real and reliable financial data for financial statements, and the financial information management system should be combined with the statement to ensure that the report can be updated in a timely manner, so that the core competitiveness of the enterprise is strengthened and the anti-risk ability of the enterprise can be improved.

6.3 Strengthen Accounting Informatization Construction

Use financial software to process accounting data to reduce the workload and work pressure of finance staff. On this basis, the means of management accounting are used to carry out financial budgeting, financial monitoring and financial analysis; Promote the process of enterprise industry and financial integration, sort out and analyze financial data, so that the relevant responsibilities of financial management can be fully played, so as to improve the ability and level of financial activities such as financial analysis and financial decision-making, provide scientific and accurate decision-making basis for management, and effectively deal with various financial risks under the condition of clarifying the actual development situation within the enterprise.

6.4 Optimize Enterprises Capital Structure

A reasonable capital structure is beneficial to the healthy development of a company, and if the company wants to develop in the long term, it needs to have enough funds to support daily expenses. In the financing process, enterprises should adopt appropriate financing methods according to market development trends and their own business scale to ensure the balance between debt funds and own funds. At different stages, enterprises should make reasonable allocation of funds to reduce the burden of debt repayment. Excessive debt management will directly lead to an increase in the operational risk of the enterprise, which will have a certain impact on the commercial credit of the enterprise. Therefore, enterprises should not blindly pursue development and continuously increase the proportion of debt, but should adopt reasonable business methods, constantly increase their own funds, so that the repayment ability of enterprises can be strengthened, so as to reduce the debt repayment risk of enterprises and enhance the competitiveness of enterprises, which is beneficial to effectively avoid financial risks. For example, increasing the working capital ratio and liquidity of an enterprise can reduce the short-term debt risk of the enterprise. When a company's fixed asset investment accounts for too much of its total assets, and the liquidity of assets is poor, the company's debt service pressure will increase, which may lead to a debt crisis. Enterprises should rethink more flexible asset allocation methods, reduce the proportion of long-term assets such as fixed assets, increase the proportion of current assets such as monetary funds and inventory, optimize the asset structure, and ensure sufficient working capital, so as to reduce the probability of risk occurrence.

6.5 Improve Management of Investment Risks and Corporate Funds

Investment refers to an economic activity in which an enterprise invests capital in a specific field in order to obtain profits, thereby obtaining profits, and is one of the important ways for enterprises to obtain benefits, but this method also faces certain risks. Commercial investment includes both project investment and securities investment, and each investment has certain risks. Investment risk is mainly manifested as the uncertainty of investment returns, and the biggest risk is investment loss. In order to avoid the risks caused by investment failure, enterprises should conduct a comprehensive and in-depth feasibility analysis before investment, and carry out dynamic monitoring in the investment process, so as to ensure that investment can obtain better investment benefits and returns, and effectively control investment risks. For investments with excessive investment risks, it is necessary to adopt risk avoidance strategies, abandon the investment or transfer the risk to a third party, such as joint venture, joint venture, business outsourcing, insurance from insurance companies and a series of other methods. Therefore, companies must accurately predict risk and diversify it through asset portfolios. Enterprises should reduce investment risks by withdrawing reserved risk funds, accruing asset impairment losses, etc., and implement dynamic management of various investment activities of enterprises.

7. Summary

In summary, with the continuous development of the market economy, if enterprises want to obtain higher economic benefits, they must change their management methods to achieve the purpose of enhancing their scale and strength, and the financial risk problems in this process are bound to adversely affect the long-term development of the company. In particular, new energy vehicle enterprises are facing the reduction of external policy subsidies and fierce competition among enterprises in the industry, and strengthening the risk management of enterprises can help them achieve more long-term development. Therefore, enterprises must make full use of the risk early warning system to strengthen risk control and take reasonable measures to prevent risks to ensure the sustainable and steady development of the company.

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