On the Role of Computer Software in Management of Financial Risks of Enterprises

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Abstract: With the rapid development of China’s economy, the market environment and economic environment are becoming increasingly complex, along with the increasing financial risks faced by Chinese enterprises. As financial risks are the key factors affecting the development of enterprises, enterprises should pay close attention to them in their daily management, and analyze and control the financial risks in real time, so as to lay foundation for the sustainable development of enterprises. This article mainly introduces the role of computer software in management of financial risks of enterprises. Through analyzing the problems existed, this article puts forward some corresponding solutions.

Keywords: Computer Software; Financial Risks of Enterprises; Role

1. Introduction

With the continuous development of society and economy, China is making continuous progress, as well as many enterprises. The key point of enterprises in the process of development is to control financial risks. Although the impact of financial risks on enterprises is self-evident, the management of enterprise financial risks in China is relatively backward, the main reason of which is that many enterprises blindly pursued the expansion of scale and neglected the control of financial risks of enterprises in the early stage of reform and opening up. As a result, many enterprises were in danger of bankruptcy because of poor internal financial risk management. Aiming at strengthening the better development of enterprises, this article mainly researches on the role of computer software in management of the financial risks of enterprises, which has a profound impact on the Chinese enterprises.

2. Basic theory of enterprise financial risks and management

2.1 Overview of financial risks

Financial risks include the risks that enterprises may lose their solvency and the variability of shareholders’ returns. Following the increase of the proportion of debt, lease and preferred stock financing in the capital structure of the enterprise, the fixed cost of the enterprise’s expenditure will increase, as well as the possibility of enterprises losing their cash solvency. Besides, financial risks of enterprises include the reduced potential benefits of shareholders.

2.2 Overview of management of financial risks

Management of financial risks refers to the application of relevant information means to adjust the financial activi-
ties of enterprises in the process of financial management, in order to help enterprises achieve the financial goals and avoid the risks of enterprises.

2.3 The characteristics of management of financial risks

(1) Objectivity. Financial problems are inevitable for enterprises in the process of operation. As long as financial problems exist, there are risks, which can’t be solved fundamentally, but only be avoided. That is the objectivity showed in the process of financial management.

(2) Uncertainty. Financial problems and risks are inevitable in the process of operation, and there is no way to control the prevention of financial risks. The numerous variables in the development of enterprises definitely affect finance. That is the so-called uncertainty of financial management.

3. The role of computer software in management of financial risks of enterprises

Chinese enterprises are gradually aware of the crisis brought by financial risks under the constant changes of social economy, and begin to deal with financial risks. To achieve better and further development, enterprises should pay attention to the management of financial risks. Specifically, they should carry out a series of evaluation and management of financial risks to keep themselves from being defeated in the rapid development. However, as the competition among enterprises is becoming more and more fierce, many enterprises blindly pursue rapid development in order to gain more profits, and ignore the recognition and prevention of financial risks in the rapid development. For better and more stable development, enterprises should strengthen the management of financial risks, preventing financial risks from turning into financial crises. If they do not deal with financial risks properly, the economic development will be affected to a certain degree, and even bankruptcy occurs. The current society is changing rapidly and developing faster and faster. If enterprises try to achieve better financial management, they must keep up with the pace of social development, speed up their own upgrade, and apply computer software to management of enterprise financial risks. The upgrading of management of enterprise financial risks has been greatly improved, which is in line with the development needs of modern society, and is developing toward automation, intelligence and network modernization, meeting the needs of nowadays society and promoting the management of enterprise financial risks to develop faster and better. The traditional management technology of enterprise financial risks encountered some bottlenecks in the development process, and failed in making great progress. Instead, after the wide application of the computer software, the management of enterprise financial risks begins to integrate with the computer software to expand a broader development field. The application of computer software in promoting the innovation of management technology of enterprise financial risks is mainly reflected in the following aspects: firstly, to promote the innovation of management technology of financial risks. In these fields, electronic technology develops rapidly and is more closely integrated with computer software. Secondly, promote the application of management technology of enterprise financial risks. Along with the continuous development of computer software, information technology has been established in many fields, which has been gradually applied to various industries and fields. The development of computer software promotes the pioneering innovation of management technology of enterprise financial risks, and also provides a wider application field for it.

4. Countermeasures to improve the application of computer software in management of financial risks of enterprises

4.1 Further establish a financial management information platform

Informationization has gradually penetrated into people’s lives and all walks of life along with the continuous development of new technologies. In order to improve the management system of financial risks, enterprises should
strengthen the establishment of information management platform, which is quite important for the development of enterprises. Enterprises can identify, analyze and supervise the internal risks through the information platform. Once the risks are found, the information platform will analyze the data and pass on the specific causes of risks and corresponding measures to administrators. The information platform analyzes and sorts out the problems on the basis of the development status of the enterprise. In addition, the enterprise’s administrators should continue to strengthen information-based learning, and introduce advanced management experience at home and abroad after having a certain understanding of information knowledge. Then they should work out a proper information platform management method based on the development condition of the enterprise[1].

4.2 Innovate financial management mode

In the Internet era, it is necessary to innovate the financial management mode with the development of the times as the standard. Enterprises should analyze the changes of their industries according to the current economic situation, policy orientation, market environment, etc., and then determine the financial risk points according to the strategic objectives of enterprises and their own business conditions, and work out management plans to deal with risks. New systems, new technologies and new ideas to manage the enterprise’s finance should be introduced, and provide real-time and effective finance technology for enterprises through innovation, thus improving their ability to cope with financial risks. While innovating financial management, it is also necessary to strengthen the overall budget management of enterprises, analyze data from multiple dimensions, and identify risk points of financial management according to risk model and risk matrix. Then financial analysis should be reported to the management personnel in time, thus providing scientific and feasible reference for decision-making of business activities, investment activities and fund-raising activities in a certain period.

4.3 Protect computer network information

In accordance with their own operation mode, enterprises should develop, design or outsource the financial information system, in which various professional modules such as production process, marketing process, management process, key control points and processing standards are integrated. Integrated management of offline and online content is helpful to share information and data, and provides strong support for management of enterprise financial risks. An authorized use system should be established in the information platform according to the nature of business, the degree of importance, the user’s confidential level, etc., so as to improve the security level of enterprises. It can also improve the security of remote access through network technologies like firewall, router, and physical isolation, to ensure the confidentiality, integrity and security of financial information transmission[2].

Firstly, to strengthen network security management. The first step in protecting computer network security is to strengthen the construction of security system for network management, and strengthen the construction of security rules and regulations and emergency plans for computer network. The security system mainly includes construction of operation and maintenance security. Operation security system refers to that various operations of network management must be carried out within the operation scope and in accordance with the requirements of network security operation procedures. Specifically, it includes procedures of system authentication, setting and modification of operation authority, and exit. The construction of maintenance security system should begin with the maintenance of all the equipment of the operation system, followed by maintenance and update of software, and promoting the construction of risk plans for network failures to ensure the normal work. In addition, it is necessary to train the high-quality computer network talents, and comprehensively improve the level of network technology and enrich the talent reserve.

Secondly, to improve the technology of data encryption and access control. For dynamic information, the encryption technology of keys can be applied. Then the relevant information and data can be reasonably transformed or processed, so as to ensure its safety and effectiveness. Data encryption system is a traditional security technology in computer field, which has low cost and can protect the effective data of computer network. It is still used in computer field up to now.
Finally, to strengthen construction of the firewall. A basic measure to ensure computer network security is to strengthen the construction of the firewall. To be specific, a firewall system should be set up for computers, which can scan various data and programs of computers, so as to find out vicious attacks or viruses in time, prevent viruses from entering computers, and protect network security of computers. Once abnormal activities are found, the firewall will automatically block them and inform computer users in time to intercept dangerous and unknown data, thus protecting computer network security. The filtering firewall is to filter the potential safety hazard transmitted in network through routers.

4.4 Establish a sound and efficient financial risk early warning system

When dealing with financial risks, correct decision-making is very important, which depends on a mature and perfect early warning system. On the one hand, a risk early warning system can integrate all kinds of risks experienced before to carry out statistical analysis. Then datamation can be realized, and serve as the standard of judging risks in the future for managers. On the other hand, as a favorable measure to improve financial management, a risk early warning system can coordinate with other systems and control risks cooperatively. With the help of the risk early warning system, the management can make decisions such as coping, avoiding and sharing. According to the reminder of the risk early warning system, enterprises should properly adjust the frequency and scope of daily supervision and special supervision, find out the defects of internal management, ensure the effectiveness of supervision, and reduce the financial risks of enterprises.

5. Conclusion

The competition between modern enterprises is becoming more and more intense. Enterprises are faced with various risks in production and operation. Therefore, it is of great significance to reduce the financial risks of enterprises by various means and tools for their survival and development.

References