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Research on the Development and Influence of Internet Supply Chain Finance on Enterprises

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Abstract: In today's digital era, the evolution of internet supply chain finance presents transformative opportunities and challenges for enterprises worldwide. This research explores the development and influence of Internet supply chain finance on enterprises, examining its impact on financial management, operational efficiency, and strategic competitiveness within supply chain networks. The study delves into the growing adoption of Internet supply chain finance solutions by enterprises seeking to optimize working capital, streamline transaction processes, and enhance collaboration with suppliers and partners. As digital technologies reshape traditional finance practices, understanding the implication of Internet supply chain finance becomes imperative for businesses navigating complex global supply chains. A comprehensive literature review synthesizes existing knowledge on internet supply chain finance. Preliminary findings suggest that Internet SCF offers significant advantages to enterprises, including improved liquidity management, reduced transaction costs, and enhanced supply chain resilience. However, challenges such as personal security risks and integration complexities underscore the need for strategic planning and technological readiness. By elucidating the development and influence of internet SCF on enterprises for practitioners, policymakers, and scholars in the field of supply chain finance and digital transformation.

Keywords: Internet supply chain finance, digital technologies, advantages, enterprises, operational efficiency

1. Introduction

This study focuses on the impact of Internet supply chain finance on various enterprises, as well as the advantages and disadvantages of Internet supply chains. This research is very meaningful for enterprises whether they want to understand the Internet supply chain, finance, or make money through the Internet supply chain. This research mainly starts with what is Internet supply chain and how it will affect enterprises. At the same time, this article also uses the literature analysis method to search and read relevant materials and literature. The advantage of this method is that it can well analyze the current situation of Internet supply chain finance, including existing research results and research gaps. At the same time, it can also provide basic theories and find research frameworks through a comprehensive literature review. Finally, the reliability of the data source is crucial. Only by analyzing the literature can this article have reliable data. These are all beneficial for the progress of research. The ultimate goal of this study is to help enterprises better grasp this business model and

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analyze the advantages and disadvantages of this business model through the provided information. So as to enable enterprises to better utilize and master this business model. To achieve this goal, extensive literature analysis and offline consultations were conducted to ensure the accuracy and practicality of the data.

2. Background

Supply chain finance is basically the set of solutions and techniques used to optimize the management of working capital and liquidity across a supply chain. It involves various financial instruments and services that facilitate the smooth functioning and efficiency of transactions and payments between buyers, suppliers, and financial institutions. However the product is unfinished, It can also be understood the supply chain is around the core heart centerpieces, the basic parts and components are made into finished products on semi-finished products, according to the supply sales network delivering it to customers [1]. Internet Finance (ITFIN) refers to traditional financial institutions that use the Internet to carry out financial services such as capital financing, investment, payment, and information intermediary services through advanced technologies such as the Internet and information and communication [2]. Combine internet and supply chain finance can be used to define INCF. INCF Uses big data, cloud computing, search engines, and other technologies to realize the standardization of the information flow and capital flow of enterprises, to establish a continuous and dynamic data support decision-making system, and to improve a set of effective risk management systems [3].

Internet supply chain finance interacts with enterprises by leveraging digital technologies and online platforms to streamline and enhance various aspects of supply chain finance processes. There are multiple ways that ISCF (Internet Supply Chain Finance) could interact with the enterprise. Enhanced visibility and transparency are one of them. It provides real-time visibility into supply chain transactions, allowing enterprises to track payments, invoices, and financing activities across their supply chain partners. This transparency improves decision-making and risk management. The second could be efficient invoice and payment processing to the enterprises. ISCF automates invoice generation, approval workflows, and payment processing. This reduces manual errors, speeds up the payment cycle, and ensures timely payments to suppliers, thereby strengthening relationships. Also, it could provide access to diverse financing options to enterprises. Enterprises can leverage ISCF platforms to access a wide range of financing options for themselves and their suppliers. This includes traditional invoice financing, dynamic discounting, supply chain financing programs, and inventory financing. Under the background of the rapid development of the Internet, supply chain financial services also Can take a combination of a variety of financial products or financing services, which can be financial Services seek richer channels, but also through multi-channel application sharing and gold reduction Risks and hidden dangers possibly encountered in the process of financial business development [1]. In other words, internet supply chain finance effectively reduces the risk and financial burden that might happen. Also, it simplifies supply chain processes by digitizing transactions, reducing paperwork, and automating tasks, thereby accelerating processing time.

3. The Development and Concept of Internet Supply Chain Finance

3.1. The Development and Concept of Internet Supply Chain Finance in China

The domestic supply chain financial services were first proposed by Shenzhen Development Bank, and the first development of the goods mortgage business was in 1998. In 2002, the concept of supply chain finance was systematically proposed and promoted. Until 2005, it was the first to propose the construction of the most professional supply chain financial service provider. By 2023, most commercial banks have launched their own unique supply chain finance services [4]. With the

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growing development of big data and Internet technology, the inevitable direction of supply chain finance development is to combine industry with finance Mutual integration, especially the synergistic effect of the entire supply chain and industry chain, has attracted the attention of various enterprises on the chain. The main benefit is that it can reduce the financing costs of enterprises and improve their efficiency.

3.2. The Development and Concept of Internet Supply Chain Finance Outside China

In the 1970s, the division of labor in production began to shift from within enterprises to between enterprises. This shift resulted in different divisions of labor between Enterprises requiring a central enterprise to coordinate and disperse the various companies involved in the production process and supply chain born in response to the times [4]. Ether in China or other countries, internet supply chain finance all comes from the combination of the traditional supply chain. Traditional supply chain development stops and slowly falls behind. The traditional supply chain has a very complex operation flow, procedures, high cost, and high standards. Making traditional supply chain to inter supply chain finance is an effective way.

4. Analysis

The trust mechanisms of Internet supply chain finance are not perfect. For most enterprises, they tend to choose their interests. The credibility is not built effectively under such a background. Also, internet supply chain finance has a great possibility to divulge important or private information of certain enterprises. Information leaks will put companies and the entire internet supply chain finance at risk. Supply chain finance in the context of the Internet is based on the Internet, and the information transmission speed of the Internet is fast, and the risk of information leakage is greater.

Supply chain finance in the context of the Internet involves many participants, such as: If network security is not guaranteed, it will lead to a large number of data leaks, and in serious cases, it will even affect the stability of the entire supply chain financial system [5]. Internet supply chain finance requires financing companies, guarantee companies, core enterprises, and banks or other participants to submit a large amount of information, through big data analysis of customers can better risk control, but the information is not effectively protected, these data will be exposed to the risk of leakage. Finally, supply chain finance in the context of the Internet involves a large amount of data, and these data contain a large number of customers' user information and privacy information. In the context of the internet, many criminals use the internet to carry out illegal activities. If banks and other financial institutions cannot effectively protect the security of enterprises' information, it will lead to the leakage of a large amount of customer information and privacy. The risk of supply chain finance objectively exists. Small and medium-sized enterprises are unable to effectively grasp the true and reliable raw data of suppliers, facing credit risk, liquidity risk, and operational risk [6].

Internet supply chain finance has evolved from supply chain finance. The evolution of Internet supply chain finance has been marked by digitization, automation, and increased connectivity. It was a basic document exchange first. As time goes by, AI, blockchain, and the Internet of Things for real-time monitoring, and risk management have developed and become part of it.

Internet supply chain finance does have some influences on enterprise operations. Breaking through the limitations of time and space, improving transaction efficiency, and reducing operational costs, the Internet connects the real world and the virtual world and can provide customers with point-to-point all-weather services through the network, breaking through time and space constraints [7]. The traditional supply chain is limited by time and place. However, the Internet supply chain will not. It offers enterprises more efficiency and convinces conditions. Since all the steps are based on the Internet, as long as the Internet exists, the procedures won’t be limited. Enterprises and individuals

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can enjoy internet + supply chain financial services through apps or other internet tools, complete the whole process of payment transactions, and improve transaction efficiency rate.

In the era of the information revolution, information has gradually become an important productive force, and formalization is also a natural trend of financial evolution. The customer relationship of traditional finance is a closed system, and it is difficult to obtain enterprise operation information and transaction data, which leads to serious limitations and significant risks in financial services [7]. Enterprises working with traditional supply chains are limited for many information. It is difficult to obtain information from both customers and enterprises, which can lead to information gaps. The disconnection between the transaction, production, and logistics links of enterprises and banks has had an irreversible impact. When enterprises master the business model of Internet supply chain finance, they can completely break this limitation. Assisted enterprises in implementing information sharing and fast transactions. Finally, using information from electronic trading markets to attract customers for free, enhance the company's value, and gain profits from it.

5. Discussion

As the Internet grows faster nowadays, the evolution of Internet supply chain finance become an essential topic for every enterprise. Many enterprises are optimistic about the development of Internet supply chain finance. This can not only enable the rapid development of some enterprises but also can become a new financing mode. Internet supply chain finance has greater advantages than disadvantages. Traditional supply chain finance become past. With the development of Internet supply chain finance, it effectively solves some deadly problems for enterprises such as information asymmetry. Supply chain finance is a new and high-efficiency finance mode. However, with the development of the Internet and big data, the combination of the supply chain and the Internet will be formed. In the context of the rapid development of Internet technology, supply chain financial services will inevitably move towards more efficient, convenient, intelligent, and secure directions in the future, and will also provide more opportunities and options for enterprises and financial institutions. Combined with the characteristics and industry development trends that it has shown so far, in the future, it will inevitably move in such directions to achieve further expansion and innovation [1].

AI intelligence can be used to help some enterprises identify future trends and identify the possibilities of risk or bias that might happen. Also, provides a suitable solution for certain risks.

Implement intelligent management for each enterprise. Real-time monitoring of possible risks can make each key point closely fit, which accelerates the development of the enterprise.

Big data analysis for each enterprise, and store, applies to every place. It can realize the early warning of the potential risks of the internet supply chain finance and improve the transparency of the enterprise.

In the context of the Internet, the financing end of the Internet platform can also be integrated with the asset end of traditional supply chain finance, so that some problems in the supply chain system can be effectively solved, such as the problem of insufficient funds [8]. The Internet supply chain can effectively help enterprises at the initial stage to solve the problem of financing difficulties, and finance through the participation of different enterprises.

Enterprises can also use the Internet supply chain to customize the solution and how to solve the problems. In the Internet era, especially with the rise of big data, it has become simple and feasible to collect, process, and analyze customer information. Financial institutions can collect a lot of customer information, and transactions between enterprises are more transparent; Using information technology and big data technology to extract useful information from it [7]. From this useful information, enterprises and banks will be able to create separate financing solutions for customers. At the same time, the traditional supply chain only focuses on large elite customers, but the Internet

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supply chain allows enterprises to focus on every customer, including individuals. Although these types of customers have fewer funds, the accumulated amount will be very huge.

In addition, what are the service strategies of enterprises for the Internet supply chain? Firstly, enterprises can enhance the flexibility of big data applications, secondly, cultivate high-quality supply chain financial service talents, and finally, build a supply chain financial service risk control system. Big data is used in various aspects of the entire supply chain, including demand generation, product design, and collaboration. Through the use of big data, the supply chain can be controlled, enabling a clearer understanding of the entire supply chain situation [9]. When enterprises make reasonable use of these big data resources, they can perfectly master the operation of the entire supply chain, which is very important for the coordination of various Internet supply chains. To avoid a series of situations such as omissions or data mismatches. Meanwhile, enterprises can use big data to analyze historical sales data, market trends, and customer behavior for financial or financing planning. The second is to improve the visualization of the entire Internet supply chain. Enterprises can monitor the supply chain in real-time through big data, and find and solve financial or financing problems promptly. In addition to the financing needs of enterprises, treating customers and obtaining benefits are also crucial. Enterprises should strengthen the training of supply chain financial service personnel, provide them with continuing education, and familiarize them with the entire process of supply chain financial services, including front-end market demand analysis, product design, and development, as well as subsequent supplier management and after-sales service processes [9]. Enterprises can adapt to the financing situation of the market by cultivating service-oriented talents in the Internet supply chain. With the rapid development of the Internet, service personnel of the Internet supply chain should also be adaptable and innovative and master the financial situation of the entire Internet supply chain. Implement flexible responses to the financing situation of enterprises. Secondly, it can optimize the financial process of the entire Internet supply chain to improve efficiency, reduce financing costs, and enhance competitiveness. Finally, it is about strengthening. Finally, it is important to improve customer after-sales service, understand their after-sales needs, and enhance customer loyalty. After realizing the above two points, the whole Internet supply chain finance also needs to build an Internet supply chain financial service risk control system. There are many risks in supply chain financial services. Only by building a scientific supply chain financial service risk control system and strengthening the risk management and control work of supply chain financial services can various risk problems be effectively prevented and solved, and high-quality development of the supply chain financial service system be promoted [9].

Because Internet supply chain finance involves the participation of many enterprises and customers, there are quite complex financial transactions in it. There may be corporate default issues, credit risks for the payer, or potential financing issues for both parties. The risk control system can effectively assist enterprises in regulating these financial issues and implementing evaluations. In addition, it can also improve the efficiency of the entire Internet supply chain. Optimize funding and financing issues throughout the entire supply chain through a risk management system. Finally, enterprises can attract financial support and maintain efficient operations through risk management systems. Through a large amount of funds, enterprises can increase confidence, increase investment in projects, and demand financing [10].

6. Conclusion

The research result of this study is that the Internet supply chain can bring different impacts to enterprises. On the positive side, Internet supply chain finance can help enterprises to finance faster and attract more customers. At the same time, the Internet supply chain can break through the time limit, improve transaction efficiency, and reduce the cost of the company. The future trend must be towards the Internet, and the combination of the Internet supply chain has stabilized the future

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foundation of the company. But Internet supply chain finance also has disadvantages. With the rapid development of the Internet, information leakage becomes difficult to control. Therefore, a risk assessment system has become crucial. The risk assessment system supervises the entire Internet supply chain system to prevent information leakage, as well as capital chain rupture, and effective early warning. This study provides valuable reference significance for future research in this direction, mainly affecting the development trend of enterprises in the future and which markets they want to control. By analyzing the advantages and disadvantages of the Internet supply chain, enterprises can effectively evaluate their future market trends and how they should operate Internet supply chain finance.

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