The Impact of Digital Finance Development on Enterprises

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Abstract. As a new generation of financial services combined with traditional financial services through the Internet and information technology, digital finance will certainly have a far-reaching impact on enterprises. This paper reviews the development of digital finance in recent years for the help of enterprises. This paper firstly discusses the influence of digital finance on the technological innovation of enterprise, mainly from the perspective of financing structure, and optimization of enterprises governance. Secondly, this paper discusses the role of digital finance in the high-quality development of enterprises, mainly from the perspective of financial support, reducing non-compliance and ESG performance. In addition, the paper summarizes the impact of digital finance on the optimization of enterprises financial structure and the positive effect of digital finance on enterprises value. Finally, the paper looks at the future development of digital finance in the context of technology-driven innovation and the comprehensive digitization of financial services.

Keywords: Digital finance; financing structure; high quality development; financial structure.

1. Introduction

Digital technologies such as big data analysis, and other technologies are flourishing and have permeated into all aspects of society, especially in the financial sector.

The research related to digital finance has only been extensively conducted in the past two years, and its practical application is undoubtedly a new challenge. Under this trend, enterprises need to keep pace with the pace of transformation and upgrading, which is undoubtedly a greater examination of the technological innovation of enterprises. At the same time, the current financing of Chinese physical enterprises mainly comes from indirect financing dominated by commercial banks, so risks are gradually concentrated in banking institutions, which can easily distort incentive and constraint mechanisms, amplify financial market risks, and reduce the efficiency of financial resource allocation. The only way to reduce the excessive reliance on bank debt is through direct financing, particularly equity financing [1]. In addition, domestic enterprises also face financing constraints. The financing constraints faced by enterprises are mainly due to incomplete markets, which make it more costly for them to conduct external financing. Investment activities cannot obtain sufficient financial support and cannot achieve optimal investment levels [2].

2. The Impact of Digital Finance Development on Enterprises

2.1. The Impact of Digital Finance on Enterprise Technological Innovation

Digital finance, as an emerging form of financial services, is increasingly becoming an important factor influencing technological innovation in enterprises. By accelerating the flow of information and reducing transaction costs, digital finance provides a great impetus to promote the innovative development of enterprises [3]. At the same time, digital finance, which is backed by various digital technologies such as big data, has the ability to gather, store, and process massive amounts of data at low cost and low risk, thereby providing precise information and services [4]. By improving risk management and investment decisions, digital finance provides a solid foundation of financial support for enterprise technology upgrading and innovative research and development. Through the help brought to enterprises by the above digital finance, enterprises can inject new vitality in technological innovation. Enterprises can use the digital financial platform to achieve more effective resource allocation, optimize the financing structure, so as to enhance the investment in research and development and promote technological innovation [5]. In some of the more serious information asymmetry problems, enterprises can obtain more accurate and efficient financial services for themselves through the credit assessment after the innovation of big data [6]. At the same time, enterprises in the process of adopting digital financial services also need to focus on the enhancement of digital capabilities, in order to better adapt to the development of financial technology and the trend of integrated innovation [7]. At the level of the person in charge of the enterprise, digital financial tools can reduce the information opacity in the process of enterprise management, thus optimizing the internal governance structure of the enterprise, reducing irregularities, and helping the enterprise to build a transparent and efficient operation mode [8]. The gradual integration of digital finance into various business processes of enterprises has made its contribution to technological innovation more significant, injecting new vitality into the development of enterprises.

2.2. Digital Finance Promotes High-quality Development of Enterprises

The high-quality development of enterprises is to promote the improvement of their core competitiveness and the enhancement of their sustainable operation ability in the process of continuous innovation. In this process, digital finance, as a financial service model for new era, has significantly influenced the development model of enterprises by providing more efficient and convenient financing channels. With the continuous improvement of the development level of digital finance, the financial situation and investment strategy of enterprises are gradually becoming transparent. This trend of transparency can, on the one hand, allow investors to obtain more comprehensive information on corporate investment and make wiser investment decisions based on it [9]. By optimizing the financing structure of real enterprises, digital finance reduces the financing cost and increases the diversity of financing channels, thus providing financial support for enterprise technological innovation [5]. In addition, digital finance can effectively reduce the probability of enterprise violations, make enterprises pay more attention to standardized management, and promote the optimization of enterprise governance structure [8].

By improving the environmental, social, and governance (ESG) performance of enterprises, digital finance can contribute to high-quality development. Digital finance can enhance an enterprise's sense of social responsibility and improve its relationship with stakeholders through its unique information processing and dissemination mechanisms, while also having a positive effect on environmental protection [6]. This mechanism to enhance enterprise ESG performance provides a new way for enterprises to build a good social image and sustainable development capability.

On the other hand, the promotion of digital finance for the high-quality development of enterprises also has clear spatial effects. The technological innovation of enterprises in the region is greatly influenced by the level of digital finance development and regional economic development [3]. In addition, digital finance can significantly increase the value of the enterprise, especially in the more underdeveloped regions of the capital market, digital financial services can more efficiently support the development of the enterprise, reduce the information asymmetry and financing constraints, and is conducive to the realization of the economic potential of the enterprise [7].

In conclusion, the impact of digital finance on the high-quality development of enterprises can be seen at multiple levels: it not only optimizes the financing structure of enterprises, reduces costs, and improves efficiency, but also strengthens the social responsibility and sustainable development ability of enterprises by enhancing their ESG performance, while its spatial effect also supports the technological innovation and value-addedness of enterprises in the region. Therefore, digital finance provides effective assistance for the high-quality development of enterprises. However, effective financial regulation is a necessary guarantee for digital finance, which helps enterprises to achieve high-quality development paths. Therefore, it is necessary to strengthen policy support for digital finance, actively explore potential paths such as green development and open development, fully leverage the positive role of innovative development, shared development, and coordinated development paths, and ensure that digital finance empowers enterprises with high-quality development through moderate regulation [10].

2.3. Digital Finance Promotes the Optimization of Corporate Financial Structure

When it comes to digital transformation, digital finance is having a significant impact on the optimization of the financial structure of enterprises by providing more efficient and convenient ways of financial services. Studies in recent years have shown that digital finance can change the financing methods and structure of enterprises, helping them to reduce financing costs and improve the efficiency of capital use. For example, digital finance helps real enterprises optimize their financing structure, and then improve the financial situation of the enterprise. Compared with traditional financial service methods, digital finance can provide more diversified financial products and help enterprises obtain more flexible financing channels [5]. This alleviates the financing difficulties of small and medium-sized enterprises to a certain extent.

At the same time, enterprises have been able to receive more accurate credit services thanks to the development of digital finance, financial institutions can provide financing solutions that are more suitable for enterprises' characteristics by assessing their credit risks more accurately through big data analysis and other technologies. The use of digital finance can reduce the risk of enterprise violations, which may be due to its ability to improve transparency and efficiency in the use of funds [8].

Another point is that digital finance has a positive impact on the value of private manufacturing enterprises [7]. This suggests that in the context of the digital economy, the optimization of enterprise financial structure is not only through the improvement of direct financing means, but also includes the enhancement of enterprise value, and the penetration of digital finance makes it possible for enterprises to better grasp the market opportunities, optimize financial decision-making, and improve the overall operational efficiency.

In summary, through these studies we can see that digital finance is profoundly changing the financial structure and operation mode of enterprises, providing a series of new opportunities and challenges for enterprises. Digital finance will continue to play a crucial role in optimizing enterprise financial structures due to the advancements in technology and the depth of application.

3. Conclusion

The impact of digital finance on enterprises has resulted in remarkable research findings, and this article summarizes the help of digital finance for enterprise technological innovation, high-quality development and financial optimization, and draws the following conclusions: the development of digital finance has had a positive impact on the technological innovation of enterprises, and enterprises can be financed through digital financial services in a more flexible way, thus reducing the cost of financing. At the same time, this also increases the investment in R&D in disguise, as a way to promote technological innovation. In addition, digital finance promotes high-quality development of enterprises. Through the application of digital technology and the accumulation of data resources, enterprises have been able to optimize their operating models and business strategies, improving their operational efficiency as well as their competitiveness. At the same time, there is also a close relationship between digital finance and the optimization of enterprise financial structure. By using some digital financial technologies, such as e-payment and supply chain finance, enterprises are able to manage cash flow more effectively, optimize capital structure and reduce financial risks. In summary, the rapid development of digital finance has significantly contributed to the improvement of enterprises in various aspects at the financial and operational levels, including technological innovation, financial structure and risk management. The study also points out that although the potential advantages of digital finance are gradually emerging, its long-term impact and possible risks still need to be further explored and regulatory policies improved.

In the future, with the progress of science and technology as well as the development of the market, digital finance will also have new prospects for development. The first is that technologies such as artificial intelligence and big data will be deeply applied to financial services, further promoting the innovation of financial products and services and improving the efficiency of the financial market. Fintech companies are likely to continue to emerge with new business models, which in turn will affect enterprises' financing channels and financial management strategies. In addition, digitization will further penetrate into various financial activities of enterprises, for example, the popularity of digital currencies may change the payment and settlement system, while digitized tools will be able to more accurately carry out cash flow forecasting and risk management.

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