Research on Innovative Management Mode of Automobile Industry

Qian Huang1, 2, Kai Kang1, 2, Yi Wang1, 2
1China Automotive Technology and Research Center Co., Ltd.300000, Tianjin, China
2China Auto Information Technology (Tianjin) Co., Ltd.300000, Tianjin, China

Abstract: In recent years, as one of the pillar industries in my country, the automobile industry has achieved unprecedented development. In addition to reaching a new height in scale, the division of labor has become more and more refined, and the entire industry is constantly promoting optimization and upgrading. However, with the government's lowering of the operating threshold of the car rental industry, the market has seen an obvious oversupply situation. In order to ensure the healthy and sustainable development of enterprises in this industry, in addition to improving the service level, the core task is to improve the level of cost management. Under the new situation, the traditional management and control methods can no longer meet the above requirements. To solve the new problems of cost control at this stage, it is necessary to change the thinking mode, break the stereotype, dare to innovate, carry out practical research around cost control and lean management, and make full use of internal and external resources, reduce financing costs, improve occupancy rates, reduce operating costs in all aspects and innovate business models.

Keywords: Operating lease, Cost control, Car leasing.

1. Introduction

In the huge automobile industry chain, the competition in the automobile operation and leasing industry has become increasingly fierce, and more and more problems and challenges have arisen, and the operating cost has remained high. Solving the above problems is both a tactical and a strategic one. It is more and more urgent to improve the competitiveness of enterprises with enterprise management as the core. How to reduce costs and increase efficiency, change management into benefits, and support the sustainable, healthy and rapid development of the car rental industry is a very realistic and worthy topic.

2. Overview

2.1. The Concept of Cost Control

Enterprise cost control is an important means of cost management, including cost forecasting, decision-making, planning, control, accounting and analysis. In the traditional sense, enterprise cost control focuses more on cost control in a narrow sense. For example, the cost control of car operating leasing mainly focuses on vehicle acquisition costs, labor costs, daily operating costs, and internal control. In the modern fierce market economic competition, simply relying on the traditional cost items to set various control indicators to control costs, not only more and more limitations, but also difficult to form a differentiated management with peers. Cost control in the modern sense emphasizes jumping out of the traditional narrow concept, and pays more attention to changing the thinking mode and pioneering and innovating, making full use of resources such as existing conditions, environment and policies, and continuously exploring potential through structural adjustment and optimization of original resources. Costs are significantly reduced.

2.2. The Importance of Cost Control

Cost control has always been highly valued by managers in all walks of life, which shows the importance of cost control in all aspects of production, operation and management. Practice has proved that: strong cost control, strong enterprises; weak cost control, weak enterprises. For the car rental industry, cost control is the key to improving the profitability of an enterprise. It is related to whether it can obtain sufficient advantages in the competition, and it is related to the sustainable, healthy and rapid development of the enterprise. In addition, in the process of reform and innovation of cost control measures, it is Objectively, it has promoted the reform of the business model of the enterprise, and has become an inexhaustible driving force for the enterprise to improve the overall production, operation and management level.

3. Existing Problems

From the perspective of the entire development cycle of the automobile operating leasing industry, the three links of financing, investment and operation are indispensable. However, the strategic and tactical decisions of each link will affect the subsequent operating costs. The more prominent problems at this stage There are mainly the following five aspects.

3.1. Difficulty in Financing and High Capital Cost

In various types of loans in reality, there is often such a common phenomenon: the more high-quality resources an enterprise controls, the more loans a larger amount can be obtained, and the interest rate is relatively low. As we all know, as a car leasing company, vehicle assets tend to depreciate faster. In the environment of large economic bubbles and economic downturn, it is even more difficult to carry out traditional bank mortgage loans with vehicles as collateral assets.
3.2. The Rental Rate of Short-term Rental Vehicles Is Not High, And The Operating Cost Is Relatively Large

A typical feature of vehicles for short-term rentals compared to long-term rentals is that there are multiple idle points and periods. During the idle period of the vehicle, not only can it not create income for the enterprise, but also make the enterprise bear more fixed costs. The fixed costs of leasing vehicles mainly consist of vehicle depreciation, insurance premiums and routine maintenance and repair costs. At present, the number of units or individuals engaged in the leasing business is increasing, and the price competition is becoming increasingly fierce. It is impossible to increase the income by increasing the leasing price. Therefore, how to improve the rental rate of short-term rental vehicles and minimize the idle period of each vehicle is the key to improving the profitability of vehicles.

3.3. Higher VAT Rates

Among the many industries involved in the comprehensive "replacement of business tax with value-added tax", the only industry with a high tax rate is the movable property operating leasing industry, and the automobile operating leasing industry belongs to this industry. Although the country has reduced the value-added tax rate several times until it is reduced to the current 13%, it is still at the highest level among all industries. High tax burden not only means high cash flow outflow, but also high cost.

3.4. Large Loss of Operating Leased Vehicles and High Maintenance Costs

Operating leasing vehicles for all types of social customers. In the process of using rental vehicles, many customers do not operate and drive according to the so-called "normal wear and tear" or "concealed wear and tear". The cost of maintenance is increasing.

3.5. The Operating Cost of New Energy Vehicles Is Relatively High in The Initial Stage

Most provinces across the country have issued notices requiring party and government agencies and other units to gradually promote electric new energy vehicles around 2020. However, at this stage, both the purchase cost and the operation cost of follow-up maintenance and repair for new energy vehicles are much higher than those of traditional vehicles. The residual value rate of new energy electric vehicles is extremely low. Not dominant, disposal gains are often net losses.

4. Measures

Difficulties and challenges often coexist with opportunities in the process of enterprise development, and the auto leasing industry is no exception. Therefore, in the face of the current situation of high operating costs, the most important thing for car operating leasing companies is to closely connect with their own reality, make full use of external conditions, continue to innovate, and maximize profitability.

4.1. Break Traditional Thinking and Expand New Financing Models

Under the circumstance that the traditional financing model is facing many challenges, automobile operating leasing companies can use the existing resources of the industry to develop more new financing models. First, backed by national resources, develop unsecured credit loans, use long-term lease contracts signed with government institutions, central enterprises and other large units as resources, and flexibly negotiate with banks and other financial institutions to strive for more low-interest credit loans; second, Use high-quality accounts receivable as pledge resources to develop low-interest bank pledge loans. Accounts receivable that meet the contractual stipulations generated from party and government agencies, institutions, central enterprises and other units with strength and high integrity are high-quality accounts receivable resources. Such pledged assets are quick to revitalize, easy to operate and acceptable. Finally, with high-level tax credit ratings as resources, make full use of the new policy of "tax-bank interaction" to strive for more unsecured and unsecured loans.

4.2. Increase the Rental Rate of Short-term Rental Vehicles and Reduce Fixed Operating Costs

Improving the rental rate of short-term rental vehicles can be carried out from the following two aspects: First, do a good job in advertising and publicity activities, make full use of various modern network information platforms or build your own system software App platform, expand publicity and publicity, and expand customer sources, so as to improve the rental rate of short-term rental vehicles; secondly, if external social vehicles provide customers with car rental services, under the premise that external shunting resources are relatively abundant, self-owned short-term rental vehicles can be appropriately reduced, thereby effectively avoiding the fixed cost of self-owned vehicles. high status.

4.3. Make Full Use of National Policy Dividends

4.3.1. Scientifically Expand Input Vat Credit Items

Expand the sources of input VAT for value-added tax. When signing a lease contract with a customer, it can be agreed that the daily maintenance, repair and vehicle insurance premiums and other expenses of the vehicle shall be borne by us, increase the rental amount, and expand the proportion of fixed expenses other than depreciation expenses, thereby expanding the input value-added tax deduction. On the basis of obtaining the input tax amount, the preferential policy of input VAT credit can be used. According to the "Announcement of the Ministry of Finance, the State Administration of Taxation, the General Administration of Customs on Deepening the Value-Added Tax Reform Policies", since April 1, 2019 From December 31, 2021, taxpayers in the production and living service industries are allowed to add 10% of the deductible input tax for the current period to deduct the tax payable.

Speed up the renewal and disposal of long-term rental vehicles. The automobile operating leasing industry is a productive service industry. For the purchase of new cars, under the preferential policy of input VAT deduction, 13% of the original input tax can be converted into a 14.3% input tax credit, but the above-mentioned vehicle disposal output The tax rate is still 13%. If the cycle continues in this way, more input tax deductions and corresponding tax benefits can be obtained.
4.3.2. Convert to Small-Scale Taxpayer or Implement Simplified Collection

For general taxpayer units with annual sales of no more than 5 million yuan, the existing tax support preferential policies can be used to transfer the general taxpayer unit to a small-scale taxpayer unit at the tax bureau; for the expansion of VAT input that cannot be reduced If the intended purpose of the VAT burden rate is not met and the conditions for "returning" small-scale taxpayers are not met, the general taxpayer's simple tax collection model can be implemented, which can enable general taxpayers to enjoy VAT like small-scale taxpayers. 3% low collection rate.

4.4. Innovatively Explore Solutions to Reduce Operating Costs

For the long-term leasing business, in order to encourage customers to rent vehicles in a long-term and stable manner and even cherish the vehicles as if they were using private cars, a new business model of "renting for sale" can be innovatively implemented: after the contractual lease term reaches a certain number of years, the vehicle will be transferred to the lessee for free. Or the leader of the rental unit and other related individuals, which can greatly improve the customer's enthusiasm for long-term rental and the initiative to cherish the vehicle. At the same time, this model promotes the sales of automobiles, accelerates the liquidity of automobile assets, and further reduces the cost of automobile procurement.

Innovate the traditional protection mode of car damage insurance. For business vehicles, in addition to compulsory traffic insurance, the cost of vehicle damage insurance is relatively high. It is possible to separate the vehicle damage insurance type, and no longer pay the insurance company for the vehicle damage insurance. Long-term cooperation and carry out "internal insurance" business with it. The original cooperation model of enterprise→insurance company→maintenance unit has changed to a new cooperation model of enterprise→maintenance unit, which reduces the cost of intermediate links for insurance companies, and is a "win-win" for vehicle leasing companies and vehicle maintenance units. "The new model of strategic cooperation. Implementing the incentive policy, the vehicle leasing company can set up a special fund such as "car-cherishing family" fund or "safety star" fund, etc., and use these funds to reward high-quality customers who pay attention to caring and driving safety. This method will greatly improve customer love. The enthusiasm of car and escort, and promote the transformation of maintenance cost reduction mode from passive reduction to active reduction mode.

4.5. Reduce the Whole Life Cycle Operating Cost of New Energy Vehicles

Make full use of the opportunity of public rental vehicles such as party and government agencies and institutions to promote the use of new energy vehicles unconditionally in the future, cooperate with the government to implement the new strategy of sharing electric vehicles, and apply for new energy special subsidies from the government on this basis, and obtain more support bonuses from the government.

Signed a "sales-recycling" strategic cooperation agreement with new energy vehicle manufacturers. In view of the poor value preservation of new energy vehicles, a long-term strategic cooperation agreement can be signed with new energy manufacturers, stipulating that the manufacturer unconditionally recycles the vehicles after the end of their life, which will greatly reduce the loss of new energy vehicles in the process of scrapping and disposal.

5. Conclusion

In a word, the car operating leasing industry is still the brightest "unique show" in the future automobile industry, which will inevitably bring about more intense competition. For this reason, it is more important than ever to use modern innovative thinking to reduce operating costs. Only by continuous scientific innovation and change of thinking, from the perspective of the whole life cycle of vehicles, deeply explore the advantages and characteristics of the industry, make full use of various internal and external resources, and Disadvantages are beneficial, and the best way to reduce costs and increase efficiency can ensure that enterprises can play lightly and remain invincible in the fierce competition.

References