5. CONCLUSIONS

5. 1 Conclusions

Based on the method of logistic regression analysis, this study builds an alarming model of the financial crisis suitable for the listed logistics enterprises in mainland China. In the process of the whole research, this research mainly probes three aspects: content. The first one is to combine with characteristics of the logistics industry and establish the alarming model of higher discrimination accuracy for the financial crisis in logistics enterprises. The second one is the rational ingress of the non-financial information in the alarming model. It applies the empirical analysis to explore the functions of the non-financial information in the alarming model of the financial crisis. The third is to search for a more sensitive index to the financial crisis of logistics enterprises, which can provide reference and suggestions for enterprises and the academia.

According to the purpose and direction in the thesis, this study chooses the A-share listed companies firstly ST for the abnormity of finance status as the standard definition of the financial crisis. There are 50 selected enterprises samples, including 15 enterprises of financial crisis and 35 enterprises of normal financial situation. At the same time, this thesis integrates the advanced achievements and researches at home and abroad. Targeted at characteristics of the logistics industry in mainland China, this thesis adopts the released annual reports of the sample enterprises which have been audited by the CPA. It selects 22 financial indicators belonging to 7 categories, including the operating capacity, profitability and others. In addition, it takes 11 non-financial indicators from 4 categories for quantitative research, including ownership structure, board structure and others. In the practical research, the SPSS20.0 statistical software is applied for the significance test and factor analysis of financial data and non-financial information. It extracts the principal component factor which can reflect the authenticity of the information. Finally, with the method of logistic regression analysis, it builds an alarming model of the financial crisis suitable for the listed logistics enterprises. It also inspects the accuracy based on the data from the samples. Therefore, the experience and deficiencies in practical studies can be revealed. Reviewing the whole research process, this paper draws the following conclusions:

(1)The financial crises of the listed companies are traceable as there are some signs before they fall into crises. According to the comprehensive financial data, the authentic and accurate financial information of the enterprise can indicates the operating status and financial changes of the enterprise. When the enterprise falls into a financial crisis or at the edge of it, data in the financial statement will inevitable change. This requires the attentions from the managers and shareholders. The timely measures can prevent the

approaching crisis. On the other hand, from the respect of non-financial information, it directly reflects the current financial health, although it is unable to be quantified. Moreover, it can enrich and improve the financial crisis alarming system. The authenticity of non-financial information is higher than that of financial information. Therefore, enterprises should attach more importance to its changes.

(2)The closer the financial crisis is to the information, the stronger the warning level of financial and non-financial information is. When comparing the financial crisis in the last two years with the financial crises in the last three years, this thesis finds that, in the financial crisis in the last two years, the alarming indicator passed the significance test of is up to 18. It can extract 5 explanatory variables. In contrast, in the financial crisis in the last three years, the alarming indicator passed the significance test of is only 15. It can merely extract 3 explanatory variables. The result is in line with the research hypothesis. The closer the year to the financial crisis is, the stronger the alarming functions of the annual reports are. Because of the crisis alarming model is based on the listed companies released financial reports, which are audited by the external audit, so the financial reports of listed companies play a relatively more significant role in financial crisis alarming. It is closer to the crisis time and the information of financial reports is abnormal.

(3)The significance indexes vary as the years of the financial crises. The financial reports of enterprises have a rigorous timeliness. Thus, the accuracy of the alarming model based on indicator information is also of strong timeliness. It is necessary to establish the alarming model according to the year.

(4)The time proximity of the financial crisis is proportional to the accuracy of the alarming model. In the empirical study, the accuracy of prediction model decreased from 91.9% in T-2 years to 77% in T-3 years, falling by 21.9%. The financial situation of the T-1 year is the main evidence to judge whether A-share listed companies the mainland China should be ST in the next year. Therefore, the financial statements of T - 1 year can predict whether the financial crisis will occur. It is also of the highest accuracy to predict the financial crisis in three years. As a whole, the short-term prediction effect of the model is higher than the long-term forecast. As a result, it indicates that the falling into the financial crisis of the enterprises is a process of gradual deterioration of the financial situation.

(5) The introduction of non-financial information has improved the accuracy and scientificity of the financial crisis warning model. It can be concluded from the results of the crisis model test results that introducing the non-financial information into the financial crisis alarming model gains higher accuracy of crisis predictions, compared with the financial crisis alarming model only constructed by the financial information. The accuracy of the model T-2 years increases by 2.7 % in contrast with the model before the non-financial information is added. In T-3 years, the accuracy of the model increased by 8.1 % in contrast with the model before the non-financial information is added. Obviously,

introduction of the non-financial information can optimize the financial crisis alarming model.

5. 2 Limitations and Prospects

(1)The number of samples is limited. For consideration of enlarging the samples, this research selects the samples from 47 listed enterprises from 2006 to 2017. Among them, 34 enterprises are of normal financial situation. However, the overall sample scale remains limited. The crisis alarming model may still be influenced by individual factors, influencing the accuracy of the model. Moreover, the non-listed logistics companies cannot be included in the samples of the research. Therefore, it is necessary to expand the scope of external disclosure of the financial report of logistics enterprises. Encourage the financial disclosure of small and medium-sized construction enterprises can improve the overall financial transparency of the logistics industry.

(2)The selection of indicators is subjective. The index selection is based on the previous research experience of scholars at home and abroad. However, it is still influenced by subjectivity. In particular, the selection of non-financial indicators cannot adopt the method of quantitative evaluation. Henceforth, it requires later scholars jointly study and explore how to select indexes more scientifically and rationally.

(3)The selections of non-financial information are limited. At present, the selection of non-financial indicators is based on the released financial reports of the companies. The channels are narrow channels and the selections are limited selection. The scope of non-financial indicators selection is too narrow, so the indicators can only reflect the partial financial situation of the enterprise. It is difficult to conduct the enterprise researches with full view. Therefore, how to expand the research scope of non-financial information may become the future research direction for scholars.

5. 3 Related Suggestions

(1)Attach importance to the non-financial information evaluation function on the financial situation of the enterprise and the internal audit on the financial crisis of the enterprise is regularly carried out according to the financial ratio. The single financial ratio has strong timeliness. Moreover, it bears the individual difference for different enterprise subjects and the weakness of partial expressions. On the contrary, the content of the financial information is the relatively comprehensive. Therefore, apart from establishing the financial crisis alarming system, the enterprise should attach importance to the information exposed in the financial reports. It should construct a sound internal audit system and set the internal audit department. Moreover, the evaluation and supervision

over the quality of the internal audit on a regular basis is critical. Attentions should be paid to the business level training of enterprise audit staff, do the professional audit team can be built.

(2)Enterprises should pay enough attention to the management of development strategy. The management strategy is the long-term or short-term development strategy and development goal of the enterprise management based on the current operating conditions of the enterprise. Business strategy management can be divided into two parts, which are rational formulation and effective practice. When formulating business strategy, the market environment, enterprise strength, competitors and other factors should be emphasized. In the macro perspective of policy support, when the construction market present positive development trend, we should seize the opportunity to occupy the market more efficiently. But the management strategy should not be aggressive, when the enterprise development prospects are uncertain. If the enterprise scale and capital accumulation mismatch the aggressive expansion, the crisis should be reasonably avoided and the pros and cons should be objectively weighed. When the enterprise enters into the mature period of industrial development with the abundant of capital accumulation and the superior internal management system, strategic development plans should be reasonably formulated. In addition, it is necessary to mobilize all the resources to support and implement proposals.

(3)It is necessary to establish the corporate culture and a good image of competitiveness. Corporate culture and competitiveness image mutually promote and reinforce each other. Corporate culture is the scientific value and spiritual outlook expressed within the enterprise organizations, which can inspire the sense of belonging, honor and responsibility of enterprise staff. The competitiveness image is embodied in the external part of the enterprise. Good reputation is conducive to the establishment of in-depth development relationship with partners. It can expand the cooperative communities. High-quality credit rating helps to broaden the financing channels of enterprises and obtain loans from financial institutions. Both investors and commercial banks are more willing to put money into enterprise of higher levels of credit. Therefore, it requires the logistics enterprises in timely provide accurate, authentic and sound financial information and cash flow to commercial banks. So, at a crucial moment, the crisis can be avoided.

(4)The overall quality of management and staff should vigorously be promoted. The management level is the administrative center of the enterprise, the chief designer of the enterprise development, whose responsibility is to formulate the development plan and establish the reasonable enterprise internal management system. Managers are like the masters of the ship. The enterprise employees are at the forefront of the enterprise organization. They are the executors of the specific plan of the enterprise, who are like the

sailor of the big ship. The designer needs the version of global development vision and the reserved professional knowledge and skills, while the executors must have the specific operation professional qualities. Henceforth, enterprises should pay attention to the personnel training of internal personnel. The enhancement should include not only the upgrading of enterprise hardware, but also the promotion of soft skills of enterprises. In a word, talent is the drive and core component of long-term development.

(5)The debt structures of the enterprises should be optimized. The average level of asset-liability ratio in the logistics industry is relatively higher, because of the high level of the overall financing in construction enterprises. The retained earnings of enterprises can hardly meet the needs of enterprises to develop and expand, so it needs the boosting from the external financial resources. As a result, a sound financing channel is essential. However, the introduction of financing capital has also raised the level of corporate debt and increased the operational risk of enterprises. Therefore, it is necessary to establish a sound debt structure and capital structure level according to the capacity of the enterprises, which can ensure the sufficient cash flow and promote the expansion strategy of the enterprise.