Analysis of Operating Capacity of SF Holding Co., Ltd.

Liangyu Chen

The University of New South Wales, Australia | info@unsw.edu.au

*Corresponding Author: Liangyu Chen, The University of New South Wales, Australia | 1301275246@qq.com

Abstract: Currently, China's express delivery industry is developing rapidly and has become an important part of modern service industry. However, the industry faces challenges such as a large market scale but high fragmentation and low concentration. For express delivery enterprises to achieve development, they should focus on improving their operating capacity. As a leading enterprise in China's express delivery industry, SF Holding Co., Ltd. (hereinafter referred to as "SF Holding") embodies both industry-wide commonalities and unique characteristics, thus having high research value. This paper aims to analyze the operating capacity of SF Holding by examining its operating indicators disclosed from 2019 to 2023 and comparing them with peer enterprises. It identifies issues in SF Holding's operating capacity, including excessive accounts receivable, inventory backlogs, and low total asset turnover. Corresponding improvement suggestions are proposed: improving credit systems, strengthening inventory management, and rationalizing asset allocation. It is hoped that this study can effectively help SF Holding optimize its operating capacity, enhance market competitiveness, and provide references for other enterprises in the express delivery industry to promote sustainable and collective development of the industry.

Keywords: Operating Capacity; Inventory Turnover; Total Asset Turnover

1. Introduction

1.1. Research Background

The express delivery industry is a modern pioneering industry that not only accelerates the efficiency reform of commodity circulation but also profoundly influences the structural optimization and demand upgrading of the consumer market. In the report to the 20th National Congress of the Communist Party of China, General Secretary Xi Jinping clearly proposed to "accelerate the development of the Internet of Things, build an efficient and smooth circulation system, and reduce logistics costs." In recent years, the booming development of e-commerce has significantly increased the business volume of the express

delivery industry. To promote the long-term progress of the express delivery industry and enhance its overall development level, the government has issued a series of favorable policies to encourage its growth. Among them, the newly revised Measures for the Administration of the Express Market (hereinafter referred to as the Measures) by the China Communications Command came into effect on March 1, 2024. Implemented in accordance with the express industry development plan formulated by the State Post Bureau, the Measures aim to promote the sustained and healthy development of the express industry and guide enterprises to shift from traditional extensive development to high-quality and sustainable development. However, opportunities coexist with challenges. While the express delivery industry develops rapidly, the Measures set higher standards and requirements for express enterprises, forcing them to improve quality and efficiency. Therefore, pursuing sustainable development, reducing costs, and improving efficiency are issues that express enterprises should attach great importance to currently. In this context, major express enterprises empowering their development by improving their operating capacity is a rational decision to optimize operational performance and enhance market competitiveness.

This paper selects SF Holding Co., Ltd., the most representative enterprise in the express delivery industry, as the research object. By analyzing the financial statements disclosed by SF Holding from 2019 to 2023, it conducts an in-depth study on its operating capacity, explores the actual challenges it faces in this regard, and proposes targeted improvement suggestions. The aim is to improve SF Holding's resource utilization efficiency, enhance its operating capacity, strengthen market competitiveness, and achieve sustainable development.

1.2. Research Significance

Scientifically analyzing operating capacity can effectively help enterprises measure the efficiency of asset utilization and capital turnover, enabling management or decision-makers to formulate more reasonable development strategies based on current operating conditions, ultimately improving operating capacity. This paper combines theory and case studies, uses relevant operating capacity ratios, and conducts in-depth analysis of SF Holding from the perspective of operating asset data, further expanding the research perspective and scope of operating capacity theory and providing reference for research in this field.

SF Holding is the largest comprehensive logistics service provider in terms of asset size among listed express enterprises in China, performing outstandingly in the industry and serving as a representative enterprise that continuously creates excellent social value. This paper takes SF Holding as the research object, comprehensively analyzes its operating capacity, identifies existing operational issues, and proposes targeted improvement suggestions. This study not only helps the company's management objectively assess its operating capacity but also assists the government and relevant departments in better understanding industry dynamics to formulate more reasonable favorable policies, promoting orderly and healthy development of the express delivery industry. Meanwhile, it provides effective references for other enterprises in the industry to enhance their operating capacity, driving the overall transformation and upgrading of the express delivery industry and promoting high-quality development of China's express logistics industry.

1.3. Literature Review

Scholars such as Gorondutse pointed out that accounts receivable turnover and inventory turnover affect the performance of SMEs. By analyzing financial data of Malaysian SMEs from 2006 to 2012, they concluded that enterprises can achieve positive profit growth through working capital management. Other scholars argued that inventory turnover

indicators are influenced by company size. Through analyzing financial statement data of three Norwegian retail companies, they found that efficient inventory management can significantly reduce inventory costs, thereby improving enterprise operating efficiency. Fei T et al. sorted and analyzed financial statement data of intelligent kitchen appliance enterprises from 2020 to 2022, identifying issues such as delayed accounts receivable collection, inventory backlogs, and declining total asset turnover. They proposed improvement measures such as establishing accounts receivable management and recovery systems and improving inventory management systems. Operating indicators reflect an enterprise's capital turnover status and operational management level, helping management make reasonable investment decisions. Meanwhile, these indicators also facilitate creditors' investment and credit work. Analyzing relevant financial indicators such as inventory turnover for operating capacity can effectively evaluate capital utilization efficiency, providing direction and suggestions for enterprise development. Zhu conducted an in-depth analysis of Guangzhou Restaurant's operating capacity and compared it with relevant indicators of seven peer companies. The study concluded that Guangzhou Restaurant needs improvement in asset turnover capacity, with issues such as declining accounts receivable turnover and low fixed asset utilization. Based on this, countermeasures such as promoting collaborative development and introducing light assets were proposed.

In terms of enterprise operating capacity evaluation, scholars mostly adopt three key operating indicators: accounts receivable turnover efficiency, inventory turnover speed, and total asset turnover ratio. Centering on these indicators, they conduct multi-angle analysis and research on an enterprise's operating status and efficiency by integrating factors such as its own development and external environmental influences. This research method can comprehensively understand an enterprise's operating capacity and enhance the practical significance of operating capacity analysis. Regarding issues and countermeasures in operating capacity, scholars generally select a single enterprise or multiple enterprises in the same industry as research objects, conducting horizontal and vertical analysis of relevant operating data in their financial statements.

1.4. Research Methods

1.4.1. Literature Research Method

By reviewing research materials on operating capacity analysis from databases such as CNKI, relevant theories are referenced and cited to provide theoretical support for this study.

1.4.2. Case Study Method

This paper selects SF Holding, an industry benchmark, as the research case, conducting in-depth analysis of its operating indicators to ensure the practical significance and application value of the paper.

1.4.3. Data Research Method

This paper analyzes SF Holding's operating asset data over the past five years and conducts horizontal comparative analysis of operating capacity indicators between SF Holding and its peers JD Logistics and ZTO Express.

2. Concepts and Theories Related to Operating Capacity

2.1. Concept of Operating Capacity

Operating capacity refers to an enterprise's ability to manage and operate assets, reflecting the efficiency and effectiveness of asset operation through the ratio of asset input to output. Key financial analysis ratios for evaluating operating capacity include accounts receivable turnover, inventory turnover, and total asset turnover. Analyzing these indicators helps enterprises understand the current status and effectiveness of their asset management.

2.2. Working Capital Management Theory

As an important component of the enterprise financial management theory system, working capital management theory focuses on in-depth research on key issues such as the raising, utilization, and allocation of working capital. In actual operation, this theory emphasizes efficient and reasonable management of working capital, especially scientific allocation, effective utilization, and strict control of current assets such as inventory and accounts receivable. Through effective working capital management, enterprises can ensure the normal operation of daily business activities while minimizing capital costs and maximizing capital use efficiency. This further improves operational efficiency, increases economic benefits, ensures operational stability, and enhances market risk resistance. Meanwhile, sound working capital management can increase enterprise market value, strengthen core competitive advantages, and help enterprises achieve sustainable development and good economic benefits in a fiercely competitive market environment.

2.3. Definition of Operating Capacity Indicators

2.3.1. Accounts Receivable Turnover

Accounts receivable turnover measures the relative level of net operating revenue compared to the average holding of accounts receivable within a specific accounting period. This indicator reflects an enterprise's ability and speed to convert accounts receivable into cash flow, serving as a key financial indicator for evaluating capital recovery efficiency and embodying the management and utilization efficiency of credit sales revenue. Its calculation formula is as follows:

Accounts Receivable Turnover (times) = Net Operating Revenue / Average Accounts Receivable Balance

2.3.2. Inventory Turnover

Inventory turnover refers to the ratio of operating costs to the average inventory balance, representing the average frequency of inventory turnover within a specific accounting period. The higher the value of inventory turnover ratio, the higher the efficiency of the enterprise's inventory management, the shorter the retention time of funds in inventory, reflecting a higher efficiency of asset utilization and liquidity. Its calculation formula is as follows:

Inventory Turnover (times) = Operating Costs / Average Inventory Balance

2.3.3. Total Asset Turnover

Total asset turnover is the ratio of net operating revenue to average total assets within a specific accounting period, reflecting the overall asset management and operational efficiency of an enterprise. It is a key indicator for measuring whether an enterprise has reasonably planned and managed its assets. Its calculation formula is as follows:

Total Asset Turnover (times) = Net Operating Revenue / Average Total Assets

3. Overview of SF Holding and Analysis of Its Operating Capacity

3.1. Overview of SF Holding

SF Holding Co., Ltd. was founded in 1993, with core businesses covering express services, rapid transportation, cold chain solutions, and supply chain management. In 2017, SF Holding was listed on the Shenzhen Stock Exchange, becoming the first private express enterprise listed with a direct operation model.

SF Holding has always regarded sustainable development as a core strategy, maintaining a leading position in the industry by continuously optimizing its product system and improving service quality. In terms of technological innovation, relying on mature technical accumulation and extensive network resources, SF Holding actively promotes the transformation and upgrading of digital supply chains. In the aviation logistics field, it has strengthened its layout by increasing investment in and construction of aviation infrastructure, providing strong support for future business expansion. Meanwhile, as an enterprise with a high sense of social responsibility, SF Holding is committed to creating excellent social value. It actively responds to the national "dual carbon" strategy and strives to build a green management model for the entire logistics chain through measures such as low-carbon transportation strategies.

Currently, SF Holding serves over 1.95 million active monthly settlement customers and more than 663 million individual members domestically. Its distribution service system has achieved full coverage of all prefecture-level cities in China and expanded to 2,789 county-level administrative units. With increasing benefits, SF Holding has expanded into international markets using domestic successful experience, with service networks covering Singapore, Malaysia, Australia, and other countries and regions.

Table 3.1. Main Businesses and Operating Revenue of SF Holding in 2023

Main Business Business	Content	Operating Revenue (2023)	Revenue Share
Time-definite Express	Providing high-timeliness delivery services to individuals, enterprises, and mid-to-high-end brand merchants	115.46 billion yuan	44.7%
Economy Express	Providing high-user-experience delivery services to e-commerce platforms	25.05 billion yuan	9.7%
Freight Transportation	Providing bulk transportation and large-item delivery services	33.08 billion yuan	12.8%
Cold Chain & Pharmaceutical Logistics	Providing distribution services for customers in frozen, fresh, and pharmaceutical fields	10.31 billion yuan	4.0%
Intra-city Instant Delivery	Average one hour instant delivery service throughout the city	7.25 billion yuan	2.8%
Supply Chain & International	Providing end-to-end supply chain services; cross-border express, cross-border e-commerce delivery, overseas local express	59.98 billion yuan	23.2%

Data source: Summary of SF Holding Co., Ltd. 2023 Annual Report, compiled.
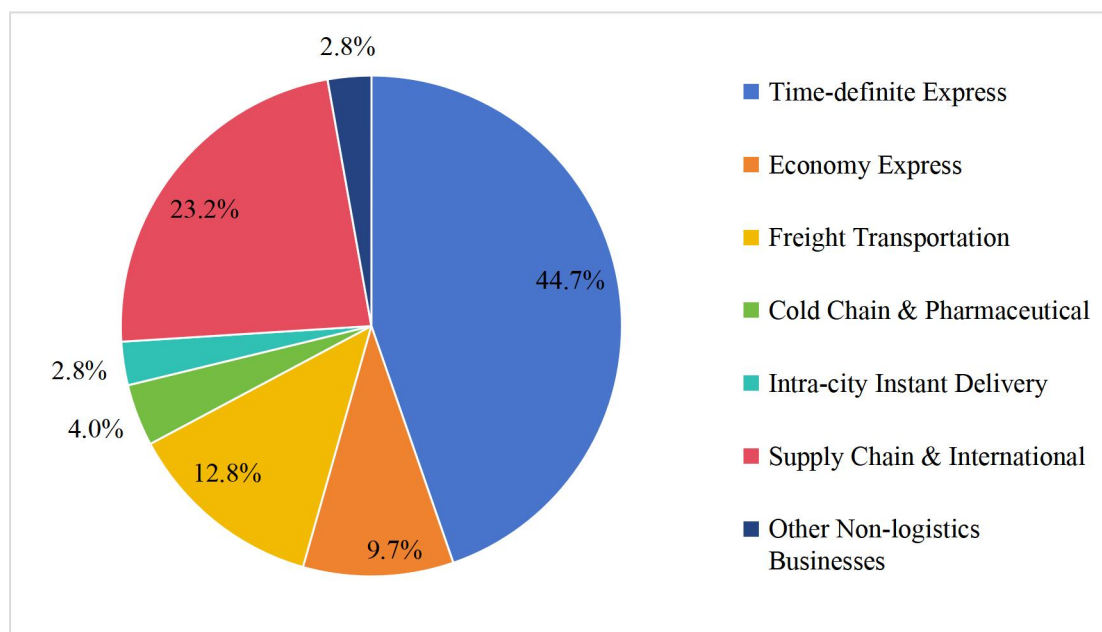

Figure 3.1. Revenue Share of SF Holding by Business Segment

Data source: Summary of SF Holding Co., Ltd. 2023 Annual Report, compiled.

Table 3.2. Key Financial Data of SF Holding from 2019 to 2023 (Unit: 100 million yuan)

Year / Item	2019	2020	2021	2022	2023
Accounts Receivable	120.4	168.5	304.4	255.6	251.3
Operating Revenue	1122	1540	2072	2675	2584
Inventory	8.817	9.870	15.47	19.48	24.40
Operating Costs	926.5	1288	1815	2341	2253
Total Assets	925.4	1122	2099	2168	2215
Net Profit	56.25	69.32	39.19	70.04	79.12

Data source: Summary of SF Holding Co., Ltd. 2019-2023 Financial Reports, compiled.

In 2023, SF Holding achieved operating revenue of 258.4 billion yuan, operating costs of 225.3 billion yuan, total assets of 221.5 billion yuan, gross profit of 33.1 billion yuan, and net profit of 7.912 billion yuan. Through development, SF Holding has become the largest comprehensive logistics service provider in China and Asia, and the fourth largest globally. This outstanding market position is mainly attributed to its adherence to long-term sustainable development strategies and long-term strategic planning.

3.2. Analysis of Accounts Receivable Turnover

Table 3.3. Data on Accounts Receivable Turnover of SF Holding from 2019 to 2023 (Unit: 100 million yuan)

Year / Item	2019	2020	2021	2022	2023
Operating Revenue	1122	1540	2072	2675	2584
Accounts Receivable	120.4	168.5	304.4	255.6	251.3
Accounts Receivable Turnover (times)	11.53	10.58	8.674	9.459	10.10
Accounts Receivable Turnover Days (days)	31.22	34.02	41.51	38.06	35.63

Data source: Eastmoney.com, compiled.

As shown in Table 3.3, SF Holding's accounts receivable turnover rate fluctuated from 2019 to 2023, with values of 11.53, 10.58, 8.674, 9.459, and 10.10 respectively. It decreased from the peak of 11.53 times in 2019 to the low of 8.674 times in 2021, then gradually recovered in the following years, reaching 9.459 times in 2022 and 10.10 times in 2023. This trend indicates that the company's accounts receivable recovery speed improved from 2021 to 2023 but remained lower than the levels in 2019 and 2020. Therefore, SF Holding needs to further optimize its accounts receivable management mechanism to accelerate capital reflux.

Between 2019 and 2023, SF Holding's operating revenue grew continuously, while its accounts receivable showed a trend of first increasing and then decreasing. In 2021, the company's accounts receivable reached a peak of 30.44 billion yuan, an increase of 18.4 billion yuan compared to 12.04 billion yuan in 2019. Although accounts receivable decreased from 25.56 billion yuan in 2022 to 25.13 billion yuan in 2023, they remained at a relatively high level compared to 12.04 billion yuan in 2019 and 16.85 billion yuan in 2020. This phenomenon indicates that SF Holding faced accounts receivable backlogs due to expanded credit sales from 2021 to 2023, resulting in a significant slowdown in capital recovery speed.

SF Holding's accounts receivable turnover days showed an overall fluctuating upward trend from 2019 to 2023. The turnover days peaked at 41.51 days in 2021, an increase of 10.29 days compared to 2019. Over the five years, the average accounts receivable turnover days were 36.088 days, while the turnover days in 2021 and 2022 were 41.51 days and 38.06 days respectively, both higher than the five-year average. This trend reflects a slowdown in SF Holding's capital recovery speed during this period and reveals certain issues in its accounts receivable management strategy.

3.3. Analysis of Inventory Turnover

Table 3.4. Data on Inventory Turnover of SF Holding from 2019 to 2023 (Unit: 100 million yuan)

Year / Item	2019	2020	2021	2022	2023
Inventory	8.817	9.870	15.47	19.48	24.40
Operating Costs	926.5	1288	1815	2341	2253
Inventory Turnover (times)	109.0	113.6	91.44	77.30	59.72
Inventory Turnover Days (days)	3.302	3.169	3.937	4.657	6.028

According to the data in Table 3.4, SF Holding's inventory scale expanded continuously from 2019 to 2023, with a significant growth trend particularly in the four years from 2020 to 2023. Total inventory surged from 987 million yuan in 2020 to 2.44 billion yuan in 2023, an increase of 1.453 billion yuan. Meanwhile, the company's operating costs also increased. This phenomenon reflects the growing problem of inventory backlogs at SF Holding during this period, leading to rising operating costs. The significant increase in inventory occupied more operating capital, thereby slowing down the company's capital turnover.

From 2019 to 2023, SF Holding's inventory turnover rate fluctuated noticeably. It rose slightly from 109.0 times in 2019 to 113.6 times in 2020, then decreased sharply from 2021 onwards, dropping to 59.72 times in 2023. After maintaining an inventory turnover rate above 100 times for two consecutive years (2019-2020), it declined continuously from 2020, reaching 59.72 times in 2023—a decrease of 53.88 times compared to the peak of 113.6 times. This indicates that the COVID-19 pandemic had a profound impact on the company's inventory management, significantly slowing down the conversion of inventory into operating revenue. This situation reflects that the company has substantial room for improvement in inventory regulation when facing external sudden risks.

SF Holding's inventory turnover days changed significantly from 2019 to 2023. They remained stable at 3-4 days in the first three years but increased annually from 2021 to 2023, extending to 6.028 days in 2023—an increase of 2.726 days compared to 3.302 days in 2019. This trend indicates that over the past five years, the time for SF Holding's inventory to occupy operating capital has lengthened, and asset liquidity has slowed down.

3.4. Analysis of Total Asset Turnover

Table 3.5. Data on Total Asset Turnover of SF Holding from 2019 to 2023 (Unit: 100 million yuan)

Year / Item	2019	2020	2021	2022	2023
Total Assets	925.4	1122	2099	2168	2215
Operating Revenue	1122	1540	2072	2675	2584
Total Asset Turnover (times)	1.366	1.512	1.291	1.254	1.179
Total Asset Turnover Days (days)	263.6	238.1	278.9	287.2	305.3

As shown in Table 3.5, SF Holding's total assets increased year by year from 2019 to 2023, with significant growth, rising steadily from 92.54 billion yuan in 2019 to 221.5 billion yuan in 2023, an increase of 128.96 billion yuan. Meanwhile, SF Holding's operating revenue also grew steadily from 2019 to 2023, reaching 258.4 billion yuan in 2023. This phenomenon indicates that SF Holding's operating conditions improved continuously over these five years, with expanding total asset scale.

From 2019 to 2023, SF Holding's total asset turnover showed a trend of first rising and then falling. It increased from 1.366 times in 2019 to 1.512 times in 2020, an increase of 0.146 times. This growth trend indicates that the company's asset turnover speed accelerated during this period, and overall asset utilization efficiency improved. However, starting from 2021, SF Holding's total asset turnover continued to decrease, gradually falling from 1.512

times in 2021 to 1.179 times in 2023. This reflects that the company failed to achieve effective rational allocation and efficient utilization of assets during this stage.

SF Holding's total asset turnover days decreased from 263.6 days in 2019 to 238.1 days in 2020, consistent with the upward trend of total asset turnover, indicating improved asset utilization efficiency in 2020. However, starting from 2020, SF Holding's total asset turnover days showed an upward trend, reaching 305.3 days in 2023, an increase of 67.2 days compared to 2020. The significant decline in total asset turnover efficiency of SF Holding from 2020 to 2023 reflects major challenges in asset management and operational efficiency.

3.5. Comparative Analysis of Operating Indicators with Peer Enterprises

ZTO Express and JD Logistics, as domestic logistics benchmarks, have key competitive advantages in different market segments. ZTO Express has strong competitiveness in the traditional express market based on its efficient service network and operational strengths, while JD Logistics has unique technical advantages in high-end logistics services through intelligent warehousing systems and digital supply chain management. According to the data in Figure 3.1, express services and supply chain business will be the main sources of revenue in SF Holding's 2023 operating cost structure, indicating that the development of these two core businesses will have a significant impact on the company's overall operating performance. Therefore, selecting ZTO Express and JD Logistics as comparison objects has important research value, providing a key benchmark for SF Holding to optimize business plans and formulate strategies.
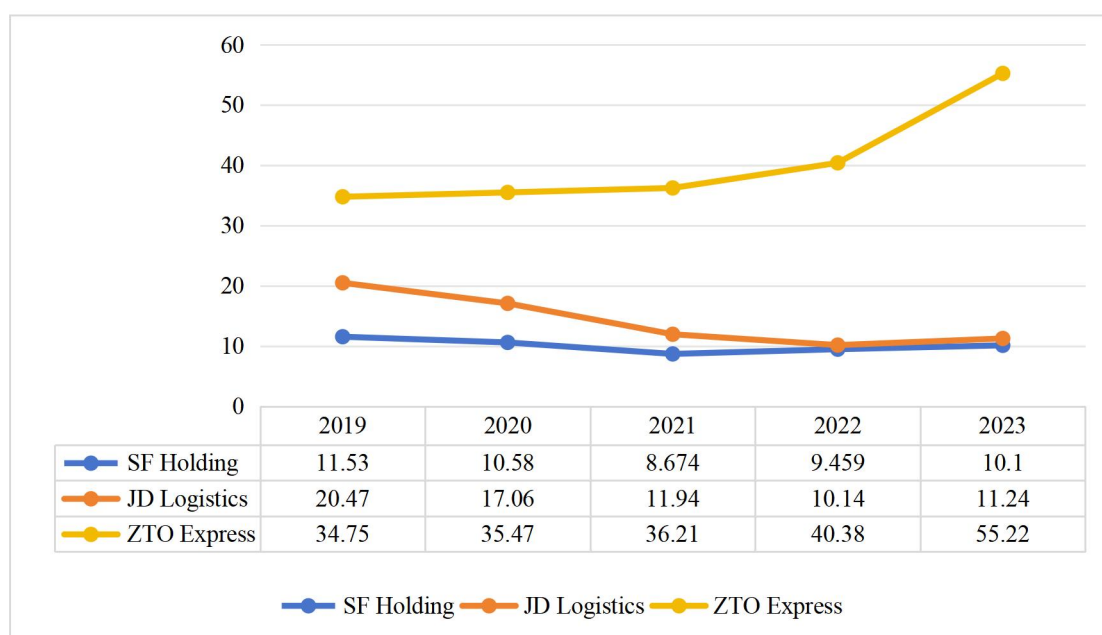

	2019	2020	2021	2022	2023
SF Holding	11.53	10.58	8.674	9.459	10.1
JD Logistics	20.47	17.06	11.94	10.14	11.24
ZTO Express	34.75	35.47	36.21	40.38	55.22

Figure 3.2. Comparison of Accounts Receivable Turnover of SF Holding and Peer Enterprises from 2019 to 2023 (Unit: times)
Data source: Eastmoney.com, compiled.

As shown in Figure 3.2, SF Holding's accounts receivable turnover rate had 2021 as an inflection point from 2019 to 2023, decreasing in the first two years and recovering in the next two. JD Logistics' accounts receivable turnover rate showed an overall downward trend over the five years but remained higher than SF Holding's each year. The gap between JD

Logistics and SF Holding in accounts receivable turnover narrowed significantly between 2022 and 2023. Compared to the outstanding performance of ZTO Express, SF Holding showed a significant and widening gap in accounts receivable turnover. SF Holding and ZTO Express had accounts receivable turnover rates of 11.53 times and 34.75 times in 2019, and 10.10 times and 55.22 times in 2023 respectively. The difference in their accounts receivable turnover rates increased from 23.22 times in 2019 to 45.12 times in 2023. This phenomenon reflects that SF Holding has obvious shortcomings compared to ZTO Express in converting accounts receivable into cash income. Therefore, SF Holding may need to strengthen the optimization of its accounts receivable management mechanism to improve capital operation efficiency.
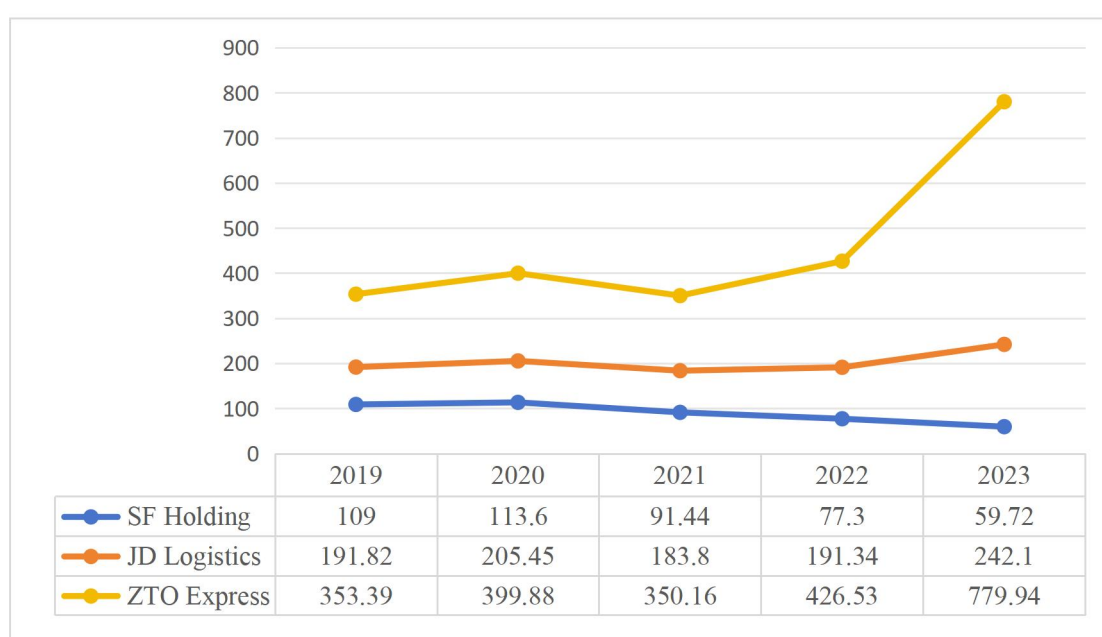

	2019	2020	2021	2022	2023
SF Holding	109	113.6	91.44	77.3	59.72
JD Logistics	191.82	205.45	183.8	191.34	242.1
ZTO Express	353.39	399.88	350.16	426.53	779.94

Figure 3.3. Comparison of Inventory Turnover of SF Holding and Peer Enterprises from 2019 to 2023 (Unit: times)

Data source: Eastmoney.com, compiled.

As observed in Figure 3.3, SF Holding's inventory turnover rate lagged significantly behind that of ZTO Express and JD Logistics from 2019 to 2023. SF Holding achieved positive growth in inventory turnover from 2019 to 2020, increasing from 109 times to 113.6 times, a growth of 4.6 times. JD Logistics increased from 191.82 times to 205.45 times between 2019 and 2020, a growth of 13.63 times. ZTO Express increased from 353.39 times to 399.88 times during the same period, a growth of 46.49 times. Therefore, the fluctuation range of SF Holding's inventory turnover rate was significantly lower than that of JD Logistics and ZTO Express. The gap between SF Holding's inventory turnover rate and that of JD Logistics and ZTO Express widened from 2021 to 2023. Especially in 2023, the gap between SF Holding and JD Logistics in inventory turnover reached 182.38 times, while the difference with ZTO Express was as high as 720.22 times. Overall, compared to JD Logistics and ZTO Express, SF Holding has relatively low inventory liquidity, so there is room for optimization in inventory management, and its inventory realization capacity needs to be strengthened.
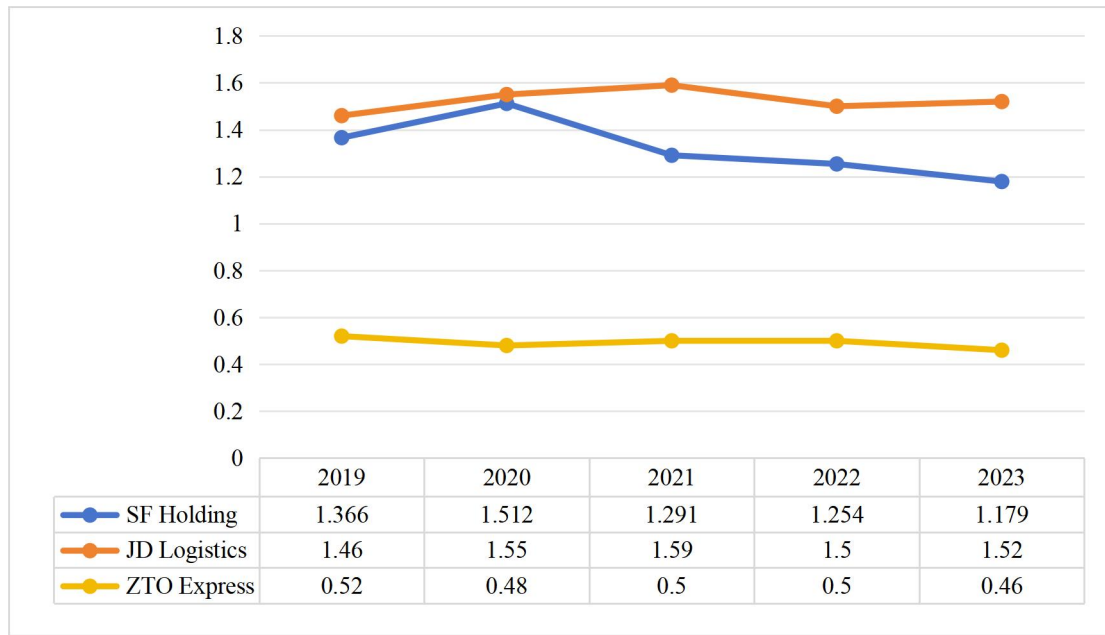
	2019	2020	2021	2022	2023
SF Holding	1.366	1.512	1.291	1.254	1.179
JD Logistics	1.46	1.55	1.59	1.5	1.52
ZTO Express	0.52	0.48	0.5	0.5	0.46

Figure 3.4. Comparison of Total Asset Turnover of SF Holding and Peer Enterprises from 2019 to 2023 (Unit: times)

Data source: Eastmoney.com, compiled.

As shown in Figure 3.4, compared to ZTO Express and JD Logistics, SF Holding's total asset turnover fluctuated more significantly from 2019 to 2023, with a notable decline between 2020 and 2021, dropping from 1.512 times in 2020 to 1.291 times in 2021. JD Logistics had the most outstanding overall performance in total asset turnover, remaining stable between 1.4 and 1.6 from 2019 to 2023. Even with slight fluctuations between 2020 and 2023, it consistently stayed above 1.5 times. In 2020, the difference in total asset turnover between SF Holding and JD Logistics was only 0.038 times, but over the next three years, SF Holding's figures continued to decline, falling behind JD Logistics by 0.341 times by 2023. ZTO Express's total asset turnover remained lower than the other two companies from 2019 to 2023 but showed a relatively stable trend with small fluctuations, indicating a more prudent business strategy. Through comparative analysis, it is evident that SF Holding faces more significant issues in asset management compared to the other two enterprises. The company should review and adjust its asset management strategies, and improve the overall efficiency of asset utilization through more rational asset planning and investment project layout.

Based on the above analysis, SF Holding's operating capacity is relatively lower compared to ZTO Express and JD Logistics. SF Holding's accounts receivable turnover rate is significantly lower than ZTO Express's and is relatively close to JD Logistics's level, showing a relatively flat trend with room for improvement. Its inventory turnover rate is generally lower than both ZTO Express and JD Logistics, showing a downward trend with a significant decline. Its total asset turnover rate is better than ZTO Express's but lower than JD Logistics's, with an overall downward trend. Therefore, SF Holding should pay attention to the current status of its operating capacity, conduct benchmarking analysis with leading enterprises in the industry, and actively learn from advanced experiences to promote the company's sustainable development.

4. Problems and Causes of SF Holding's Operating Issues

Through the analysis of SF Holding's operating indicators, the following problems and their causes in its operations are identified:

4.1. Problems in SF Holding's Operations

4.1.1. Excessive Accounts Receivable and Slow Collection Speed

Analysis of SF Holding's accounts receivable-related indicators from 2019 to 2023 reveals a decline in accounts receivable turnover rate and fluctuating increases in accounts receivable turnover days. These changes reflect weaknesses in SF Holding's accounts receivable management strategy, which have affected the speed of receivables collection. Accounts receivable occupy a large share of working capital, reducing the funds available for daily operations and potentially impacting business stability. Additionally, fluctuations in turnover days indicate significant uncertainty in capital recovery and may further exacerbate bad debt risks due to accumulated customer credit risks, ultimately posing potential pressure on the company's capital liquidity.

4.1.2. Weak Awareness of Inventory Management and Poor Supply Chain Management

A detailed analysis of SF Holding's inventory turnover data over the five years from 2019 to 2023 shows a continuous expansion of its inventory scale, leading to increased inventory management costs and, consequently, higher operating costs. These data changes highlight deficiencies in SF Holding's inventory management, resulting in a significant decline in inventory turnover rate and weakened inventory liquidity. Meanwhile, they also reflect insufficient supply chain collaboration capabilities, meaning that coordination and integration between various links need to be strengthened. A decrease in inventory turnover not only tests the company's capital liquidity and reduces capital use efficiency but also poses significant obstacles to its operational development at a deeper level.

4.1.3. Declining Total Asset Turnover and Suboptimal Asset Allocation Strategy

An in-depth analysis of SF Holding's total asset turnover indicators from 2019 to 2023 reveals that despite steady positive growth in both total asset scale and operating revenue, total asset turnover has shown a contrarian continuous decline, with total asset turnover days increasing. Over these five years, operating revenue increased by 128.96 billion yuan, while total asset turnover days extended by 41.7 days, indicating that asset utilization efficiency failed to keep pace with business development. This phenomenon profoundly reflects certain irrationalities in SF Holding's asset allocation strategy, with significant room for optimization and improvement in its asset structure. There is a need to reasonably control resource input and improve resource use efficiency.

4.2. Causes of SF Holding's Operating Problems

4.2.1. Causes of Low Accounts Receivable Turnover

As a leading enterprise in China's express delivery industry, SF Holding has an extensive base of monthly settlement customers, including strategic key customers, industry key customers, and medium-sized enterprises. To consolidate cooperative relationships with monthly settlement customers and increase customer loyalty, SF Holding implements a relatively lenient credit policy, offering flexible monthly settlement payment methods for these customers. However, with deficiencies in its accounts receivable management mechanism that require improvement and optimization, the company's large volume of credit sales easily leads to inefficiencies in accounts receivable collection. Due to the large business volume of these monthly settlement customers, SF Holding needs to advance significant funds during service provision, increasing capital liquidity risks. Additionally, the long collection cycle of accounts receivable and frequent payment delays not only cause accounts receivable backlogs but also prolong the occupation of working capital.

4.2.2. Causes of Low Inventory Turnover

In recent years, SF Holding has achieved significant success in expanding the supply chain market, with rapid business volume growth. However, when providing supply chain services to customers, the company insufficiently investigates and evaluates customers' sales levels and business volume, pays insufficient attention to inventory management, and fails to effectively predict and prevent the risk of inventory backlogs. Particularly, the widespread impact of the COVID-19 pandemic starting from 2020 has had a profound impact on the supply chain system, leaving supply chain customers facing severe challenges and declining purchasing power among their target consumers. The superposition of multiple factors has made SF Holding's inventory backlog problem increasingly prominent.

4.2.3. Causes of Low Total Asset Turnover

From 2021 to 2023, SF Holding's total asset turnover showed a downward trend with increasing total asset turnover days. This change is mainly due to the company's large-scale capital investment in research and development projects and construction in progress. To enhance competitiveness in the aviation logistics field, SF Holding focused on investment and construction of aviation infrastructure, with the professional freight hub airport "Ezhou Huahu International Airport" (participated in by SF) officially put into operation in 2022. However, such large-scale project investments have long construction cycles and slow capital recovery, occupying substantial working capital in the short term and negatively impacting total asset turnover. Therefore, SF Holding needs to balance capital investment and asset efficiency, improving total asset turnover while pursuing long-term development.

5. Suggestions for Improving SF Holding's Operating Capacity

5.1. Improve Credit Systems and Optimize Accounts Receivable Management Strategies

SF Holding currently faces problems of large accounts receivable scale and declining operating capacity. To address this, the company needs to take the following measures. First, SF Holding should further improve its credit policy and establish a more refined customer credit management system. By comprehensively analyzing customers' operating conditions, financial status, and overall development trends of their industries, the company can more accurately classify customer credit ratings and formulate differentiated credit sales agreements for customers with different credit ratings. For example, more flexible payment

terms can be offered to customers with higher credit ratings, while stricter repayment conditions can be applied to those with lower credit levels. Second, strengthen dynamic monitoring and real-time updates of customer credit information. Particularly for customers using credit settlement methods such as monthly settlement, SF Holding should regularly review their credit information to promptly grasp changes in credit status. By establishing an early warning mechanism, the company can quickly adjust cooperation strategies when customers' credit conditions deteriorate, thereby reducing bad debt risks. Additionally, SF Holding should optimize accounts receivable management strategies. By improving the accounts receivable information management system, it can strengthen the review of accounts receivable and establish a full-process monitoring mechanism from the generation to collection of accounts receivable. Meanwhile, SF Holding should formulate scientific and reasonable collection strategies to ensure timely recovery of accounts receivable, thereby alleviating working capital pressure.

5.2. Strengthen Inventory Management and Improve Inventory Turnover

As a leading enterprise in the supply chain field, SF Holding's inventory management system involves a large amount of inventory, and the efficiency of inventory management directly affects the company's capital turnover and operational efficiency. In recent years, the decline in inventory turnover has not only affected capital utilization efficiency but also posed challenges to SF Holding's overall operations. SF Holding should focus on improving inventory management levels, with the core being to optimize the supply chain management system and implement a series of intelligent measures to enhance inventory management. First, SF Holding should promote the intelligent transformation of the supply chain management system and increase technical investment in inventory information management systems. Using big data and artificial intelligence technologies, SF Holding can more accurately predict changes in market demand, thereby optimizing inventory structure and avoiding capital occupation caused by inventory backlogs. Second, strengthen information sharing with customers, grasp terminal sales dynamics in real-time, and improve supply chain transparency and response speed. Meanwhile, by establishing an efficient inventory allocation system, it can ensure rapid adjustment of inventory allocation in response to market demand changes, achieving optimal resource allocation. These measures will not only improve SF Holding's ability to precisely control inventory but also effectively prevent inventory backlogs caused by improper allocation, thereby increasing inventory turnover.

5.3. Rationalize Asset Allocation and Improve Total Asset Turnover

SF Holding's operating revenue has increased significantly over the past five years, but total asset turnover has declined, indicating that the company's asset utilization efficiency needs further improvement. SF Holding should optimize asset allocation strategies from the following aspects. First, SF Holding should build an efficient asset management system. Regularly updating asset data enables the company to fully grasp its asset status, providing data support for rational asset allocation. Second, the company should enhance the rationality and forward-looking of asset allocation by aligning with its development strategy and trends in the express logistics industry. Strengthen risk assessment and supervision in large-scale investment activities such as R&D input and fixed asset construction to ensure the stability of asset allocation. Meanwhile, establish a flexible risk response mechanism to cope with market fluctuations or force majeure events, ensuring the company can quickly adjust asset allocation strategies. Additionally, implement strategic expansion in phases, prioritizing investment in projects that can generate economic benefits quickly to improve asset

utilization efficiency. The implementation of these strategies will help SF Holding increase total asset turnover, providing a strong driving force for sustainable enterprise development.

6. Conclusion

With the rapid development of e-commerce and continuous growth of residents' consumption demand, China's express delivery industry shows strong momentum, with broad market prospects and abundant development opportunities. However, the rapid expansion of the industry is accompanied by increasingly fierce market competition and a series of operational challenges. To achieve sustainable development in this environment, express delivery enterprises must focus on improving operating capacity and enhancing core competitiveness. This paper takes SF Holding as the research object, systematically analyzes its operating indicators from 2019 to 2023, identifies key problems in its operational management, and proposes corresponding improvement strategies. The study finds that when responding to industry risks and its own challenges, SF Holding can improve asset utilization efficiency by optimizing accounts receivable management, enhancing inventory management efficiency, and rationalizing total asset allocation, thereby further improving market competitiveness and consolidating its leading position in China's express logistics industry. Due to current limitations in personal capabilities, this research has achieved certain results but still has room for improvement. In future research, it is necessary to continuously enrich professional knowledge and deepen relevant studies to contribute more academic value to the development of related fields.

References

[1] Gorondutse H. A., Ali A. R., Ali A. (2016). Effect of Trade Receivables and Inventory Management on SMEs Performance. Journal of Economics, Management and Trade, 1-8. https://doi.org/10.9734/BJEMT/2016/24507

[2] Wang, Y. & Zhen, W. (2020) Financial Analysis of SF Express Co., Ltd. Based on the Harvard Analytical Framework [J]. Hebei Enterprise, (12):98-99.

https://doi.org/10.19885/j.cnki.hbqy.2020.12.043

[3] Idawati, W. (2020). Analisis financial distress: Operating capacity, leverage, dan profitabilitas. Jurnal Akuntansi Bisnis, 13(1). http://dx.doi.org/10.30813/jab.v13i1.1914

[4] Liu, Y. (2020) Analysis of the Debt Repayment Ability and Operating Capacity of Listed Companies - Taking Haier Group as an Example [J]. Modern Business, (05):101-103. https://doi.org/10.14097/j.cnki.5392/2020.05.047

[5] Geng, Y. & Hu, Y. (2022) Financial Analysis of Express Delivery Enterprises Based on the Harvard Analytical Framework: A Case Study of SF Express Holdings [J]. Logistics Science and Technology, 45(07):40-43+75.

https://doi.org/10.13714/j.cnki.1002-3100.2022.07.034

[6] Liu, K. (2022) Analysis of the Operating Capacity of BYD Company Limited [J]. Modern industrial economy and informatization, 12 (10): 168-170.

https://doi.org/10.16525/j.cnki.14-1362/n.2022.10.069.

[7] Liu, J. & Li, H. (2022) Financial Capabilities Analysis of New Energy Automobile Enterprise—Based on Tesla and BYD [J]. Exploration of the World Economy, 11(4): 290-298. https://doi.org/10.12677/WER.2022.114033

[8] Deni S ,Puji E L. (2023) Effect of Cash, Receivables, and Inventory Turnover on Net Profit Margin (NPM) in Food & Beverage Subsector Manufacturing Companies [J]. Studies in Business and Economics, 18 (1): 298-313.

https://doi.org/10.2478/SBE-2023-0016

[9] Fei T., Li T., Ma Y. (2023) Analysis of Kitchen Electricity Enterprise Operation Capacity: Taking Eida Intelligence as an Example. Accounting and Corporate Management, 5 (7), https://doi.org/10.23977/ACCCM.2023.050701

[10] He, Q. (2023) Research on the Evaluation of Enterprise Operating Capacity Based on Financial Indicators - Taking Company Z as an Example [J]. Operations Research and Fuzzy Systems, 13(3): 2091-2100. https://doi.org/10.12677/ORF.2023.133209

[11] Jørgen B., Magne N. L., Braathen S. T., et al. (2023). Measuring inventory turnover efficiency using stochastic frontier analysis: building materials and hardware retail chains in Norway. International Journal of Systems Science: Operations & Logistics, 10 (1), https://doi.org/10.1080/23302674.2021.1964635

[12] Li, G. & Wang, R.(2023) Analysis of the Development Capacity and Risk Response of SF Express Based on Asset Operation Management [J]. National Circulation Economy, (11):177-180. https://doi.org/10.16834/j.cnki.issn1009-5292.2023.11.045

[13] Novitasari, D. (2023). Pengaruh operating capacity, sales growth, dan arus kas operasi terhadap financial distress. Jurnal Aplikasi Bisnis dan Manajemen (JABM), 9(2), 583 - 583. http://dx.doi.org/10.17358/jabm.9.583

[14] Pang, X. (2023) Exploration of Management Problems and Countermeasures of Logistics Enterprises under the Perspective of Strategic Management [J]. Modern Management, 13(12): 1642-1646. https://doi.org/10.12677/MM.2023.1312210

[15] Utami T., Rahmawati Y. I., Bagis F., et al. (2023) Unravelling Financial Distress: The Impact of Profitability, Leverage, Liquidity, Operating Capacity and Company Size [J]. Asian Journal of Economics, Business and Accounting, 23 (24): 168-179. https://doi.org/10.9734/AJEBA/2023/V23I241195

[16] Yan, L. (2023) Analysis of Logistics Enterprise Operating Capacity - Taking YTO Express and Shentong Express as Examples [J]. China Logistics & Storage, (04):114-115. https://doi.org/10.16301/j.cnki.cn12-1204/f.2023.04.079

[17] Cheng, H. (2024) Financial Performance Analysis of Enterprise Digital Transformation from the Perspective of Value Chain [J]. Modern Management, 14(11): 2975-2980.

https://doi.org/10.12677/mm.2024.1411356

[18] Hong, D. T. V. (2024). Factors affecting financial capacity. Salud, Ciencia y Tecnología - Serie de Conferencias, 3, 1194. https://doi.org/10.56294/sctconf2024.1194.

[19] Han, P. (2024) The Path of Enterprise Working Capital Management from the Perspective

of Value Chain [J]. Modern Management, 14(9): 2313-2318.

https://doi.org/10.12677/mm.2024.149271

[20] Huo, X. & Wei, J. (2024) Comprehensive Analysis of Cross-Border Logistics Enterprises Based on Harvard Analysis Framework—Taking Sinotrans Limited as an Example [J]. E-commerce reviews, 13(4): 3647-3656. https://doi.org/10.12677/ecl.2024.1341566

[21] Huo, C. (2024) Research on the Operating Cost Optimization of Logistics Enterprises Driven by Digital Technology Innovation [J]. E-commerce reviews, 13(3): 5226-5231. https://doi.org/10.12677/ecl.2024.133643

[22] Jing, Y. (2024) Empirical Analysis of Capital Structure and Profitability of Listed Companies in the Logistics Industry—Based on Principal Component Analysis [J]. Finance, 14(3): 1121-1129. https://doi.org/10.12677/fin.2024.143115

[23] Leng, C. (2024)   Research on Green Logistics and Sustainable Development of Enterprises under the Background of E-Commerce [J]. E-commerce reviews, 13(4): 65-70. https://doi.org/10.12677/ecl.2024.1341123

[24] Li, W. (2024) Research on Supply Chain Management Optimization of Tao Li Bread Based on Harvard Analysis Framework [J]. E-commerce reviews, 13(4): 5133-5140.

https://doi.org/10.12677/ecl.2024.1341744

[25] Liu, J. (2024) Research on the Impact of Digital Transformation on Financial Performance—A Case Study of Gree Electric Appliances [J]. Operations Research and Fuzzy Mathematics, 2024, 14(5): 268-275. https://doi.org/10.12677/orf.2024.145469

[26] Wang, C. (2024) Analysis of Operating Capacity Before and After Merger of Logistics Enterprises: A Case Study of JD Logistics' Acquisition of Debang Express [J]. China Logistics & Storage, (03):118. https://doi.org/10.16301/j.cnki.cn12-1204/f.2024.03.039

[27] Zhu, C. (2024) Analysis of the Operating Capacity of the Catering Industry - Taking Guangzhou Restaurant Group Co., Ltd. as an Example [J]. China Market, (34):85-89. https://doi.org/10.13939/j.cnki.zgsc.2024.34.021

[28] Aliani, D. F., & Kuswanto, R. (2025). Analisis Pengaruh Leverage, Profitabilitas, Likuiditas dan Ukuran Perusahaan Terhadap Financial Distress. Atestasi: Jurnal Ilmiah Akuntansi, 8(2), 319-335. https://doi.org/10.57178/atestasi.v8i2.1619

[29] Jia, L. & Wang, N. (2025) Sustainable Business Models Drive Green Innovation Performance—Taking SF Express as an Example [J]. Low-carbon economy, 14(1): 1-6. https://doi.org/10.12677/jlce.2025.141001

[30] Zhao, J. (2025) Financial Analysis of Suning Using the Harvard Analytical Framework [J]. International Accounting Frontiers, 14(4): 973-982.

https://doi.org/10.12677/fia.2025.144111

[31] Zhang, M. (2025) Innovative Pathways and Value Creation of Green Logistics in SF Express under the Dual-Carbon Goals [J]. Low-carbon economy, 14(2): 147-153. https://doi.org/10.12677/jlce.2025.142016

[32] Zhao, K. & Wang, J. (2025) Financial Analysis of Profit Model of Logistics Enterprises—Taking Z Enterprise as an Example [J]. E-commerce reviews, 14(4): 6-14. https://doi.org/10.12677/ecl.2025.144855