

Research on the Digital Transformation of Corporate Finance Based on the Shared Services Model

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Abstract: Against the backdrop of the rapid development of the digital economy, corporate financial management faces unprecedented challenges and opportunities. This paper will start with the concept of financial shared services to deeply explore the role and significance of the financial shared service model in the digital transformation of corporate finance. It analyzes the existing problems in the current process of digital transformation of corporate finance and proposes corresponding solutions, providing valuable references and guidance for enterprises to achieve digital transformation of finance.

Keywords: Financial sharing; Service model; Corporate finance; Digital transformation

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1. Introduction

The rapid development of information technology has made digital transformation an inevitable choice for enterprises in all industries to enhance competitiveness and respond to market changes. Especially in the field of financial management, digital transformation is not only a trend but also key to achieving efficient operations and precise decision-making^[1]. The financial shared services model, as a new type of financial management approach, integrates the information flow, data flow, and business flow of enterprises. It standardizes and streamlines operations by integrating them onto a unified platform, thereby achieving efficient financial management and resource allocation. The core of the financial shared services model is to free financial personnel from tedious and repetitive tasks through the establishment of a financial shared services center, allowing them to focus more on enterprise value creation and decision support^[2]. This model not only improves the management efficiency and financial transparency of enterprises but also effectively reduces operational costs. In recent years, with the national emphasis on digital transformation, more and more large enterprise groups have begun to explore and practice this model and have achieved significant results. However, in the process of promoting shared financial services and digital financial transformation, enterprises still face many challenges, including insufficient cognitive understanding, lack of systematic planning, weak capacity building, and talent shortages. Therefore, it is urgent to explore optimization strategies to promote the digital transformation of enterprise finance.

2. Related concepts

2.1. Financial shared services model

The financial shared services model refers to the establishment of a financial shared services center that integrates financial operations within an enterprise that are easy to standardize and process onto a unified platform ^[3]. This model achieves centralized processing and efficient management of financial data. The core of this model lies in leveraging information technology to consolidate the enterprise's data flow, information flow, and business flow, eliminating information silos between departments, and providing consistent and high-quality financial services. The advantages of the financial shared services model are mainly reflected in improving work efficiency, reducing operational costs, enhancing financial transparency, and supporting strategic decision-making within enterprises. By centralizing financial operations, enterprises can better utilize resources, reduce repetitive labor, and improve the accuracy and timeliness of data, providing management with more valuable support for value creation and reliable decision-making ^[4].

2.2. Enterprise financial digital transformation

The financial shared services model is an essential tool for the digital transformation of enterprise finance. The so-called enterprise financial digital transformation refers to the systematic and comprehensive upgrading and transformation of traditional financial management models by introducing advanced digital technologies and tools ^[5]. This aims to achieve intelligent financial management, data-driven operations, and increased efficiency. The digital transformation of finance plays a significant role in enterprises, as it not only changes the way financial data is processed but also drives the role transformation of finance personnel ^[6]. It shifts them from traditional accounting and reporting to decision support and risk management. Additionally, it enables real-time monitoring and analysis of financial data and enhances the scientific nature of business management and the accuracy of decision-making, ultimately achieving efficient operation and strategic goals of the enterprise.

3. The necessity of building a financial sharing model in the digital economy era

3.1. Changes in the objective environment

With the rapid development of big data, cloud computing, artificial intelligence, and other technologies, the business environment in which companies operate has undergone profound changes, posing new challenges and demands for financial management ^[7]. First, digital technology has made companies face a more complex business environment and intense competitive pressure. To maintain an unbeatable position in the competition, companies must accelerate the pace of digital transformation of financial management and use advanced technological means to improve the efficiency and quality of financial management. The financial sharing model, as a new financial management approach, can effectively integrate internal and external resources of the enterprise, achieving the sharing of financial data, resources, and knowledge and enhancing the competitiveness of the enterprise. Second, the development of digital technology has led to issues such as information silos, low collaboration efficiency, and data security risks in corporate financial management ^[8]. The traditional financial management model can no longer meet the needs of enterprises, especially financial enterprises, in terms of efficiency, safety, and sustainability. The financial sharing model uses digital technology to break down information barriers, achieve real-time sharing and collaborative processing of financial information, reduce corporate operating costs, and improve financial management levels and risk prevention and control capabilities. In addition, digital technology has promoted the deep integration of enterprise business and finance. In the digital economy era, companies need to pay more attention to business-finance integration to achieve a close combination of business scenarios and financial data ^[9]. The financial sharing model can promote close collaboration between various departments within

the enterprise, optimize business processes, and enhance the synergy between business and finance, creating greater value for the enterprise.

3.2. Changes in organizational structure

With the rapid development of information technology, the organizational structure of enterprises is shifting from traditional hierarchical and regional structures to flat, intelligent, and global directions, providing a good opportunity for the construction of the financial sharing model. The flattening of organizational structures requires financial management work to be more efficient and flexible. In the digital economy era, enterprises face more rapid business changes and decision-making needs, and the traditional hierarchical financial management model cannot meet these requirements ^[10]. The financial sharing model, by centralizing financial affairs, simplifies financial management processes, improves financial management efficiency, and enables enterprises to respond quickly to market changes. In addition, the intelligence of organizational structures also requires the transformation of financial management work towards intelligence. Enterprises need to use advanced information technology to improve financial management levels ^[11]. The financial sharing model uses artificial intelligence, big data, and other technological means to achieve automatic collection, processing, and analysis of financial data, improving the automation and intelligence level of financial management and providing more accurate decision support for enterprises. Moreover, the globalization and networking of organizational structures require the internationalization and collaboration of financial management work. In the digital economy era, enterprises need to pay more attention to the integration and collaboration of global resources. The financial sharing model can establish a global financial sharing center to achieve unified allocation and collaborative processing of financial resources, improve the internationalization level of financial management, and enhance the global competitiveness of enterprises.

3.3. Transformation of professionals

With the development and application of information technology, the roles and skill requirements of finance professionals have undergone significant changes, providing momentum for the advancement of the financial sharing model. The digital economy era demands that finance professionals transition from traditional accounting and reporting roles to higher-level financial management roles ^[12]. The financial sharing model can free finance professionals from tedious accounting tasks, allowing them to devote more time and energy to strategic decision-making, risk management, and financial analysis, thereby enhancing their value and influence. This model not only requires finance professionals to master basic financial management knowledge but also to understand and apply information technology, data analysis, and other related knowledge and professional skills. This also helps enterprise finance professionals better adapt to the needs of the digital economy era, providing more comprehensive and in-depth financial management services for the enterprise. The advent of the digital economy era also requires finance professionals to possess innovative thinking and teamwork skills. The financial sharing model requires finance professionals to have an open mindset and teamwork skills, enabling them to work closely with other departments and teams to jointly promote the digital transformation and development of the enterprise. This will help finance professionals better adapt to the requirements of the digital economy era and enhance the overall competitiveness of the enterprise.

4. Issues in enterprise financial digital transformation based on the financial shared services model

4.1. Outdated thinking and difficulties in conceptual change

In the process of promoting shared financial services and financial digital transformation, many enterprises face

challenges in terms of cognitive understanding. Some enterprise management and staff have an insufficient understanding of financial digital transformation and exhibit outdated thinking and resistance. While management is aware of the concept of financial shared services, they often lack a deep understanding of its value, perceiving it merely as a technological change rather than a strategic transformation ^[13]. This leads to a superficial implementation of the financial shared services model, failing to fully explore its potential. Moreover, grassroots financial personnel have a low acceptance of new technologies, worrying about job stability, and lack active participation and cooperation, further hindering the advancement of financial digital transformation. The lag and resistance in cognitive thinking make it difficult for enterprises to achieve the expected outcomes during the transformation process.

4.2. Lack of planning and unclear pathways

Many enterprises face issues when promoting financial shared services and financial digital transformation. Due to a lack of systematic and comprehensive planning, the transformation process becomes disorderly and inefficient. Some companies, without adequate preliminary assessment and research, blindly pursue transformation by directly copying other companies' successful experiences or introducing popular theories and tools without considering their actual situation and business needs. The lack of a clear strategic plan and detailed implementation path can lead to poor inter-departmental coordination and unreasonable resource allocation in the construction of financial shared services models, causing a disconnect between system construction and the actual business processes of the enterprise ^[14]. Furthermore, the absence of a long-term transformation plan makes it difficult for enterprises to effectively respond to various challenges and changes encountered during the transformation process, hindering the smooth progress of financial digital transformation.

4.3. Weak technology and severe data silos

Financial shared services and financial digital transformation require enterprises to have strong information construction capabilities and data empowerment capabilities. However, many enterprises have a relatively weak foundation in this area. The construction and maintenance of information systems are costly, and some enterprises, due to limitations in funding and technical resources, have not yet established comprehensive information systems, making it difficult to effectively integrate and utilize data. Existing information systems generally have issues such as non-uniform data standards and incompatible interfaces, leading to difficulties in inter-system communication and the formation of "data silos." Additionally, there is a significant gap in the application of intelligent technologies, and enterprises have not fully utilized advanced technologies such as big data and artificial intelligence for the analysis and mining of financial data. The insufficiency in information construction and data empowerment capabilities seriously restricts the process of enterprise financial digital transformation.

4.4. Scarcity of talent and difficulty in finding composite talent

Establishing financial shared services models and promoting financial digital transformation cannot be separated from high-quality financial personnel with composite knowledge and skills. However, many enterprises have a relatively scarce reserve of such talent, and the overall quality of existing financial personnel needs to be improved ^[15]. Traditionally, financial personnel mainly engage in basic work such as accounting and report preparation, and their grasp of information technology and data analysis is relatively weak, making it difficult to adapt to the requirements of digital transformation. Some enterprises, due to limited salaries and development space, find it hard to attract and retain high-quality talent, which makes it difficult to improve the overall quality and capabilities of the financial team. Furthermore, there are deficiencies in the enterprise's talent training and incentive mechanisms, which fail to systematically enhance the professional skills and professional quality of

financial personnel, making the talent shortage problem more prominent and seriously affecting the effectiveness of financial digital transformation.

5. Strategy for digital transformation of enterprise finance based on the financial shared service model

5.1. Change concepts, clarify goals

To promote the digital transformation of enterprise finance, a comprehensive change is needed at the ideological level. The management should fully recognize the intrinsic value of the financial shared service model and digital transformation, not just as a technical upgrade but as an important part of the strategic transformation of the enterprise. Starting with the management, various forms of publicity and training should be used to enhance the awareness and importance of the financial shared service model and digital transformation among ordinary employees, especially finance personnel, to eliminate conceptual barriers. The management should take the lead, learn and apply digital management tools, and create a positive transformation atmosphere. At the same time, the enterprise can also set clear digital transformation goals, establish specific implementation paths, key performance indicators, and incentive mechanisms in stages to ensure that all employees have rules to follow and a basis to rely on during the transformation process. Through this top-down promotion, financial digital transformation becomes a common understanding and goal of the enterprise, thereby laying a solid ideological foundation for the smooth implementation of the transformation.

5.2. System planning and coordinated implementation

The digital transformation of finance is a vast systematic project involving various levels and multiple aspects of a company. Therefore, enterprises need to formulate a comprehensive and systematic transformation plan and conduct effective coordination during the implementation process. First, enterprises should conduct thorough preliminary research and evaluation to understand their business characteristics, information infrastructure, and transformation needs, thereby formulating a feasible transformation plan. During the planning process, it is essential to fully consider the company's long-term development strategy and business reality, avoiding blindly pursuing advanced technology or simply copying others' successful experiences. Second, enterprises should establish a dedicated team for the digital transformation of finance, composed of core members from various departments, responsible for specific implementation and coordination tasks. During the implementation process, attention should be paid to coordination and collaboration between departments to ensure smooth progress of all tasks. Lastly, enterprises also need to establish a sound supervision and evaluation mechanism to regularly inspect and assess the progress and effectiveness of integrating the financial shared service model into the digital transformation of finance, promptly discovering and resolving issues to ensure orderly and efficient operations. Through systematic planning and coordinated implementation, enterprises can effectively reduce risks and costs during the transformation process and increase the success rate of digital transformation in finance.

5.3. Technological enhancement and foundation building

Informatization and data empowerment are the foundation of digital transformation in finance; hence, enterprises need to comprehensively enhance their technological level. First, enterprises should increase investment in information systems to build a comprehensive financial informatization platform, achieving seamless data integration between various business systems and eliminating "information silos." Second, during the system construction process, enterprises should standardize data standards and interface specifications to ensure data accuracy and consistency. By introducing advanced intelligent technologies such as big data, artificial intelligence,

and robotic process automation, the efficiency and accuracy of data processing and analysis can be improved. By adopting process automation technologies, enterprises can achieve the automatic generation of financial statements, automatic review of bills, and automatic data reconciliation, thereby reducing the error rate and labor intensity of manual operations.

5.4. Talent cultivation and capability enhancement

The key to digital transformation in finance lies in people; therefore, enterprises need to invest more effort in talent cultivation to enhance the overall quality and capabilities of finance personnel. First, enterprises should develop comprehensive training plans to improve the digital skills and knowledge levels of existing finance staff. For example, by regularly organizing training courses, inviting industry experts to give lectures, and holding internal sharing sessions, finance personnel can master cutting-edge technologies such as big data, artificial intelligence, and cloud computing, improving their data analysis and application capabilities. Second, enterprises should introduce and cultivate compound finance talents who not only understand finance but also possess knowledge in business and digital technology. For instance, through school-enterprise cooperation, industry exchanges, and talent introduction, enterprises can attract high-quality talents with multidisciplinary backgrounds to provide intellectual support for the digital transformation of finance. Lastly, enterprises also need to establish a sound talent incentive mechanism to stimulate the work enthusiasm and innovative spirit of finance personnel. For example, performance assessments, salary incentives, and promotion opportunities, encourage finance personnel to actively participate in digital transformation and continuously improve their capabilities and quality.

5.5. Process reengineering and management optimization

The implementation of the financial shared service model is not only a technological innovation but also a profound change in business processes and management models. Enterprises should thoroughly sort out and optimize existing business processes to ensure that process design meets the requirements of digital management. First, enterprises need to determine which business processes are suitable for inclusion in the shared service scope and carry out optimization and standardization. For example, financial operations with high repetition and standardization, such as reimbursements, accounting, and payments, can be centralized in the financial shared service center for unified processing to improve efficiency and accuracy. Second, enterprises should establish a dynamic management system covering before, during, and after processes to achieve real-time linkage between business and finance. For instance, with the support of information systems, enterprises can achieve full-process data sharing and real-time monitoring from order processing, production planning, and inventory management to financial settlement, enhancing the collaborative efficiency between business and finance.

6. Conclusion

The financial shared service model plays a significant strategic role in promoting the digital transformation of corporate finance. Through the transformation of concepts, systematic planning, technological advancement, talent cultivation, and process reengineering, companies can effectively respond to various challenges encountered during the transformation process, enhancing the efficiency and quality of financial management and achieving deep integration of business and finance. This not only helps companies reduce operational costs and improve the scientific and accurate nature of decision-making but also enhances the overall competitiveness and sustainable development capabilities of the enterprise. In the future, with the continuous advancement and widespread application of information technology, the financial shared service model will be widely promoted in more enterprises, providing strong support for the high-quality development and innovation of enterprises. Through

continuous optimization and innovation, companies will be able to gain a favorable position in the digital economy era and achieve long-term development goals.

Disclosure statement

The author declares no conflict of interest.

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