

Research on the Optimization and Upgrading Path of Enterprise Financial Management from the Perspective of the Digital Economy

Fuyong Zhou *

China Railway 15th Bureau Group, the Third Engineering Co., Ltd., Chengdu 641400, Sichuan Province, China

* *Corresponding author:* Fuyong Zhou, root234@163.com

Copyright: © 2023 Author(s). This is an open-access article distributed under the terms of the Creative Commons Attribution License (CC BY 4.0), permitting distribution and reproduction in any medium, provided the original work is cited.

Abstract: At present, China has entered the era of the digital economy, the business environment faced by enterprises has changed significantly, and the traditional financial management model is no longer adaptable due to market demand. Hence, enterprises need to study the characteristics of the digital economy and adopt effective financial management optimization and upgrading paths. This article summarizes the characteristics of the digital economy, concludes and analyzes the opportunities and challenges faced by corporate financial management from the perspective of the digital economy, investigates the necessity of optimizing and upgrading corporate financial management, and examines the effective optimization and upgrading paths, hoping to provide reference information for corporate financial managers.

Keywords: Digital economy; Enterprise; Financial management; Optimization and upgrading

Online publication: August 29, 2023

1. Introduction

In recent years, with the development of information and Internet technology, the digital economy has become an important economic development model in China. The digital economy uses network platforms as the development carrier and data resources as the core production factor, which promote the optimization of economic structure and improve the efficiency of economic development. From the perspective of the digital economy, the financial management of enterprises is facing new opportunities and challenges. Therefore, it is necessary to formulate an optimization and upgrading path based on its own reality in order to achieve an overall improvement in comprehensive competitiveness.

2. Characteristics of the digital economy

The digital economy is a new economic development model based on information and communication technology and Internet technology, with data as the core resource, and formed through business model innovation. Its main characteristics are as follows. First, the digital economy takes data-based knowledge and information as its core production factors. Second, the digital economy uses modern information networks as the core carrier and uses information technology to promote the optimization of economic structure and the improvement of economic development efficiency. Third, the digital economy can realize industrial digitization and digital industrialization^[1]. Fourth, the digital economy can realize

miniaturization, diversification, sharing, and platformization of economic organization forms. Resource integration has become a new business philosophy for enterprises. Capital, talents, and technologies can be flowed and combined through digital platforms.

3. Opportunities and challenges faced by corporate financial management from the perspective of the digital economy

3.1. Opportunities facing corporate financial management from the perspective of the digital economy

Corporate financial management is experiencing new development opportunities from the standpoint of the digital economy. The digital economy realizes the sharing of data resources. Corporate financial management problems such as data islands and fragmented information can be efficiently resolved. Financial managers can obtain valuable data through technologies such as big data, thereby improving management levels. In addition, the digital economy promotes cooperation among enterprises, facilitates enterprises to understand the latest economic development information, and thus ensures the rationality of financial decision-making^[2]. The digital economy also provides enterprises with accurate financial management information, and artificial intelligence, big data, cloud computing, and other technologies promote the overall improvement of financial management.

3.2. Challenges faced by corporate financial management from the perspective of the digital economy

From the perspective of the digital economy, corporate financial management faces many challenges. Departments such as industry and commerce, social security, taxation, and banking can obtain the financial information of enterprises through big data technology and can determine whether there are problems with the company's profits, taxes paid, and account facts. Yet, this led to the gradual weakening of the traditional financial statements role of enterprises^[3]. Basic financial accounting functions are gradually being replaced as intelligent financial systems become more prevalent in enterprises. Moreover, corporate financial management is more precise and efficient against the backdrop of the digital economy, resulting in the elimination of some basic financial positions and changes in the focus of financial management work, which can have a greater impact on financial personnel^[4].

4. The necessity of optimizing and upgrading enterprise financial management from the perspective of the digital economy

4.1. The demand for changing the value of enterprise financial management

The significance of corporate financial management has altered in light of the digital economy. Corporate managers can recognize their own financial status through financial management and can make reasonable business decisions, thereby effectively mitigating a variety of risks. It can also help to build the concept of data assets, promote the integration of business and finance, and then enhance the market competitiveness of enterprises. In order to realize the aforementioned value of financial management, enterprises need to actively carry out optimization and upgrading of financial management, transform financial functions and organizational structure, and support the transformation and upgrading of financial personnel and financial management technology^[5].

4.2. Changing needs of financial management tasks

Corporate financial management tasks given the digital economy include transforming financial functions,

improving financial management levels, promoting business-financial integration, accurately measuring data assets, personalized financial services, building a financial sharing platform, digitizing and intelligently analyzing financial data, and promoting financial personnel transformation, etc. The traditional enterprise financial management model cannot achieve the aforementioned tasks. Therefore, it is necessary to actively carry out financial management optimization and upgrading, and use digital methods for financial management^[6].

4. 3. Demand for change in the financial management model

The traditional enterprise financial management model is post-event management, the information transmission is seriously lagging, finance and business are independent, and the quality of accounting information is poor, thus, the efficiency of financial management needs to be improved. From the perspective of the digital economy, data is the core element of the enterprise, and the accounting information carrier and accounting information processing methods have changed. The traditional enterprise financial management model can no longer meet the needs of enterprise development. Therefore, it is necessary to actively carry out optimization and upgrading.

5. Optimization and upgrading path of enterprise financial management in light of the digital economy

5. 1. Adjust the role positioning of financial management

At present, the financial management of most enterprises in China is limited to general financial processing, and can only play an auxiliary role in the operation. Some enterprises pay more attention to financial management and arrange financial management personnel to participate in various business decisions of the enterprise so that they can become the manager of enterprise profit and value and the guide of operation^[7]. Different role orientations of financial management can affect the value of financial management. The author believes that financial management has strong professionalism, and its functions should not be limited to the output of financial reports and business processing but should provide value for enterprises at more levels, and management accounting should be separated from traditional financial accounting, and give full play to its own management functions, so as to promote the stable and healthy development of enterprises. From the perspective of the digital economy, enterprises need to adjust the role of financial management to financial forecasting, capital operation management, financial business support, participation in decision-making, risk identification and control, financial value creation, etc. in light of their actual conditions, and divide financial management into strategic finance, business finance, and shared finance, in which the main role of strategic finance is to build an accounting system, allocate resources, manage indicators, support decision-making, value management, etc. Strategic financial managers need to base themselves on the reality of the enterprise, give full play to their financial guidance, and complete high-quality projects^[8]. The main roles of business finance are financial analysis, financial planning, financial supervision and management, forecast evaluation, incentive evaluation, etc. Business financial managers need to give full play to business guidance and service functions and deeply penetrate the front end of the business to provide decision support for various businesses, promote the integration of business and finance, and provide managers with relevant non-financial and financial information to ensure the smooth realization of business goals. The main roles of shared finance are accounting, fund settlement, preparation of financial statements, submission of financial information, transaction processing, etc. Shared financial managers need to perform their own supervision and accounting functions to complete high-quality basic accounting work.

5. 2. Using financial sharing to drive the digital transformation of financial management

Data resources have developed into a key resource for enterprise development from the standpoint of the digital economy. The methods to effectively share, store, and apply data resources is crucial to the development of enterprises. Enterprise financial managers need to establish accurate data concepts, promote the establishment of a digital financial sharing platform, actively promote financial data sharing, use financial data to drive business innovation, and enable enterprises to complete high-quality digital transformation and development. The author believes that the financial sharing company's digital center is likewise at the forefront of its digital revolution. Therefore, it is necessary to adopt an effective financial sharing implementation plan that takes into account the enterprise's current situation and to back it with accurate, quantitative, and effective data support for the development of the enterprise through financial sharing. It can also centralize basic and decentralized financial work, implement process-based, standardized, and professional reengineering of financial management, and closely connect the financial department with the business department so that financial managers can obtain valuable financial data from various businesses resources, realize the accurate evaluation of enterprise value, and assist enterprise managers in making various decisions^[9]. Data sharing, business and financial integration, and service sharing are all significant aspects of financial sharing. In the process of financial sharing, enterprises need to complete crowdsourced financial services, intense management and control services, the concentration of multiple account sets, specialized division of labor, and internal and external interconnection as part of the financial sharing process. Additionally, utilization of advanced technologies such as big data will enhance information sharing effectiveness, optimize data resources, speed up data responses, transform static financial management into dynamic financial management, increase the value of information, and encourage the digital development of enterprises.

5. 3. Actively promote the integration of business and finance

The integration of business and finance is an effective path for the optimization and upgrading of corporate financial management from the perspective of digital economy. The effective combination of financial management and business can accurately assess business risks, provide targeted technical guidance for business departments, and promote the improvement of corporate market competitiveness. In the process of promoting the integration of business and finance, the financial management department of the enterprise needs to take the following measures. First, the financial management department of the enterprise needs to organize and implement budget management based on the strategic development goals of the enterprise and cooperate with the business department to promote the establishment of a comprehensive budget management system with the participation of all employees, clarify the responsibilities of all parties in the business, and coordinate all parties in the business interests and mobilize their enthusiasm to ensure that the budget plays a leading role in all businesses of the enterprise^[10]. Second, the financial management department of the enterprise needs to implement responsible cost management, making the improvement of the enterprise business's profitability and economic quality as the core goal, carry out in-depth cost management of the entire value chain of the enterprise business, and cooperate with the business department to promote the development of cost management informatization. Utilization of information technology allows effective cost control and improvement in the rationality of cost structures. Third, the financial management department of the enterprise needs to strengthen internal control and risk management, use the data sharing platform to mine and screen valuable financial and business data, and use big data for predictive analysis and risk management to assist in making various decisions, so as to reduce corporate operating risks and help the overall improvement of the economic benefits of the

enterprise. Fourth, the financial management department of the enterprise needs to connect the financial system and the business system, integrate system information, promote data sharing, ensure the timeliness and accuracy of data acquisition, and effectively connect financial data with business data, thereby forming a business-financial integration ecosystem to avoid problems such as information islands. Fifth, the financial management department of the enterprise can use the balanced scorecard to complete performance management, and conduct performance appraisal based on internal operation, learning and growth, customers, and finance to promote the stable development of the enterprise^[11].

5. 4. Strengthen risk management

At this stage, the business risks faced by enterprises have increased significantly, and so is the pressure of market competition. For this reason, risk management needs to be strengthened. From the perspective of the digital economy, corporate financial managers need to implement a systematic, informatized, and data-based risk management model, and strengthen financial data risk management on the basis of completing traditional risk management to improve the actual effect of risk management. In the specific process of carrying out risk management, it is recommended that enterprises take the following measures. First, the process of risk management needs to be based on existing data by combining new technologies with data, establishing a risk early warning mechanism, and continuously improving the ability to identify financial risks^[12]. Second, information platform should be used as a carrier to carry out risk management with norms, standards, and clear procedures to improve risk management and control capabilities. Third, the risk identification, assessment, early warning, analysis, and treatment plans should be optimized and adjusted accordingly, the inherent risks and residual risks of the enterprise should be analyzed, and various risks that affect the operation and development of the enterprise should be promptly dealt with so that the risks are within the controllable range and the loss of the economic interests of the enterprise can be mitigated. Fourth, in the process of risk management, it is necessary to strengthen data governance, strengthen network security, and ensure the safe use of various data^[13]. Fifth, enterprise risk management should follow the basic principles of safety norms, efficient operation, control process, leading value, and internal and external integration, and establish a sound risk management system based on data to improve the actual effect of risk management.

5. 5. Innovative fund management model

From the standpoint of the digital economy, data sharing and flow has a profound influence on corporate operations. Enterprises can implement dynamic and static management of finances using artificial intelligence, big data, mobile Internet, and other technologies^[14]. In order to adapt to the current development trends, enterprises also need to innovate their fund management models, abandon the idea of centralized and unified control and allocation of funds, shift fund management from internal to industrial chain management, establish bill and fund pools, and properly complete internal valuation and settlement. Through effective creditor's rights and debt management, the precipitated funds generated during the operation of the enterprise can be revitalized, followed by gradually implement the supply chain financial management system, account receivable factoring for suppliers, and consumer credit for consumers, so as to enhance the vitality of enterprise development and promote the stable and healthy development of enterprises^[15].

6. Conclusion

Enterprises are dealing a new market environment where opportunities and challenges coexist from the perspective of the digital economy. In order to enhance their own market competitiveness, enterprises need to actively carry out financial management optimization and upgrading, adjust the role positioning of

financial management, use financial sharing to drive the digital transformation of financial management, actively promote the integration of business and finance, strengthen risk management, innovate capital management models, formulate and improve the management system, and actively introduce new technologies and models to promote the overall improvement of financial management.

Disclosure statement

The author declares no conflicts of interest.

References

- [1] Gao Y, 2023, Research on the Transformation of Enterprise Financial Management under the Background of the Digital Economy Era. *Enterprise Reform and Management*, 2023(8): 140–141.
- [2] Zhang Y, 2023, Ideas for Enterprise Financial Management Transformation in the Digital Economy Era. *Accounting Learning*, 2023(10): 22–24.
- [3] Li X, 2023, How to Innovate and Create Value in the Financial Management of Group Companies Under the Digital Economy. *International Business Accounting*, 2023(11): 60–62 + 66.
- [4] Zhang L, 2023, Analysis of Enterprise Financial Management Transformation Based on the Digital Economy Era. *China Chief Accountant*, 2023(4): 178–180.
- [5] Wang L, 2022, Exploration of the Transformation Path of Enterprise Management and Financial Management Under the “Digital Economy”. *China Chief Accountant*, 2022(5): 165–167.
- [6] Zhang Y, 2022, Reflections on the Transformation of Corporate Financial Management Under the Background of the Digital Economy. *Shopping Mall Modernization*, 2022(7): 154–156.
- [7] Li L, 2022, Analysis of Enterprise Financial Management Transformation Based on the Digital Economy Environment. *Brand Research*, 2022(27): 153–156.
- [8] He D, 2022, Analysis of Enterprise Financial Management Transformation in the Digital Economy Environment. *Finance and Economics*, 2022(30): 114–116.
- [9] Li C, 2022, Discussion on the Transformation of Corporate Financial Management in the Era of Digital Economy. *Finance and Economics*, 2022(11): 83–85.
- [10] Ji C, 2022, Research on Enterprise Financial Management Transformation under the Background of Digital Economy Era. *Investment and Entrepreneurship*, 33(21): 82–84.
- [11] Zhong N, 2022, Reflections on the Financial Management of Small, Medium and Micro Enterprises in China Under the Background of Digital Economy. *Audit and Financial Management*, 2022(3): 24–26.
- [12] Zhang X, 2022, Analysis of Enterprise Financial Management Transformation in the Digital Economy Era. *Finance and Economics*, 2022(20): 113–115.
- [13] Fan K, 2022, Research on the Transformation of Enterprise Financial Management in the Digital Economy Era. *Brand Research*, 2022(29): 137–140.
- [14] Wu S, 2022, Discussion on the Innovation of Enterprise Financial Management Model under the Background of Digital Economy. *Liaoning Vocational and Technical College of Economics*, 124(6): 18–20.
- [15] Liu C, 2022, Reflections on Financial Management Transformation of Beibu Gulf Economic Zone Enterprises in the Digital Economy Era. *SME Management and Technology*, 2022(6): 91–93.

Publisher's note

Bio-Byword Scientific Publishing remains neutral with regard to jurisdictional claims in published maps and institutional affiliations