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Optimization of Corporate Financial Management from the Perspective of Industry-Finance Integration

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Abstract: Enterprises can enhance their financial management by integrating their business and financial departments, facilitating the seamless sharing of information and resources. This integrated management model not only aids in lowering operating costs but also boosts market competitiveness. In the contemporary, highly competitive business landscape, the amalgamation of business and finance has become a prerequisite for corporate development. This article delves into the significance of industry-finance integration in corporate financial management, scrutinizes existing challenges in corporate financial management, and puts forth tailored solutions to optimize the overall system.

Keywords: Integration of industry and finance; Enterprise; Financial management

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1. Preface

In today's era of global economic integration, the significance of corporate financial management has gained increasing prominence. Financial management not only impacts the economic benefits of the enterprise but also plays a crucial role in its survival and development. The optimization of financial management and the enhancement of market competitiveness have become pressing challenges for many enterprises. As a novel financial management model, business-finance integration seamlessly blends business and finance, offering fresh ideas and methods for enterprises to refine their financial management.

2. The significance of industry-finance integration in corporate financial management

For corporate financial management, the integration of industry and finance holds profound significance, primarily manifested in the following five aspects.

2.1. Improve decision-making quality

Industry-finance integration can furnish decision-makers with more comprehensive and accurate information, enabling them to make more scientific and reasoned decisions. Traditional financial management often concentrates solely on financial data, neglecting the importance of business data, which hampers decision-makers in making accurate judgments. Industry-finance integration harmoniously combines financial and business data, providing decision-makers with a deeper understanding of the company's operating conditions and market trends. Consequently, this improves the scientific nature and accuracy of decision-making [1,2].

2.2. Optimize resource allocation

Business-finance integration optimizes the allocation of enterprise resources, enhancing resource utilization efficiency and cost savings. Through the integration of business and finance, companies can better discern market and customer needs, leading to more precise resource allocation. Moreover, business-finance integration fosters communication and collaboration between different departments, breaking down barriers and facilitating resource sharing and optimal allocation. This not only heightens operational efficiency but also reduces costs, ultimately improving enterprise profitability.

2.3. Reduce operational risks

The integration of business and finance contributes to the reduction of operational risks within enterprises, encompassing risk prevention and loss reduction. Companies, through this integration, gain a better understanding of market and business risks, enabling the implementation of more effective measures for prevention and control [3]. Furthermore, business-finance integration promotes the establishment of internal supervision and restriction mechanisms, strengthening oversight and control of internal power, thus mitigating risks and losses within the enterprise [4].

2.4. Enhance corporate competitiveness

The integration of industry and finance enhances the competitiveness of enterprises, involving the expansion of market share and the advancement of technological innovation capabilities. Through business-finance integration, companies gain a deeper insight into market and customer needs, allowing for more accurate positioning of products and services. Additionally, the integration of industry and finance supports the establishment of innovation and research and development (R&D) mechanisms within enterprises, reinforcing investment in technological innovation and elevating the technological level and innovation capabilities. This not only improves market competitiveness but also lays a robust foundation for the long-term development of enterprises [5].

2.5. Achieve sustainable development

Industry-finance integration constitutes a vital component of the sustainable development of enterprises, offering a more environmentally friendly and healthy development path. By integrating business and finance, companies can prioritize sustainable development issues such as environmental protection and social responsibility, leading to more proactive and effective management and practices. In addition, industry-finance integration fosters the popularization of green management and environmental awareness within enterprises, bolstering investment and support in environmental protection, social responsibility, and other aspects. This contributes not only to the long-term social and economic benefits of the enterprise but also makes a positive contribution to its sustainable development.

3. Current status of corporate financial management under the background of industry-finance integration

3.1. Insufficient awareness of industry-finance integration

Corporate financial management grapples with the issue of inadequate awareness regarding business-finance integration. This manifests in several ways. Firstly, business and finance operate independently, lacking effective communication and collaboration. This results in problems such as deficient information flow and coordination in the financial management process, impacting overall operational efficiency [6]. Secondly, disparities in data calibers hinder seamless data sharing and integration, affecting the efficiency and accuracy of financial management. Simultaneously, there are deficiencies in the overall conceptual framework. Some employees lack a holistic perspective, focusing solely on the interests of their specific department or position, neglecting the broader interests of the enterprise [7,8]. This can lead to issues such as irrational resource allocation and unscientific decision-making.

3.2. Financial accounting process is not standardized

In enterprise financial management, the standardization of financial accounting processes holds paramount importance for operational development. However, numerous companies currently exhibit irregularities in their financial accounting processes, somewhat impeding their financial management effectiveness and operational development. The specific irregularities are outlined in **Table 1** below.

Table 1. Irregular performance of the financial accounting process

Performance	Importance	Specific manifestations and hazards
Irregular report preparation	Financial statements are an important tool for corporate financial management.	Some companies have irregularities in report preparation, such as irregular filling of report items and lax review of reports, etc. This not only affects the accuracy of financial information but also easily leads to distortion of financial statements.
Irregular filling of vouchers	Vouchers are important documents for recording corporate financial activities.	Some companies have irregularities in filling in vouchers, such as incomplete vouchers, incorrect vouchers, etc. This not only affects the accuracy of financial information but also easily leads to financial risks.
Irregular financial reporting	Financial reporting is an important tool for companies to provide financial information to the outside world.	Some companies have irregularities in financial reporting, such as irregular preparation of financial reports and insufficient disclosure of financial reports. This not only affects the accuracy of financial information but also easily leads to untrue information disclosure.
Irregular accounting files	Accounting files are one of the important materials for corporate financial management.	Some companies have irregularities in accounting files, such as irregular storage of accounting files and lax access to accounting files. This not only affects the security of financial information but also easily leads to information leakage.
Irregular internal control	Internal control is one of the important guarantees of corporate financial management.	Some enterprises have irregularities in internal control, such as imperfect internal control systems and lax implementation of internal controls. This not only affects the operational stability of the enterprise but also easily leads to the occurrence of financial risks [9].

3.3. The quality of financial personnel needs to be improved

In enterprise financial management, the quality of financial personnel significantly influences operational development. However, in many enterprises, the quality of financial personnel requires enhancement, impacting the effectiveness of financial management and operational development. Firstly, some enterprises' financial personnel lack essential professional skills and expertise in financial management, accounting, and related areas, negatively affecting the accuracy and reliability of financial information and potentially leading to financial risks [10]. Secondly, the professional standards of financial personnel in some enterprises need improvement, with insufficient attention to professional ethics and responsibility. This introduces safety hazards to the quality of financial management work, potentially fostering illegal activities. Additionally, communication skills pose a challenge for some financial managers, impacting the efficiency of financial management work and leading to information asymmetry and decision-making errors. Furthermore, some older financial personnel lack learning ability and fail to master new knowledge and skills, hindering the innovative development of financial management work.

3.4. Inadequate degree of digitalization

The current state of corporate financial management grapples with insufficient digitalization, giving rise to various issues: (1) Lack of digital strategic planning prevents effective utilization of digital technology during the digital transformation process; (2) Insufficient data integration and processing hinder the full exploitation of data value, impeding effective decision-making; (3) Shortage of digital talents limits the application of digital technology in financial management; (4) High information security risks arise due to inadequate network security protection or lack of information security awareness among employees, making financial information susceptible to leaks or attacks; (5) Inadequate digital application prevents the full realization of digital technology advantages, impacting the efficiency and accuracy of corporate financial management [11].

3.5. Insufficient financial risk management

From the perspective of industry-finance integration, financial risk management in corporate financial management exhibits the following shortcomings: (1) Lack of comprehensive risk awareness among enterprise employees leads to poor business decision-making and potential risks during execution; (2) Imperfect risk assessment mechanisms prevent accurate identification, evaluation, and response to potential financial risks, hindering quick responses when risks occur; (3) Inadequate risk response strategies result in enterprises lacking effective measures to reduce or resolve risks promptly, causing losses to the enterprises.

4. Optimization paths for corporate financial management from the perspective of industry-finance integration

4.1. Establish a robust awareness of business and financial integration

To begin, an effective communication mechanism must be instituted to enhance collaboration between business and financial departments. Achieving deep integration involves regular cross-department meetings, information sharing, and collaborative formulation of financial management strategies. Secondly, a unified data caliber and management mechanism should be implemented to ensure standardization and consistency in business and financial data. By establishing data specifications and a sharing platform, businesses can seamlessly integrate and share data. Simultaneously, cultivating employees' overall awareness is crucial. Through training and case sharing, employees can comprehend the advantages and importance of industry-finance integration, enhancing their overall awareness [12].

4.2. Optimize financial accounting process

In today's rapidly evolving business landscape, optimizing financial accounting processes is paramount for improving financial management levels. Enterprises must conduct a comprehensive analysis and evaluation of existing financial accounting processes, identifying unnecessary links and bottlenecks for simplification. For instance, automating or semi-automating highly repetitive and low-value accounting tasks can reduce manual operations, enhance efficiency, streamline processes, minimize error rates, and improve data quality. Additionally, enterprises need to standardize the management of financial accounting operations by developing unified accounting methods and operating specifications. This ensures that all accounting tasks adhere to standards for data consistency and comparability. With advancing technology, automation tools and software can be employed to automate routine accounting tasks. For example, automated accounting processing systems and artificial intelligence audit systems can significantly reduce manual operations, improving efficiency and quality. Establishing a complete information-sharing mechanism breaks down barriers between different departments, facilitating data sharing and transfer. This enables the financial department to better understand the operations of other departments, adjust accounting strategies in a timely manner, and enhance data quality and decision support effects [13]. Information sharing also strengthens collaboration and communication between departments, enhancing overall operational efficiency.

4.3. Strengthen the construction of financial talent teams

Primarily, enterprises should intensify the training of financial personnel, elevating their professional quality and professionalism through regular professional skills training and ethics education. This fosters normative awareness, enhances operational skills, and reduces the occurrence of irregular behaviors. Secondly, incentive mechanisms should be established to encourage financial personnel to proactively enhance their own quality. Implementing a reward system, providing promotion opportunities, and other measures stimulate enthusiasm and continuous improvement [14]. Enterprises should also focus on team building, striving to improve team cohesion and collaboration capabilities. This can be achieved through team activities, strengthened team communication, and other measures [15].

4.4. Promote digital financial management

Initiating a digital strategic plan is the first step, clarifying goals and paths for digital transformation based on the enterprise's actual situation. This involves analyzing the infrastructure, talents, and technologies required, and formulating corresponding implementation plans. A complete data integration and processing mechanism must be established, utilizing big data technology and artificial intelligence algorithms for in-depth mining and analysis.

Strengthening the cultivation and introduction of digital talents and improving existing employees' digital skills and qualities through training and practice are essential. Establishing a comprehensive information security protection system covering network security, data security, and privacy protection is crucial. This includes enhancing information security awareness among employees and developing emergency plans for timely response to information security incidents. Actively promoting the application of digital technology in financial management, such as cloud computing for efficient data storage and calculation, big data technology for in-depth data mining, and artificial intelligence for process automation and intelligence, will continuously improve the efficiency and accuracy of corporate financial management.

4.5. Establish and improve risk warning and response mechanisms

To strengthen financial risk management from the perspective of industry-finance integration, enterprises can take the following steps: (1) Enhance comprehensive risk awareness through training and case sharing to improve the risk awareness of all employees, particularly financial personnel. Establishing risk awareness within the corporate culture ensures ongoing attention to risk management; (2) Improve the risk assessment mechanism by establishing a comprehensive risk assessment system, conducting regular assessment of various business activities, and ensuring timely discovery of potential risks; (3) Develop response strategies based on different risk types and situations, including risk transfer, reduction, and escalation. Real-time monitoring of major risks ensures timely and effective resolution, supported by an emergency plan for swift response to unexpected risk events [16].

5. Conclusion

Viewed through the lens of industry-finance integration, the optimization of corporate financial management emerges as an inevitable and forward-looking trend. Through the profound integration of business and financial departments and the facilitated sharing of information and resources, companies can make substantial strides in enhancing decision-making quality, refining resource allocation, mitigating operational risks, bolstering market competitiveness, and ultimately achieving sustainable development. As we gaze into the future, corporate financial management stands poised to confront new challenges and embrace novel opportunities, with the advent of artificial intelligence, big data applications, and the evolution of comprehensive budget management. In navigating these future dynamics, companies must embark on a continuous journey of exploration and innovation in financial management models. This adaptability is vital for staying attuned to the ever-changing market environment and meeting the evolving social needs of tomorrow.

Disclosure statement

The author declares no conflict of interest.

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