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Research on the Optimization of Enterprise Financial Management under the Financial Sharing Model

Feiyang Zhang*

Tianjin University of Science and Technology, Tianjin 300457, China

***Corresponding author:** Feiyang Zhang, sdfeiyang666@163.com

Abstract: With the advancement of globalization and information technology, the financial sharing mode has gradually emerged as a crucial means for enterprises to optimize their financial management. Particularly within the context of economic globalization, informatization, and digital transformation, enterprises find themselves navigating a rapidly evolving market environment by intensifying competition. To enhance efficiency and competitiveness, many enterprises have embraced the financial sharing model to streamline financial management processes, curtail costs, and bolster the execution of corporate strategies. This article aims to dissect the definition and essence of the financial sharing model and its significance in the realm of enterprise financial management. Drawing upon this analysis and aligning with the needs of enterprise financial management, the article proposes ideas for optimizing management practices, aspiring to foster reform and innovation in enterprise financial management while enhancing its level of financial management and ability to respond to financial risks. This contribution seeks to provide valuable insights for practitioners in the field.

Keywords: Financial sharing; Enterprise management; Financial management; Management optimization

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1. Introduction

With the expansion of enterprise scale and business diversification, the traditional financial management mode has become increasingly inadequate to meet the needs of modern enterprises. The financial sharing mode, as a new paradigm in financial management, has gradually gained recognition for its value in enterprise financial management decision-making. As enterprises continue to grow in scale and scope, the adoption of the financial sharing mode is poised to emerge as a significant trend in the development of enterprise financial management.

2. Financial sharing model

2.1. Definition

The financial sharing model is a centralized and standardized financial management approach. It involves consolidating financial processes from various business units into a shared service center for processing. This model aims to reduce operating costs and enhance work efficiency through economies of scale, process optimization, and standardized operations [1].

2.2. Features

(1) Process standardization: Under the financial sharing model, enterprises standardize the financial processes of each business unit to ensure consistency and standardization, thereby improving efficiency and accuracy.

(2) Centralized processing: Through centralized processing, enterprises can aggregate financial data and information scattered across various business units into a shared service center for unified processing, facilitating optimal resource allocation and scale effects.

(3) Information technology support: The financial sharing model relies on advanced information technology, such as cloud computing and big data analysis, to ensure the security, accuracy, and timeliness of data.

(4) Optimization of organizational structure: By optimizing the organizational structure and redesigning and integrating financial management processes, the financial sharing model enhances operational efficiency and competitiveness.

2.3. Types

(1) Single-center type: Enterprises establish a single financial shared service center responsible for handling the financial processes of all business units. This type is suitable for smaller, single-business enterprises.

(2) Regional center type: Enterprises establish multiple financial shared server centers based on geographic location or business areas, with each center responsible for handling the financial processes of business units in a specific region. This type is suitable for enterprises with strong geographical presences.

(3) Professional center type: Enterprises establish multiple financial shared service centers according to business type or professional areas, with each center responsible for handling the financial processes of specific business areas. This type is suitable for enterprises with diverse business portfolios spanning multiple fields [2].

3. The value of financial sharing mode for enterprise financial management

The financial sharing mode holds significant value for enterprise financial management decision-making. Centralizing financial data processing strengthens internal control, reduces costs, optimizes resource allocation, and enhances decision-making precision and accuracy. Moreover, the financial sharing mode aids in elevating the financial management proficiency and competitiveness of the enterprise.

3.1. Cost reduction in enterprise operations and management

Through centralized and standardized management, the financial sharing model consolidates financial processes from business units into a shared service center for processing. This centralized approach achieves economies of scale, thereby reducing the enterprise's operating costs [3]. Additionally, process standardization and optimization help in trimming redundant links and personnel, further driving down costs.

3.2. Enhancement of financial management efficiency and information sharing

The financial sharing model streamlines the financial management process and heightens work efficiency through process standardization and centralization. Leveraging advanced information technologies like cloud computing and big data analysis enables rapid data processing and real-time transmission, thereby enhancing enterprise financial management efficiency. Centralizing the processing of financial data reduces redundancy and duplication, improving data processing efficiency. Real-time data sharing among departments strengthens information exchange and collaboration, thus enhancing operational efficiency.

3.3. Augmentation of financial management data transparency and risk management

Centralization and standardization of the financial management process in the financial sharing model facilitate unified summarization and processing of data from each business unit, enhancing data transparency. This transparency enables better monitoring of the financial status and operations of each business unit, thereby bolstering enterprise control capabilities [4]. Moreover, unified standards and process management regulate enterprise financial management behavior, fortifying internal control and reducing financial risks. Comprehensive monitoring of financial data facilitates timely identification and resolution of potential financial risks, safeguarding corporate assets.

3.4. Optimization of enterprise resource allocation

The financial sharing model enables enterprises to centralize management and optimize the allocation of resources dispersed across various business units. Rational resource allocation and scheduling enhance resource utilization efficiency and reduce waste. Centralized data analysis and forecasting aid in formulating resource allocation plans adaptable to market changes and business development needs. Standardized and automated processing procedures cut labor and operating costs, such as concentrating dispersed financial personnel into the shared center to optimize human resource allocation [5].

3.5. Promotion of business-finance integration

The financial sharing model integrates financial management closely with business processes, facilitating the sharing and interoperability of business and financial data. This integration enables financial managers to better comprehend business needs and market fluctuations, providing targeted support and protection for business operations. Concurrently, business personnel gain insights into business and risk scenarios through financial data, enabling better formulation of business strategies and decisions.

3.6. Enhancement of financial decision-making precision and accuracy

By integrating financial data and business processes, the financial sharing model furnishes enterprises with comprehensive financial management information. This information enhances understanding of operational conditions and market environments, refining the precision and accuracy of financial decision-making. Additionally, the model offers data analysis and forecasting capabilities, aiding in the development of more rational financial budgets and business plans [6].

4. The idea of optimizing enterprise financial management under the financial sharing model

4.1. Optimization of standardized operation processes

Within the financial sharing model, enterprises ought to establish a unified and standardized financial management process to ensure data accuracy and comparability. Standardizing processes not only reduces operational risks but also enhances work efficiency. Additionally, regular reviews and optimizations of these processes are essential to adapt to market dynamics and business evolution.

Firstly, emphasis should be placed on standardizing financial data. Enterprises operating within the financial sharing model must establish unified financial data standards to ensure consistency and comparability. This involves standardizing accounting entries, data coding, data formats, and other aspects, alongside standardized management of data collection, storage, and transmission. Through such measures, enterprises mitigate the risk of data redundancy and distortion, thereby enhancing data quality and processing efficiency [7].

Secondly, attention should be directed towards standardizing business processes. Enterprises should streamline and optimize business processes while developing standardized operating procedures and forms. Standardization of business processes not only boosts work efficiency but also minimizes operational errors, information distortion, and associated risks.

Thirdly, the unification of financial reporting is crucial. Enterprises operating under the financial sharing model must establish a unified financial reporting system and devise standardized report formats and content requirements. Unified report management ensures the accuracy and consistency of financial information, enhances report comparability and comprehensibility, and provides more precise and comprehensive financial analysis support at the decision-making level.

Lastly, refinement of budget management is paramount. Budget management constitutes a vital aspect of enterprise financial management. Under the financial sharing model, enterprises should strive for the refinement of budget management, crafting scientific and reasonable budget programs while reinforcing control and analysis of budget execution. Refined budget management enhances resource allocation efficiency, reduces costs and risks, and facilitates sustainable development [8].

4.2. Focus on technical support and innovation

The financial sharing model relies on advanced information technology, including cloud computing and big data analysis. Enterprises must prioritize technology updates and upgrades to enhance financial management efficiency.

Leveraging big data technology allows enterprises to handle vast amounts of data effectively, extracting its value to provide robust decision-making support. Enterprises should utilize big data technology to integrate, analyze and mine financial management data, identifying potential risk points and opportunities while optimizing financial management and decision-making processes. Furthermore, big data technology facilitates data-driven financial management, enhancing the accuracy of data analysis and prediction.

Conversely, cloud computing technology offers flexible, efficient, and secure data storage and processing solutions for enterprise financial management. Through cloud computing, enterprises can achieve cloud storage and sharing of financial data, thereby enhancing data access and utilization efficiency. Additionally, cloud computing reduces IT costs and complexity while improving system scalability and reliability.

Moreover, the adoption of artificial intelligence (AI) technology in the financial sector is steadily increasing. Enterprises must actively explore AI applications in financial management, such as automated financial analysis and intelligent risk management. By integrating AI technology, enterprises elevate the intelligence of financial management, reduce labor costs and human errors, and enhance decision-making efficiency and accuracy [9].

4.3. Continuous improvement feedback mechanism

Within the financial sharing model, enterprises must establish a continuous improvement mechanism to refine financial management processes and operational standards continually. Firstly, enterprises should optimize feedback channels and establish a multi-channel financial management feedback mechanism, incorporating both internal and external feedback. Internally, feedback can be solicited through internal communication platforms and employee suggestion boxes to gather employee opinions and suggestions. Externally, market surveys and customer feedback mechanisms can be utilized to capture customer and partner opinions and needs. Enterprises should streamline feedback channels to ensure effectiveness and efficiency, while also instituting a robust feedback processing mechanism to address and respond to collected feedback promptly and accurately. Rational suggestions should be actively adopted and implemented, while unreasonable feedback should be addressed and explained. Strengthening feedback processing enhances employee participation and satisfaction, fostering corporate cohesion and unity.

Furthermore, enterprises must heighten feedback awareness, particularly by reinforcing staff understanding of the financial management feedback mechanism's significance. Training and educational initiatives can aid in elucidating the importance and role of the financial management feedback mechanism, enhancing employee feedback capabilities and participation. Additionally, enterprises should actively publicize and commend exemplary financial management feedback instances to kindle employee enthusiasm and creativity.

Moreover, enterprises should view the enhancement and optimization of the financial management feedback mechanism as an ongoing endeavor. Continuous feedback collection, problem analysis, and improvement measures are imperative. Through iterative improvement, enterprises can refine the financial management feedback mechanism, enhance financial management proficiency and operational efficiency, and align with market dynamics and business development requirements. In addition, enterprises should monitor industry trends and best practices, drawing lessons from the successful experiences of other enterprises to continually enhance their financial management capabilities [10].

5. Conclusion

In light of the foregoing, the financial sharing model offers numerous advantages for enterprise financial management, albeit accompanied by new challenges and demands. Enterprises must remain vigilant of market dynamics, industry trends, and best practices, drawing insights from the successful experiences of their counterparts. Continuous enhancement of financial management capabilities is essential, alongside ongoing optimization and refinement of financial management processes. These efforts are crucial to ensuring sustainable and robust development for enterprises operating within the financial sharing model.

Disclosure statement

The authors declare no conflict of interest.

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