

A Research on the Operational Performance Improving of the Financial Sharing Center of Chinese Enterprise Groups

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ABSTRACT

As a new financial management method, the Financial Sharing Center can reduce the company's operating costs, achieve scale benefits, and improve operational efficiency. In order to improve the operational performance of the financial sharing center of enterprise groups in China, this paper combs the current situation of the construction of financial sharing service centers of enterprise groups at home and abroad, and analyzes the problems and causes of the operation of the financial sharing centers of enterprise groups in China. Countermeasures to improve the operational performance of the financial sharing center of enterprise groups in China.

Keywords: enterprise group; financial sharing center; operational performance

Since the introduction of the service by Ford in the 1980s, the shared service has gradually become a management model commonly used by enterprise groups in the world. After entering the 21st century, economic globalization, multimedia and Internet-based information technology revolutions have pushed enterprise groups into the international market. The intricate international market puts higher demands on the management of enterprise groups. The weaknesses of the diversified financial management models of various affiliated companies are increasingly apparent, not only inefficient, but also the high repetition rate of employees and the significant increase in non-dominant combination costs, which greatly limits the development of enterprises. Establishing a corporate financial sharing center can not only realize the concentration of enterprise resources, but also effectively solve the financial management and control problems brought about by the growing scale of the enterprise. According to statistics, more than 50% of the world's top 500 companies have achieved financial sharing in different business areas, and have built financial sharing service centers of various sizes. In China, ZTE, Huawei, Haier Group, etc. They have also established financial sharing centers. However, compared with foreign companies, the financial sharing service center model of China's enterprise groups still has many problems in its application. In order to improve the operational performance of the financial sharing service center of enterprise groups in China, this paper

summarizes the problems existing in the operation of the financial sharing service center of enterprise groups in China, and then proposes to improve countermeasures for the operation performance of the financial sharing service center.

Current status of the construction of financial sharing service centers for enterprise groups at home and abroad

A comparative analysis of the experience of financial sharing services construction at home and abroad can provide ideas for the optimization of financial sharing services for Chinese enterprise groups. The survey found that Huawei and IBM have implemented financial sharing services earlier, and the financial shared service center has performed well and accumulated a lot of experience.

Huawei is a large company with branches and subsidiaries all over the world. The financial accounting standards are not uniform, and there are no standardized accounting subjects. Each company's accounting is handled differently, which increases the difficulty of analyzing financial data. For the better development of the company, Huawei implemented a financial sharing system, which reduced labor costs by concentrating employees in one place.

IBM is a large multinational operating company established in the United States. With the rapid development of technology and information, the expansion of the business scale of the enterprise group and the continuous innovation of business forms, IBM is involved in the fields of information technology and

communication equipment to meet the differentiated needs of global operators and customers and offer high-quality service. With the rapid development of economic globalization and business globalization, IBM has to improve its financial management and control capabilities and carry out the work of building a financial shared service center within the scope of international business. The company establishes multiple financial sharing centers in various regions of the world according to the strategic structure layout, and strives to provide the best financial service support for all branches and subsidiaries around the world. IBM affiliates can use the financial outsourcing services provided by the group company to tailor the financial services suitable for the company, but pay the corresponding fees. Since the implementation of financial sharing services by IBM, group companies and affiliated companies have unified and standardized accounting standards and business processes from top to bottom. After the accounting subjects are standardized, it is beneficial for the group companies and their subsidiaries to handle the accounts; after the financial process is standardized, the time for accounting business processing is saved, and the standard of employee auditing standards is favorable for the fairness of rating evaluation. This unified operation mode of IBM reduces the cost of financial operations, simplifies the financial steps of each link, and enhances the financial management and control capabilities of its subsidiaries. The characteristics of this model mainly include the following two aspects: IBM financial work is not affiliated with each branch, and can handle the financial business without being bound by each branch, and can maintain the objectivity of the financial shared service operation. The financial organization divests the original subordinate company, and the financial information provided by the financial sharing service is more realistic and more objective, which is conducive to the company to more comprehensively grasp the operating status of each subordinate company and strengthen risk management and control.

PROBLEMS IN THE OPERATION OF THE FINANCIAL SHARING SERVICE CENTER OF CHINESE ENTERPRISE GROUPS

The survey found that there are still many problems in the financial shared service center model of China's enterprise groups, which directly affects the operational efficiency of the financial shared service center, and it is

difficult to realize the original intention of setting up financial centers for enterprise groups to reduce costs. The specific problems are manifested in the following aspects:

1. *Insufficient integration of information systems*

The establishment of the Financial Shared Service Center changed the traditional manual bookkeeping and generated the group's overall financial data. However, because the system's ability to integrate distributed information is not strong enough, data sharing of various information systems cannot be well realized, and the needs of the financial shared service center are not met. In addition, since the financial shared service center is not in one place with branches and subsidiaries, it is necessary to transmit various information between each other through a remote network, because the information system is not sufficiently integrated, so that the financial sharing service center and each The communication in the business sector is not smooth, resulting in information distortion, which seriously reduces the efficiency of the financial sharing service center. In addition, the information systems of the financial sharing service centers of enterprise groups in China also generally have problems such as incomplete financial analysis reports, unclear system interfaces, and complex logical structures.

2. *Hierarchical management of financial workflow needs to be optimized*

First of all, the business process processing method between the group company and each subsidiary company is not completely consistent. There is a contradiction between standard process flow and multiple process flow, resulting in low quality of financial information, and is not conducive to the control of business processes. Achieve optimized and unified management of each subsidiary. Second, image management issues, such as paper invoice scanning requires a lot of storage space after uploading, and also need to perform real-time backup of the data. If IT technology is not advanced enough, it will not be able to support the storage and recall of large amounts of data. Third, problems in fund management. The problem of capital income and expenditure is mainly that there are too many levels of setting. When it is necessary to carry out the payment and payment business, it has to go

through too many formalities and the consent of the relevant management personnel. The whole process takes a lot of time, and the data is easily distorted by data, resulting in slow transfer of funds, low efficiency, high error rate and other issues. In addition, the amount of the reserve fund is unreasonable, and there is also a risk in the security management of the use.

3. *The construction of the staff team lags behind*

Due to the large amount of data processing in the financial sharing service center of enterprise groups, it is necessary to have a large-volume finance commissioner with certain accounting capabilities. However, it is difficult to develop a team of employees with strong business capabilities and strong resistance to stress in a short period of time. In addition, because many basic financial services are concentrated in the financial sharing center, the staff of the financial shared service center repeats the basic business every day, and has no time to understand the business process. The work content is simple and boring. It is not conducive to talent cultivation. At the same time, because the financial staff's work ability is very different, it will also reduce the overall efficiency of the financial shared service center.

4. *The function of financial sharing service needs to be expanded*

At present, the functions of many China's enterprise group financial sharing service centers are only at the level of expense reimbursement. They do not give full play to the 'shared' value of the sharing center. The human resources and business sharing are not mature enough. There is no service area and service products. Expansion and innovation. It can be said that many financial sharing service centers of large Chinese enterprise groups have not fully played the role of financial sharing service centers, can not really reduce the operating costs of enterprises, and it is difficult to achieve the purpose of initially establishing a financial sharing service center.

SUGGESTIONS ON IMPROVING THE OPERATIONAL PERFORMANCE OF THE FINANCIAL SHARING SERVICE CENTER OF ENTERPRISE GROUPS

1. Improve the integration level of various information technologies

The financial sharing service center of China's enterprise groups needs to transform a large amount of business data into financial information, which is the daily work of the financial staff of the financial sharing service center. Information systems need to provide real-time, accurate, fast and convenient service support for information conversion and processing. At the same time, each information system subsystem needs to have strong data integration capabilities. This paper believes that information systems can be optimized from the following aspects to meet the requirements of information system in the Financial Shared Service Center.

(1) Realizing the integration of vertical integration and horizontal integration of information systems

First, it is necessary to organize the data transmitted to the sharing center to ensure that the data can be smoothly transmitted in the information system, and the vertical integration within the financial system and within the business system is completed. After this step, the horizontal integration between the financial system and the business system is completed, and vertical integration and horizontal integration are combined. Business data can provide a basis for financial data. In order to ensure that there is no problem in the conversion of business data and financial data, the financial sharing service center of China's enterprise groups needs to strengthen the management of data ports to ensure that the data is automatically converted without any difference between the systems. Therefore, the data that is independently operated in different modules can be perfectly combined with horizontal integration and vertical integration to achieve resource sharing and data sharing.

(2) Establish a unified database

In general, too many databases will inevitably cause the information system to be confused when extracting data. Therefore, the financial sharing service center of China's enterprise groups needs to establish a unified database to ensure the stable operation of the information system. Ensure that the data used in operating cost management, organization management, financial statements, financial analysis reports, etc. They are all from a unified database, and will not cause confusion due to data introduced by different databases. On this basis, the financial sharing service center of China's enterprise groups should also set up a unified information classification code, data elements, and concept database

standard system to ensure accurate, unique and effective when extracting data.

2. *Continuously improve the service process of the Financial Sharing Center*

Large Chinese conglomerates can improve their business processes in two areas: detail optimization and process reengineering. The optimization of details can be divided into the following three ways: further dividing the process; improving the difficulty of the process; and recombining the repeated labor. Process reengineering refers to the situation where the financial shared service center re-proposes new concepts and standardizes financial processes. Eliminating the valueless links in the process of process reengineering can improve the efficiency of the financial shared service center. However, before implementing the process reengineering, it is necessary to train the relevant personnel in the new process, train the overall view of the employees, and understand the process of connecting the front and back links. The financial sharing service center must adhere to the improvement of the service process in line with the specific situation of the group and its subsidiaries and subsidiaries, also it must conform to the company's overall development strategy and meet the company's financial requirements to achieve control of financial risks, then it can improve operational efficiency, reduce management costs and strengthen the purpose of financial decision-making. In addition, in the process of service process improvement, it is not only to let employees have the skills to improve the process, but more importantly, to make employees have a sense of overall improvement, good performance and teamwork.

3. *Create a mutual help financial sharing service center team*

Each work module of the financial shared service center corresponds to a fixed staff member. Therefore, the employees of one module are usually not familiar with the work content and working mode of another module, which limits the work area and ability of the employee. In this case, it will lead to some employees with relatively prominent business ability and long-term career planning who are dissatisfied with the current dull and boring work. They will feel that their talents have not played a stage, thus improving the turnover rate of personnel. On the other hand, with the continuous

development of the company's business, the financial shared service center needs more excellent personnel with experience in financial sharing services to join. Therefore, with these excellent resources, the mutual help group can be set up within the Financial Shared Service Center. The staff of different modules learn from each other, are familiar with more business processes, and make up for each other's shortcomings. This kind of mutual help-oriented learning group not only teaches simple technical methods and concept knowledge, but also thinks with an innovative attitude that is serious and responsible for work and actively explores. By creating a mutual help group, each can learn different areas of operation skills. If it is an outsourced financial shared service center, it needs to make corresponding improvements according to the service object's service mode and system satisfaction. At the same time, employees of the Financial Shared Service Center should reflect on their own service areas, continue to explore, constantly find problems and solve problems, and improve work efficiency. In the process of building a mutual help learning group, we should also pay attention to the following issues. First of all, it is necessary to establish a sense of mutual help and common progress for employees of the Financial Shared Service Center to achieve their own development through mutual learning. Second, encourage employees to share good working methods, create opportunities for employees to communicate and learn from each other, present problems in the current financial sharing service center and provide solutions to improve the problem solving ability of the entire team. Third, through the collective learning model, select outstanding employee representatives, and use his mountain jade to improve his personal work ability and achieve the goal of personal and team progress. In short, the financial shared service center should shape the ability of employees to think collaboratively as a whole, and see the essence through the appearance when they find problems, so as to better solve problems and improve personal work literacy.

4. *Strengthen the expansion of service areas and innovation of service products*

In order to better enhance the value of the financial sharing center and give full play to its advantages of shared collaboration, in addition to completing the financial basic work, the shared service center needs to integrate and

analyze data in the context of the big data era. The application rose to the strategic planning level of the group company, providing decision guidance and staff for the group company. For example, product design, cost control, financing management, and financial services related to the Group's strategic planning. In addition, the Financial Shared Service Center can integrate the group's telemarketing business and customer service on its own call system platform to provide one-stop service for customers. These models have been matured in some developed countries in Europe and America. In addition, after the products and services of enterprise groups are upgraded, they can meet the differentiated needs of customers and further expand the application scope of the financial sharing center model, thereby better reducing operating costs and exerting economies of scale.

CONCLUSION

The financial sharing center concentrates the business of molecular companies in different regions to the same regional office; it treats the diversified business of different affiliated companies into the same workflow, and unifies different financial data collection methods and financial collection methods into the same way. This centralized treatment largely reflects the economies of scale of economics, reduces operating costs, reduces the complexity of traditional financial work, and makes process reengineering smoother. However, the financial sharing center will also bring the financial data to the real business because of excessive concentration and lack of differentiation, which has only become a digital reflection. Therefore, when a large-scale enterprise group in China uses the financial sharing center, it must take effective measures according to the actual situation of the enterprise, avoid the problems existing in the application, and improve the operational performance.

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