

# Discussion on Difficulties and Countermeasures in the Construction of Financial Shared Service Center Under the Background of Digitization

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## ABSTRACT

With the wave of enterprise digital transformation, more and more enterprises show the need for financial sharing, and the landing operation and comprehensive application of financial sharing service center are gradually accelerated. This paper analyzes the current situation of financial sharing service center construction from three aspects: the rapid expansion of the sharing boundary of financial sharing service center, the efficient integration of multi-terminal information platform, and the rapid change of financial sharing service prompted by the application of intelligent technology. And through the analysis of unclear construction goal positioning, industry and finance integration status is not ideal, crisis management system is not perfect, high-level change determination is not firm, and information structure is not sound, it points out the difficulties of group companies in establishing financial sharing service center. Finally, in view of the difficulties, it puts forward countermeasures and suggestions on formulating long-term and phased development goals, creating the necessary conditions required for the integration of industry and finance, establishing a scientific and complete crisis management system, strengthening the determination of enterprise management to change, and building a complete financial sharing information platform, so as to ensure that the construction of financial sharing service center can keep up with the pace of enterprise digital transformation.

**KEYWORDS:** digitization; Financial sharing service; Construction difficulty; Countermeasures

## I. INTRODUCTION

Under the background of digitalization, new technologies such as big data, artificial intelligence, mobile Internet, cloud computing, Internet of Things and blockchain continue to emerge, and their extensive application in the financial field has brought breakthroughs and innovations to the financial sharing that has entered the deep-water area of transformation. The financial sharing service center is no longer a simple accounting factory, but gradually becomes the data aggregation center of enterprises. And this happens to be in line with the development trend of data-driven digital financial transformation of enterprises, which makes financial sharing service center become the entry point of corporate financial digital transformation. Therefore, how to build financial shared service center under the digital background to meet the needs of enterprise

financial digital transformation is a topic worthy of discussion in the current academic circle. Chen Chen (2020) proposed that with the advent of the digital era, new technologies have set off a wave of industry innovation, and the traditional financial management mode can no longer fully adapt to the increasingly complex external market environment, and the transformation of financial management mode has become an inevitable trend (Wu Xufeng, 2022). 2 As an innovation in management mechanism, financial sharing service center plays a more prominent role and advantages (Wang Wenpei and Wu Liangcai, 2019). 3 The new round of information technology enables the financial sharing service center to effectively manage a large number of fragmented data, collect, sort out, analyze and report in real time, so as to meet the needs of financial

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monitoring, financial planning and strategic decision-making of enterprises. The financial sharing service center has become a service center supporting enterprise management decision-making (Chen Xiaoyi and Li Ying, 2017). 4 This kind of intelligent decision-making financial sharing service model promotes the transformation from traditional financial management to management accounting and represents the future development direction of financial sharing services (Liu Zhengmo et al., 2018). 5 Admittedly, under the background of digitalization, due to a series of reasons such as inadequate integration of technology and management and lack of digital talents, there are many pain points and difficulties in the construction of financial sharing service center. This paper takes this as the starting point for in-depth analysis, and puts forward relevant countermeasures and suggestions, in order to provide certain reference ideas for other companies to establish financial sharing service centers.

## **II. Analysis on the development history and current situation of financial sharing service center**

Throughout the development of financial shared service center, it has gone through four stages of financial centralization, preliminary integration, efficient integration and intelligent development. In the stage of financial centralization, the financial shared service center has realized the centralized management of financial resources; In the initial integration stage, the focus of financial sharing service center construction focuses on the optimization of business process and the adjustment of industrial structure; In the efficient integration stage, the focus of the construction of financial shared service center lies in the system solidification based on process penetration, that is, to solve the docking problem between the financial system and the external system; In the current stage of intelligent development, the financial sharing service center connects all aspects of the enterprise before, during and after, and gradually becomes a group-level data provision center, providing accurate, comprehensive and systematic data sources, and providing management decision making basis for the senior management of the group enterprise. Specifically, it has the following three characteristics.

### **A. The sharing boundary of financial sharing service center is expanding rapidly**

With the increasing external competition pressure and internal management demand of enterprises, financial sharing service center needs to improve its maturity rapidly to meet the needs of enterprise development. Therefore, the financial sharing service center should

not only cover all the internal personnel of the enterprise, but also include the whole industrial chain, middle and downstream partners, such as distributors, agents, regional agents, etc., and the development trend of information technology makes it possible to expand the boundary. For the internal enterprise, the shared service center platform should be integrated with various systems of the enterprise, including ERP system, expense budget system, asset system, OA office system, etc. For the outside of the enterprise, the shared service center platform should be able to integrate with financial institutions, business travel platforms, especially the tax system. It enables most of the emerging financial sharing solutions at this stage to play a role, and many group companies have summed up a set of relatively perfect management experience in the practice process. This further improves the efficiency of enterprise financial solutions, but also reduces the risk of business management.

### **B. Efficient integration of multi-terminal information platform**

Financial sharing service is an efficient integration of various innovative technologies. The design scheme and integration of the system are related to the actual effect of the operation and operation of the financial sharing service center. In the financial sharing service system, the widely used information technology includes ERP system, text document anti-counterfeiting technology, database management, fee control system, electronic billing, etc. The rapid integration of this new technology has greatly improved the work efficiency and work quality of the financial sharing service center. In addition, with the rapid development of information technology, the financial sharing service system should keep up with the pace of the development of new technology application, in order to make the financial sharing service of the group company fully play a greater effect.

### **C. The application of intelligent technology promotes the rapid change of financial sharing service**

The popularization of mobile intelligent terminal has made mobile expense reimbursement, mobile expense budget and mobile audit quickly applied to the financial activities of enterprises. In the process of creating the financial sharing service center, the enterprise should try to consider the convenience and different business scenarios of the external environment of the enterprise, so that customers can submit requests to the financial sharing service center in time. It is worth mentioning that whether the financial sharing service is expanding to the whole

industry chain, middle and downstream, or its mobile intelligent application of multi-terminal devices, the change of financial sharing service center if it can rely on "cloud computing technology", it will be relatively easy to complete. After the application of cloud computing technology, the financial sharing service center can produce four management methods for enterprises: reduce the cost of enterprise financial information planning, promote the cooperation of the external environment of the enterprise, improve the efficiency of employees and contribute to the crowdsourcing platform of financial sharing. In addition, the financial robot has also brought a revolutionary breakthrough in solving the low value-added work of financial sharing. After the introduction of the financial robot, it has replaced the high-frequency, repeated, long-term and low value-added human practical operations, such as bank reconciliation, current account control, tax verification, value-added invoice verification, authentication, etc., which has significantly improved the management efficiency and management level of business processes. Therefore, the close combination of financial sharing service and intelligent technology is undoubtedly the development direction of financial sharing service in the future.

### **III. It is difficult to build financial sharing service center under the background of digitalization**

#### **A. The target of construction is not clear**

Under the digital background, the construction goal of financial sharing service center should be consistent with the goal of enterprise financial digital transformation, and be included in the strategy of enterprise financial digital transformation. At the same time, how to shift from data centralization and sharing to data governance should be considered. Therefore, the financial sharing service center should aim to become a data sharing platform for enterprises, that is, to collect, process, analyze and manage a large amount of data from inside and outside the enterprise, and finally present the results in a visual way. However, in the process of building the financial sharing service center, some enterprises only deal with scattered matters such as accounting, travel expense reimbursement and settlement of receivables in a centralized manner, and only position the sharing center as a bill processing center. Obviously, the setting of such a goal is too simple and vague, which is not enough to meet the needs of enterprises for financial sharing. The unclear target positioning leads to the slow down of the construction process of the sharing center.

#### **B. The integration of industry and finance is not ideal**

It is the essence of informatization to solidify the system, standard and process, and the industry and finance information is transferred based on the information system platform, which provides a solid foundation for the integration of industry and finance. However, the informatization construction of some enterprises started late, the phenomenon of information island still exists, and there are also fault phenomena in individual links. Especially, the upstream and downstream internal information chain is loosely connected, resulting in a slow process of industry-financial integration. As the last department receiving enterprise information, finance cannot effectively extend its basic functions to the front-end business when performing its basic functions. As a result, the financial sector cannot achieve fine management, and the financial sector cannot provide effective guidance for the business sector, which causes difficulties in the construction of the financial sharing service center.

#### **C. The crisis management system is not perfect**

Digital transformation is an important trend in the development of enterprises, and data is the foundation of digital transformation. Only by doing a good job of data governance and fully tapping the value of data can we better promote digital transformation. Financial sharing service center as a data collection center, how to strengthen the maintenance of data security for crisis management is particularly important. Generally speaking, the establishment of crisis management system of financial sharing service center is related to problems such as system downtime, server attack, and data loss caused by misoperation. However, the epidemic situation in 2020 has brought new thinking to the improvement of the system, that is, distance, the possibility of remote working, enterprise data security, especially relevant authority management, have become the focus of emergency plans. The epidemic also reminded the relevant staff involved in the construction of the financial sharing service center not to ignore the emergency plan and crisis management. As a financial team with strong operational attributes, the financial sharing service center should have a Plan to deal with emergency time and extreme situations, that is, Business Continuous Plan (BCP), including various extreme situations, such as power failure of the office building and Internet interruption, traffic jams caused by extreme weather. Even geological disasters and epidemic outbreaks, all of which will affect the normal operation of the financial sharing service center, and then affect the operation of the enterprise.



#### **D. The determination of change at the top is not firm**

Building a cross-industry and cross-regional financial sharing service center is a painstaking project, which cannot be separated from the support of the group's senior management. Without confidence from the top down, the project was bound to fail. Due to the lack of clear understanding of financial sharing, the leadership of some companies cannot deeply recognize the value that financial sharing can create for enterprises, and hesitate to implement financial sharing service, resulting in the construction of financial sharing service center to give up halfway, or become a half-finished product. Therefore, the establishment of financial sharing service center requires the company leadership to have a strong determination to promote the change from top to bottom.

#### **E. The information-based architecture is not sound**

The construction of information platform is an important foundation for financial digital transformation, but most enterprises still have many obstacles in the construction of financial management information. Specifically, the difficulties are as follows: first, in the information construction, the overall information foundation of enterprises is not solid, and the management standard of enterprises does not meet the requirements of information management; Second, the project team members do not have a clear understanding of information construction, and cannot carry out construction according to the needs of enterprise financial management and business informatization, which is not conducive to the intelligent development of financial management; Third, the information integration and compatibility between different subsidiaries of the group enterprise is too large, which is not easy to be implemented. In the era without sharing, a group company may use several different financial software, which brings great challenges to financial sharing. Therefore, the construction of financial sharing information system is a time-consuming and laborious project, but also one of the key factors for the success or failure of financial sharing service center.

### **IV. Discussion on the construction countermeasure of financial sharing service center under the background of digitization**

#### **A. Formulate long-term and phased development goals**

In the face of many enterprises in the construction of financial sharing service center in the definition of the

goal, should be in the long-term vision to establish the goal, and according to the different business objectives of the enterprise will be the long-term goal of the construction of financial sharing service center into the corresponding short-term goals, to achieve phased implementation. To be specific, first, the accounting work content of those enterprises with high repeatability and easy to form standardization is effectively handled by the financial sharing service center, and then gradually complete the implementation of different stages of the goal. Second, the goal positioning of the enterprise for the financial sharing service center is limited by the overall business objectives of the enterprise, and the overall business objectives are constantly changing according to the different growth stages of the enterprise. The development goals of financial sharing service center can be basically summarized as cost reduction, risk control and financial function transformation. For the enterprises whose goal is to reduce economic costs, financial sharing service centers should be established in areas with potential development ability to complete the integration of resources. For companies whose goal is risk management and control, financial sharing service centers should be established at the headquarters to achieve effective supervision of financial data information. For enterprises that need to transform financial functions to achieve digital transformation, the way to build financial sharing service center can improve the service level of corporate financial department.

#### **B. Create the necessary conditions for the integration of business and finance**

In order to ensure the full integration of industry and finance after the establishment of financial sharing service center, the Group company can proceed from the following points: first, strengthen the integration and sharing of industry and finance information, so that business and financial data can confirm each other, maintain the unity of client files and current account data information, and increase the transparency of internal information; Second, deepen the financial digitization and intelligent transformation, so that the financial work gradually goes deeper into the business work and becomes the backbone of the business development. The financial personnel should take the lead in providing decision support for the business development; Third, optimize the business process, strengthen the cooperation between business personnel and financial personnel, strengthen the timeliness of the financial department to grasp information, reduce business risks and improve business economic benefits.

### C. Establish a scientific and complete crisis management system

In order to meet the needs of maintaining data security in the digital transformation of financial sharing services and ensure the normal operation of daily work in emergency situations, the establishment of crisis management system generally considers the following aspects: First, clear responsibility and authority management. Decision makers in emergency projects, especially the top managers in special circumstances, may not be able to personally go down to the front line to carry out on-site control, so it is necessary to set up emergency responsibility and responsibility traceability mechanism; Second, establish a monitoring and management mechanism. If it is an enterprise with a clear performance indicator system and the working process can be captured by the system, it is relatively easy to control. For other enterprises without clear quantitative indicators to monitor, it is recommended to design relevant assessment systems if the emergency lasts for more than one week. Third, ensure the stability of the system. In addition to the daily monitoring of IT personnel, the maintenance response of external suppliers is very important, especially in holiday, peak, crisis times, generally can be agreed to require a response within 1 hour, within 24 hours to solve, but will increase maintenance costs.

### D. Firm the determination of enterprise management to change

The management should have firm determination and clear means to support the construction of financial shared service center. Doing business migration will certainly affect the existing interests of some personnel, so the leadership should clearly promote the purpose of sharing and the standard of building the sharing center, so as to avoid imitating others and hesitating. In addition, in the process of long-term planning and overall strategic deployment, managers should also pay attention to the conflict between the business, organization and system and do a good job of coordination, so as to solidly promote the establishment of the project.

### E. Build a complete financial information sharing platform

In the context of enterprise digital transformation, the digital transformation of financial sharing service is not only to build a new platform and system, but also to have the following core capabilities: First, end-to-end process management function. Driven by digital tools, all kinds of data have become the foundation and core elements to drive the work of the sharing center. Improving the quality of data is the key. Internal functions, especially the internal function

docking between business departments and financial sharing departments, should be more smooth; Second, the capacity of planning summary and refining. In the digital age, the creation of so-called rules or systems is not only the formulation of detailed rules, but also the concretization of specific rules and corresponding use scenarios, and the summary and refining. Third, the ability of digital expression. Compared with traditional reporting or business analysis tools, using digital methods to describe business changes and states requires more rigorous logic and more precise expression; Fourth, the ability to continuously change. The digital age is characterized by flexibility and change, so the digital transformation of financial sharing requires continuous forward-looking judgment and timely changes to adapt to the development of the digital age. In addition, under the impact of the new technology era, the financial management methods of enterprises are gradually becoming intelligent. In order to establish a complete financial sharing information platform, it is essential to prevent informatization risks. In view of informatization risks, enterprises can prevent risks from the following aspects: First, the application of big data to help enterprises carry out risk management and control, so that enterprises can jump out of the traditional financial analysis framework, look at the risks of enterprises from a new perspective, and put forward early warning; Second, fully assess the status quo of enterprise systems to identify information system risks; Third, fully integrate information systems to minimize technical risks that may occur in the process of application; Fourth, establish and improve the enterprise financial business data management system to solve the problem of numerous data and information island. It should be noted that the information transmission stage is vulnerable to Trojan horse and hacker attacks. The company must attach importance to the application of digital encryption, access restriction and cloud storage and other related technologies, and adopt data encryption processing for the database of financial sharing service center and related information system.

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