

Discussion on the Management Mode of Enterprise Financial Sharing Services

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Abstract: The market competition environment of enterprises is getting stronger and stronger. The main factors affecting the competitiveness of enterprises are how to improve efficiency, reduce costs and increase profits. Financial management is facing a transformation, requiring enterprises to shift from decentralized management to centralized management, from modularization to integration. Therefore, establishing and improving the financial sharing service model has become one of the important ways for enterprises to enhance their competitiveness.

1. Introduction

The times are gradually developing, technology is constantly improving, and artificial forces are gradually being replaced by information technology. Information technology has gradually evolved into a key driving force for social and enterprise development. The financial sharing service model is actually a model developed based on the information technology development environment. Compared with the traditional financial model, the advantages of this model are more obvious, which can help enterprises reduce costs and improve efficiency. This article mainly explores the content of the enterprise financial sharing service model, and strives to find out the problems in time and use the corresponding methods to solve them.

2. Financial shared services overview

Financial shared service (FSS), originally originated in the United States Ford Motor Company in the 1980s. At that time, the outside of Ford was affected by the “stagflation” of the US economy. At the same time, it faced fierce competition for low-cost and low fuel consumption of Japanese automobiles. Internally, it faced the management problem of uneven distribution of corporate behaviors and financial departments [1]. In this dilemma, Ford has strategically adjusted the management model to extend the efficient “pipeline” operation of the production department to the finance department, integrating common, simple, and repetitive, all of the subsidiaries. Standardized services are unified and centralized into one center to implement full sharing services.

In the 21st century, with the further development of information technology, financial sharing services have been adopted by more and more enterprises. ORACLE, the world's largest enterprise software provider, has spent three years building three large regional financial sharing centers around the world, enabling it to be completed in 65 subsidiaries around the world in just a few days. FedEx combines its five large financial centers around the world into one, and establishes a unique financial business model globally, in all of the more than 200 countries covered by the business. Business operations are fully standardized [1]. The advantages of low cost and high efficiency reflected by financial sharing bring great advantages to enterprise competition. Compared with foreign countries, China's corporate financial sharing services started relatively late, but financial sharing services as one of the emerging theories are also being quickly accepted and constantly practiced. However, financial sharing services may not be suitable for each enterprise. The specific implementation still needs to measure the feasibility of each industry and each enterprise's actual situation and environment.

3. The development of financial sharing

3.1 Financial sharing theory development.

On the basis of the theory of division of labor, American economist Marshall further proposed the scale effect. By expanding the scale, enterprises can reduce the fixed costs and comprehensive costs allocated to the unit products. The larger the output, the greater the profit and the higher the production efficiency. The financial sharing center is to focus on the unified business processes of multiple countries and regions through the model of economies of scale [1]. Through the specialized division of labor, the overall utilization of office space and equipment, and the unified integration of the complex and scattered in various business units.

At the request of lean thinking, financial managers need to rethink the financial process and eliminate steps that are not value-creating and can be removed immediately, thereby creating considerable value with optimized management and process models. Flattening is another theoretical basis for supporting financial sharing. Flattening means simplifying the intermediate level of the organizational structure as much as possible, enabling task release, speeding up information transmission, and improving efficiency, thus ensuring that upper-level decision-making and management are performed more quickly and efficiently, making the overall organization flexible and agile [2]. The financial sharing center accelerates the transmission of information in the upstream and downstream or in the same layer through resource sharing, information sharing, and service sharing, and improves the response speed of enterprise managers to information. This undoubtedly plays a role in making the organization as flat as possible.

3.2 Financial sharing practice development.

The development of financial sharing services in practice has gone through two phases. The first phase is the initial phase, with cost savings and scale expansion as its main features. The main form of this stage is the large-scale accounting pipeline operation, and the financial sharing service is also passively concentrated in the low-end service field, and the centralized financial production is used to improve the efficiency of financial sharing. Although this stage achieves cost savings and operational experience, it is fundamentally unable to effectively control the quality of service provided by financial sharing and personnel management within the sharing center [2]. Moreover, the motivation to reduce costs has led to a significant increase in the voluntary turnover rate and involuntary turnover rate of financial personnel, and cannot guarantee the continuation of excellent talents and work experience. The second phase of financial sharing services was improved for the low quality service and high turnover rate caused by over-emphasis on cost reduction in the first phase. The content of this stage is no longer limited to the establishment of a unified and large "accounting factory", but has begun to turn to the "financial consulting center" and "strategic support center", using internal market-based mechanisms to strengthen business quality management, focusing on the training of financial personnel. And the introduction of new IT technology and management technology, making the financial shared service model and the company's overall strategy more closely combined, thus showing a strong vitality and a bright future.

With the rapid development of information technology, the financial sharing model is constantly changing. From the initial physical financial sharing service center, it gradually developed into a virtual financial shared service center, a hybrid financial shared service center and other modes. The entity financial sharing service center needs to centralize the relevant financial personnel located in different locations within the enterprise to one location [3]. At the same time, in order to make the financial shared service center work better, it is necessary to reengineer the financial process.

The virtual financial sharing service center connects the service functions and institutions in different geographical locations through information and communication technologies, and runs electronically and networkedly on the information platform. Each organizational model has its own advantages and disadvantages, and companies need to make choices based on actual conditions.

4. The necessity of establishing financial sharing management

Because of the problems scattered and independent financial management organizations, some enterprises began to find solutions, vigorously promote corporate financial transformation and process reengineering, prevent enterprise risks through centralized financial management, and strengthen supervision of corporate finance [3]. It is in this situation that the organization of the Financial Sharing Center came into being.

Financial sharing service refers to the internal unit members of the enterprise jointly pooling a large number of redundant, low-value-added, large-volume financial work, and set up a special organization-financial sharing center, based on information technology support by financial sharing. The Center provides low-cost, high-efficiency, standardized, and streamlined shared service methods for corporate members [3]. The establishment of the financial sharing center has solved various problems faced by decentralized financial organizations, is conducive to the construction of enterprises, and has played a huge role in the development of financial management of enterprises.

4.1 Controlling costs and improving efficiency.

The Financial Sharing Center is able to handle the financial business of the company in a centralized and efficient manner. Under the circumstances of continuous expansion of the company and increasing business volume, the financial personnel can maintain a relatively stable state. When the company added a subsidiary, the sharing center staff can also quickly deal with the financial work of the new company, eliminating the time and cost of recruiting financial personnel from the new company and improving the operational efficiency of the company [4]. For example, in a company with 50 subsidiaries, each subsidiary needs at least three financial personnel (including financial managers, accountants, and cashiers) before establishing a financial sharing center. This requires a total of more than 150 financial personnel. However, after the establishment of the sharing center, it is expected that 50 people can complete the same workload, and labor costs are saved by nearly 2/3.

4.2 Improve the financial management level of the enterprise.

After the establishment of the financial sharing center, while reducing the cost of the enterprise, the financial management level of the enterprise is further improved. Taking the expense reimbursement process as an example, before implementing the sharing center, the standards of each member company are not uniform, and the implementation scales of different localities are different, which makes the business personnel often question the objectivity and impartiality of the financial, and the employee's satisfaction evaluation of the financial work is low [4]. After implementing the sharing center, on the one hand, there are unified standards, unified interfaces and interfaces to face employee documents, processes and employee questions, which improve the quality of service and financial management; on the other hand, the financial sharing center's business personnel are relatively concentration, the company also saved a lot of training costs when providing relevant training for employees [5]. In addition, the staff of the Financial Sharing Center has long been focused on a certain part of the financial work, and the professional skills related to the personnel are relatively high. The professional division of labor also improves the financial management level of the enterprise.

4.3 Realizing the financial and integrated management of the company's business and improving the core competitiveness of the company.

After implementing the Financial Sharing Center, the financial staff of the member units are freed from the cumbersome non-core business and can concentrate on business analysis and strategic planning. The company's financial staff has more time to go deep into the business reality and realize the integrated management of the company's finance and business [5]. At the same time, after the establishment of the financial sharing center, the sharing center can also provide more accurate and comprehensive financial support for the company's budget management, fund management, and planned operation management. Taking CGN Solar's subsidiaries as an example, after implementing the sharing center, the company's finance department includes a planned operation module, a budget

module, a capital module, and a business finance module. The financial personnel of these modules have an in-depth understanding of the business areas that they provide support. The financial personnel conduct business decisions under the leadership of the corresponding modules. The various strategic and financial management requirements are directly connected to each module [6]. Providing financial support in strategic management has effectively promoted the development of enterprise integration.

4.4 The enterprise can effectively control the member units.

Under the decentralized financial organization, the internal environment and interpersonal relationship of the company will have an impact on the impartiality of the financial personnel. When the policy conflicts with the opinions of the member units, most of the financial personnel will compromise with the member units. After the establishment of the sharing center, the members of the sharing center belonged to the company and belonged to different enterprises, and there was no interest in each other [6]. Moreover, through information technology, each business of the enterprise will be randomly assigned to different financial personnel in the sharing center. The business personnel will no longer be facing fixed financial personnel, thus reducing the possibility of collusion among internal employees. In addition, all the business of the member units is transparent and any business can be accessed through the Financial Sharing Center, which also facilitates the timely discovery and resolution of problems.

5. Suggestions on improving the financial management mode of enterprises

In view of the above problems in the financial management of enterprises, it is not difficult to find that the main reason for this is the lack of centralized management system. With the rapid development and expansion of enterprises in recent years, the past decentralized management model has obviously not adapted to the requirements of flat centralized management. To this end, enterprises should centrally manage major decision-making powers such as strategic decision-making power, investment financing rights, personnel rights, capital dispatching rights, and asset management rights.

5.1 Rationalizing the objectives of the enterprise to build a financial sharing center.

When the enterprise builds a financial sharing center, it needs to be based on the characteristics and requirements of the enterprise itself. In the process of construction, it is necessary to proceed step by step. It is necessary to establish the goals and expectations of the enterprise first, from easy to difficult, and gradually achieve the goal, and not eat into a fat man at a time. Design and plan for the capabilities that the company has [7]. In planning and planning, we estimate the risks and costs, and clarify the short-term and long-term achievable goals, so that the financial shared information center can be fully utilized in the implementation process.

5.2 Optimize the internal process transformation process and improve the continuous improvement capability.

After the company implemented the financial sharing model, the process of financial business operations was integrated and streamlined. As the company expands and progresses, the related business will encounter new challenges, so the company needs to constantly standardize processes and improve processes. The company should pay attention to the process management department, support its communication and communication with other departments, so that the management process department is not isolated, and promote the effective implementation of internal reform programs [7]. At the same time, the financial sharing center should continuously improve the flexibility and timeliness of business operations, strengthen the responsibilities and rights between departments, strengthen operational management capabilities and risk management capabilities, and ensure their continued effectiveness.

5.3 Strengthen personnel management and cultivate financial compound talents.

The lack of talent recruitment and the lack of financial compound talents in the company itself are one of the factors affecting the effective operation of the FSSC. Therefore, the recruitment process should clearly identify the recruitment targets, develop a post-recruitment personnel training plan, familiarize them with the enterprise standardization process in a short period of time, standardize the operational procedures, meet the needs of the FSSC related positions, and conduct initial training for the original financial transformation personnel [8]. Enterprises should regularly train FSSC personnel. The training should not only enhance their professional skills, but also focus on effectively responding to relevant sudden risks and crises [7]. Through the training mechanism, we will cultivate professional and comprehensive high-quality talents of enterprise needs.

5.4 Build and continuously improve the IT system.

When the enterprise IT system is built, IT staff, financial process personnel, and information system personnel should participate in the construction. When the IT system is established, it should be combined with the design of the business process. According to the design of the organizational structure, the business support system establishes the IT platform. When building FSSC, business data and financial data are not only connected, but also interact, forming horizontal and vertical integration [8]. After the establishment of the financial sharing service center, the promotion and application of information technology should be strengthened to make it play a full role. Establish high-integration information and developed communication technologies, strengthen communication and communication in business centers, optimize resources and achieve real financial sharing.

6. Summary

Financial sharing service is a process that utilizes advanced Internet technology and advanced management concepts and methods to effectively improve the management level of enterprises and efficiently allocate, manage and optimize enterprise resources. This management model will continue to improve the level of financial management of the company.

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