

Exploration and Research on the Construction and Implementation of Financial Sharing Center

Li-Hua Xia and Yang Zeyu

Abstract—Financial sharing service is not only a technological revolution, but also a technological change of traditional accounting and financial management mode brought by "Internet +". Taking the financial sharing model as the research object, this paper expounds the goal and effect of establishing financial sharing center. It also summarizes the principles and concrete implementation steps of applying financial sharing model. In order to provide experience reference for enterprises which are building or preparing to build financial sharing service center, and explore the path for the future practice development of Financial Sharing service.

Index Terms—Financial sharing, financial ransition, practical exploration.

I. INTRODUCTION

The technological revolution led by the "Internet +" has brought about great changes in the business mode, and the corresponding request for financial work is to accelerate the realization of financial transformation so as to better satisfy the function of serving the economic development. The essence of financial transformation is also the way to promote management accounting. The difficulty of transformation lies in putting advanced management models or tools into practice so that they can really become the driving factors to promote enterprise management and value promotion. The favorable starting point and entry point of financial transformation can be financial sharing. On the basis of guaranteeing substantial improvement of the efficiency and quality of traditional financial accounting, financial report positions and capital positions at all levels are firstly liberated and transferred to business finance and strategic finance positions. They are engaged in management accounting related work in new posts. They achieve greater results through the support and promotion of business so that management accounting concepts and tools are widely used in enterprises.

II. THE THEORETICAL BASIS OF FINANCIAL SHARING

As for financial sharing, different scholars have different understandings about the concept of Financial Sharing in domestic and foreign research. From the point of view of foreign research, Robert Gunn *et al.* (1993) first put forward the viewpoint of Financial Sharing service. He believed that sharing service is the management idea that companies gain

centralized competitive advantage from decentralized management. The core is to share information, technology and other resources while providing services [1]. Dave Ulrich and Danna Keith (1996) put forward that financial sharing service is a re-combination of independent and dispersed financial activities, and the service provided can be charged from the business center [2]; Barbara E. Quinn (founder of Shared Services Research, 2000) proposed that Shared Services (SSS) is a customer-centered business that designs products according to customers' needs and price requirements, which provides targeted services and creates value based on fee agreements [3]. Schulman, Elizabeth Van Denburgh *et al.* (2002) pointed out that shared services centralized the allocation of decentralized resources, realized the value-added strategy of reducing costs and improving service quality through scale effect, to enhance enterprise value; Andrew Kris (2005) pointed out that managers of operating units should not be distracted by daily problems. Through the establishment of financial sharing center, the core functions of internal control of the company should be maintained to maximize the cost and efficiency. Financial sharing has become a significant potential for enterprises to enhance their competitiveness; Daniel c. Melchior (2007) discussed the concept, responsibilities and functions of financial Shared service. He mainly discussed the location, organizational structure, workflow, cost allocation and other issues of Shared service center [4].

Overall, domestic research started later than foreign research. According to Zhang Gaofeng and Zhang Ying, the concept of "sharing" comes from the fact that business units no longer have separate backgrounds. Through integration, unified backstage service centers are established to reduce costs and increase efficiency and provide services to business units on a paid basis. At the same time, it goes beyond the simple centralized model, which is an important tool for management innovation and organizational innovation of group enterprises and multinational enterprises [5]; Liu Tingyuan pointed out that the Financial Sharing Center is to standardize and centralize the company's capital management, expense reimbursement, account processing, cost accounting and statement processing, so as to form a group-level sharing service; Dong hao and Chen hu believe that financial sharing service is an innovative means of streamlining and standardizing internal processes in an enterprise through the integration of personnel, technology and processes [6]; Zhang Ruijun and others believe that the Financial Sharing Center undertakes the simple, repetitive, common and standardized business of all business units in the whole group. It realizes centralized financial management and accounting, and creates value for enterprises; According to Komin, as an innovative

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means, shared services have the advantages of faster response, more transparent information, low cost, high efficiency, and thus low risk management [7].

Based on the above analysis, it can be concluded that the financial sharing center has the characteristics of service, agreement, scale, unity, professionalism and technicality, which reflects the competitive advantages of scale economy and flat organizational structure. It is the specific application of business process reengineering theory and group control theory in management practice.

III. FINANCIAL SHARING CONSTRUCTION OBJECTIVES

Improve the standardization of accounting and the quality of accounting information. It solves the problems of non-standard accounting and low quality of accounting information caused by the large mobility of financial personnel, large number of branches and business centers, small scale, remote geographical location and small personnel allocation. It can meet the increasing requirements of supervision and information disclosure and help listed companies to realize cloud audit, big data tax, etc. To meet the increasing requirements of supervision and information disclosure will help listed companies to achieve cloud audit, big data tax, etc. With the help of financial sharing to promote the effective implementation of enterprise internal control, compliance management, improve the quality of accounting information, so as to make the financial work more standardized and orderly [8].

Improve the efficiency of financial information generation and transmission. Integrate the business system with the financial system, get through the current independent financial systems such as capital, accounting, budget, statements and other financial systems and the fragmented circulation links of the group, realize the integration of business and finance. Financial personnel can participate in the business negotiations and directly conduct tax planning, which is conducive to the improvement of the status of financial personnel. Highly integrated information can solve the problem of distortion and inefficiency in the process of transferring business information to finance and the internal transmission of financial information [9]. To meet the regulatory agencies and group management decisions on the timeliness and accuracy of information requirements. Business models quickly adapt to the financial needs of technological change.

Promote the transformation of financial management and support the transformation and development of enterprises. With the promotion of the strategy of the 13th Five-Year Plan, the business form becomes richer and changes rapidly. The business subjects and products will become more fragmented and personalized. With the help of financial sharing, low cost and high quality can meet this demand and solve the bottleneck that affects the development of the group and enterprises at all levels. At the same time, through financial sharing to promote financial transformation, greatly reduce the cost of financial activities. Promote the rapid development of management accounting, so that financial personnel really become a good business partner, the creator of enterprise

value [10].

IV. KEY STEPS OF FINANCIAL SHARING CONSTRUCTION

In the process of financial sharing construction, planning scheme is very important, which goes through the process from scheme to blueprint and then concrete implementation to detail drawing. [11] Taking the establishment of financial Shared service center of the group as an example, it can be divided into the following five steps.

Step 1: The financial department conducts a feasibility study on the establishment of a financial sharing center. The group directors' meeting approved the plan of establishing the group financial sharing center. According to the bidding result, choose one or more software suppliers and implementers such as ufile.

Step 2: The implementation of the business team to enter the work, the enterprise project team and the implementation team to carry out business research and program research. According to the business and human resources situation of the group company, it took about two months to complete the project blueprint design, and communicated with the subsidiary company to revise repeatedly in the process.

Step 3: The enterprise project team, software developer and implementation team shall complete the design of the project implementation plan and submit it to the software developer's product development team for product development. The final product development of financial sharing determined by the implementation plan shall be completed in about two months.

Step 4: The implementation team and the enterprise test the products, and communicate with the subsidiaries about the products. The project teams of both parties shall determine the accounting system, process and control system, business system interface and on-line arrangement, etc. After confirmation, business unit test, whole process test and so on are carried out on the products one by one.

Step 5: Several batches of subsidiaries at all levels are organized to go online. The representative subsidiaries that can be controlled by personnel and difficult to do business can be selected to go online first, which can play a demonstration role and continue to optimize on the basis of previous tests. With the demonstration center, other subsidiaries will take active actions to go online. Within one year, all the subsidiaries and departments at all levels of the group will be officially launched and the system switching will be completed. The good operation will ensure the orderly progress of financial transformation of the group.

V. FUNCTIONS AND EFFECTS OF FINANCIAL SHARING CONSTRUCTION

Promote the standardization and effective control of business processing through financial sharing. On the basis of business sorting, realize digital business and achieve effective control through standardized process. From the initial planning of the financial center, the financial department and the implementation team went deep into the subsidiaries at all levels, communicated with them repeatedly, carefully sorted

out all kinds of businesses of the company. Sorted out, changed, optimized and partially unified the business processes, confirmed the processing processes and approval flows of some important businesses, and determined the implementation plans [12].

On the basis of sorting out the business, we realized the formalization of business, and designed all kinds of businesses of the group into multiple categories and several documents. Including general documents and special business documents of individual units. These documents cover all businesses of companies at all levels, and can be invoked by different departments and persons responsible for different positions through the personalized interface.

By simply and intuitively linking up business and finance through revenue and expenditure items, it is the business type corresponding to documents for business personnel, and for finance, all accounting subjects follow different accounting rules and corresponding accounting vouchers, such as travel expenses reimbursement, management departments, sales departments, R&D departments, etc. After input by personnel of different departments, the system will be based on personnel files. Automatic identification of which department personnel, through the "accounting subjects + accounting rules" to generate the corresponding accounting vouchers [13].

Documents according to the different departments, units, project, amount and combination of payments, set up a number of workflow, including from the business start to the final vouchers, statements (group unified weekly, monthly, quarterly, annual reports, and subsidiary character table). For each business and different approval authority set up a number of approval flow, to achieve the form process. The business process, examination and approval flow, accounting rules, vouchers and documents tracking and joint inspection, budget control, business coordination, current verification and cancellation, capital settlement, report generation and system interface of all documents are automatically controlled by the system to realize process informatization. Sharing content is comprehensive, information system is integrated, accounting business is fully covered, and "five integrations" are realized, that is, the integration of accounts, accounting funds, accounting and budgeting, settlement and budgeting, and financial integration, which lay the foundation for financial transformation.

Sharing platform and outstanding service functions of the center, each detail of the platform is personalized design with customers and business as the center. The sharing center provides member enterprises and businesses with high-level services based on the standard of treating customers.

More effective group management and control. Through the standardization and automation of the platform itself, enterprise management and control requirements are integrated into the business process, and internal control gradually becomes the daily work of every employee and becomes a habit. Rapid response and more sufficient authorization. Financial sharing mode and platform can respond to the change of member enterprises' business mode quickly and flexibly, and can realize full authorization to subordinate enterprises, so that they can participate in market competition more flexibly (As shown in Fig. 1).

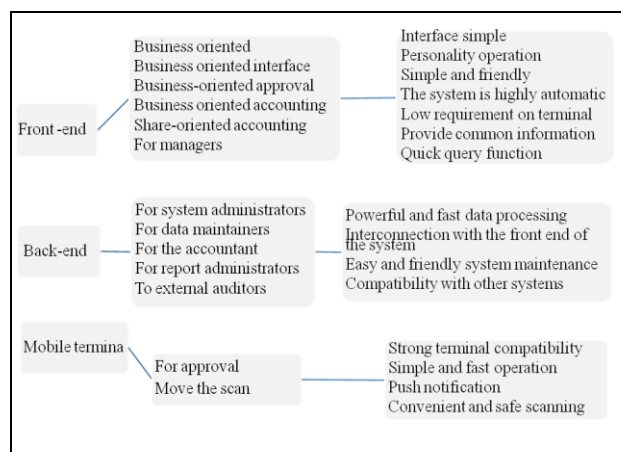


Fig. 1. Multi-terminal application synchronization.

Case company CITS group financial sharing effect. Improve the efficiency of business and financial work. Business online processing, flexible work flow and automatic control; SMS reminder, process tracking; Fine division of labor, factory operation; Performance Kanban and piecemeal assessment; Real-time reports, one-key merge.

Improve the quality of financial information. Cross-organizational work mode, integration of accounting resources, to ensure the overall level of business; Sunshine ledger, distribution order random, transparent operation; Specialization; Break through the traditional accounting stages, intermittent monitoring to continuous monitoring.

Reduce labor, operation and maintenance costs. Reduce the number of financial and accounting personnel and institutional settings; Sharing personnel professional requirements are not high, reduce financial costs; The turnover of accounting personnel and the training base for senior financial personnel have significantly reduced the operation and maintenance costs of several previous systems.

Promote the transformation of financial management, promote the separation of financial accounting and management accounting, and highlight the function of accounting in value creation; Promote the reform of financial organization, break through the traditional financial organization boundary and management level, professional operation and all-round coordination; Center of gravity from cost center to profit center.

Improve management and control to support business transformation and expansion. Industry and finance integration, system integration, automatic control, real-time early warning, rapid diagnosis and sunshine ledger reduce information asymmetry. Significantly improve group management and control, more effective authorization; Finance is more flexible to adapt to business development and business model change.

VI. CONCLUSION

According to the needs of management and the characteristics of business processes, enterprises establish corresponding financial sharing platform. Promote the standardization and effective control of business processing through financial sharing. It can be compatible with the interconnection of different internal and external business

systems, two-way business and information flow, and can provide an open space for future accounting crowd-sourcing and other business innovations.

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