

Research on the Construction of Financial Shared Service Center

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ABSTRACT. Financial Shared Service Center model is a kind of reform and innovation of financial management model, which promotes the integration of enterprise financial business, standardization of financial processing process, improvement of efficiency and reduction of cost. It has the advantages of strengthening group management and control, standardizing accounting, and preventing financial risks. At the same time, in the process of constructing the Financial Shared Service Center, the enterprise group should mainly consider the location, the selection of centralized processing business, process design, technical support and other issues; in the specific implementation process, we should emancipate our mind, seek truth from facts, adapt to local conditions, fully learn from advanced experience, break through the inherent barriers, and walk out a path suitable for self-development of Financial Shared Service Center construction, so as to ensure the sustainable development of enterprises.

1. Introduction

The division of labor improves labor productivity, and Financial Shared Service Center is the application of specialized division of labor in financial management of enterprise groups. In this era of highly developed Internet, through the establishment of a Financial Shared Service Center based on the network, the collaborative effect of all levels of enterprise groups can be brought into play, and the efficiency of enterprise financial management can be improved. This mode also promotes the re-creation of business processes and the change of financial organization structure, and provides more powerful support and guarantee for the business development of enterprise groups.

2. Overview of Financial Shared Service Center

Financial Shared Service Center is the latest application of enterprise centralized management mode in financial management. Its purpose is to solve the problems of repeated investment and low efficiency in the construction of financial functions of large group companies through an effective operation mode. Financial Shared Service Center originated from a very simple idea: to centralize some transactional functions of all branches of the group, so as to achieve scale effect and reduce operating costs. It is to take the accounting business of entities in different locations to a Shared Service Center for bookkeeping and reporting. The advantage of this is to ensure that the accounting records and reports are standardized and structured in a unified way, and because there is no need to set up accounting in every company and office, the efficiency is improved and the cost is reduced.

The construction of Financial Shared Service Center is conducive to the integration of financial work and daily business. The Financial Shared Service Center, supported by information technology means, realizes the organic integration of business activities and financial activities, urges enterprises to incorporate the requirements of management accounting information into the information planning, and promotes large enterprises and enterprise groups to make full use of the specialized division of labor and the advantages of information technology. Through the integration of financial business, when business events occur, the business event processor is based on the business and information processing rules centralize all business related data of an enterprise into a logical data warehouse, which stores the data of financial and non-financial systems to the greatest extent, and all kinds of "authorized" personnel within the enterprise can automatically output the required information through reporting tools. The data warehouse is enough to support the

requirements of all information users, avoid the incomplete and repeated data, maximize the enterprise wide data sharing, and simplify the process. Business data are "stored in the same door", which can not only eliminate data and information redundancy, generate diversified information including financial information, support cross organization financial information exchange, but also enable enterprise decision makers to obtain more and higher quality real-time financial and business information, avoiding one-sided decision-making.

The construction of Financial Shared Service Center is conducive to promoting the standardization of financial processing process. Chen Xiaoyan [1] thinks that the main business model of Chinese enterprises is still that the top management of the group issues instructions and then distributes them to the grass-roots level for work. The single information communication mode, inadequate supervision and long communication chain lead to the deviation of the implementation of the upper level policy when it is issued, which is not conducive to the development of enterprises towards standardization and reduces the financial control ability of the headquarters. After the completion of the Financial Shared Center, the work tasks among members and units are assigned to the service center by different businesses and processes, and then reviewed and bookkept by the service center in a unified way, which makes the businesses of member units more transparent to the group headquarters, so as to promote the group enterprises to improve the management and control ability of the headquarters and strengthen the control of financial fraud risk. The task of grass-roots units is directly issued by the group headquarters to strengthen the standardization process of enterprises.

Through the Financial Shared Service Center, some standardized operations in enterprise finance are changed into processes, just like the assembly line, each person is responsible for one aspect. Financial Shared Service Center can help enterprises to establish such a standardized process to meet the financial internal control management requirements, and also make the business of enterprises not affected by the change of personnel positions. The professional standard process accounting is more conducive to the use of advanced IT technology to confirm, collect and process information. More automatic, more intelligent, reduce the workload of business personnel information entry, using a friendly human-computer interface, effectively solve the front-end business personnel requirements for financial knowledge. In particular, the financial system, control standards, budget, management requirements, etc. are embedded in the process to reduce the audit waiting time of each link, or even reduce some links that are no longer needed. Truly serve the business people and improve the process efficiency.

The construction of Financial Shared Service Center is conducive to promoting the efficiency of enterprise financial processing. Adopt the same standard operation process for all subsidiaries, abolish redundant steps and processes, Financial Shared Service Center has all financial data of related subsidiaries, data summary and analysis are no longer time-consuming and laborious, and it is easier to integrate data across regions and departments. In one aspect, the professionals are relatively concentrated, the company is easy to provide relevant training, the training cost is also greatly saved, the recruitment of senior professionals has become affordable, the overall professional skills of the personnel in the shared service center are higher, and the services provided are more professional. In addition, the mode of shared service center also makes the standardization and update of IT system faster, easier to use and more economical.

3. The main problems of Constructing Financial Shared Service Center in Enterprise Group

Firstly, site selection. The location of Financial Shared Service Center can be inspected from two aspects: urban environmental factors and internal factors of the company. Under the urban environmental factors, it can focus on three aspects: human resources, infrastructure construction and economic environment. In terms of human resources, it is necessary to investigate the professional skills, education level, mobility and human cost of local talents. In terms of infrastructure construction and economic environment, it is necessary to investigate the property price, natural environment, communication cost and policy preference. If the location cannot be

combined with the enterprise's own situation, it may bring various problems, such as the lack of talents, the increase of cost, the lack of basic guarantee, etc.

Song Chenglei [2] found that from the perspective of the characteristics of traditional location selection of Financial Shared in China, most of them are located in Beijing, Shanghai and Guangzhou. However, with the accelerated economic development of inland cities in central and Western China, coupled with their advantages in infrastructure, human resources, operating costs and political environment, the shared service industry cluster in central and Western China has shown a pattern of "coordinated development around the central city", so as to achieve a common goal service sharing forms a hierarchical, connected and integrated industrial chain. In the future, it will create a more powerful ability cluster area to undertake large amount of high-end shared service projects. Chengdu, Wuhan, Zhengzhou, Xi'an and other cities in the Midwest will become the first choice.

Secondly, the choice of centralized processing business. A large number of repetitive businesses, such as the posting of expense reimbursement vouchers, asset depreciation vouchers, fund payment vouchers, production receipt / issue vouchers, etc., are often characterized by large quantity and high repeatability. Business with certain process: for example, expense reimbursement has typical process characteristics from business processing to financial processing. Due to the process planning, participants in each business can clearly understand what business processing should be completed in the corresponding process. Taking the above characteristics as the business evaluation criteria, and taking them as the evaluation system, according to the characteristics of different businesses, specific enterprises can consider which businesses are suitable to be included in the scope of shared services or which steps are suitable to be included in the scope of shared services in stages.

Thirdly, process design. The core of financial sharing is the standardization of process. In the early stage of planning, we should go deep into the production line, sort out all business processes in detail, re-create and re-optimize business processes, form a standard business process system, and develop a unified financial accounting system, so as to play the positive role of the Financial Shared Service Center and improve the financial department management ability and service level. Business process reengineering must be guaranteed by a new organizational structure. The organizational structure design should meet the needs of enterprise business processing. Due to the characteristics of FSSC serving the whole group, it is bound to break the horizontal and vertical barriers of the original organizational structure and make it become the group's financial processing center, data distribution center and decision support center.

From a horizontal perspective, the standard of process transformation must be through process sorting to get through the end-to-end process from business to finance. Through standardization, each company or each business segment has no difference. Business and finance should be integrated, and business elements and information should be fed back to the financial results in a timely manner. At the same time, financial support and supervision of business can be fed back better in the process. Come out. In this process, the larger the same component, the better the scale effect of sharing. From the vertical point of view, the process carding actually needs to drive the whole organization. That is to say, after the establishment of the Financial Shared Service Center, which authorities are placed in the headquarters, which are placed in the business unit, which are placed in the terminal, and it is standardized and solidified through the process.

Li Juan [3] thinks that enterprises need to refine the specific service objectives and responsibility system, and on this basis, divide the process and define the responsibilities of departments, consider the resources and levels of enterprises, and determine the specific organizational structure. First of all, in the early stage of the construction of the Financial Shared Service Center, the function analysis is carried out according to its positioning. If the positioning is service-oriented, its function is mainly the management of accounting, funds and vouchers. Secondly, with the implementation of the Financial Shared Service Center, the function and mode of the Financial Shared Service Center may be optimized due to the market development and management, resulting in the demand for changes in the organizational structure. At this time, it is necessary to regularly evaluate the

responsibilities of the departments and positions of the financial sharing service center, establish a long-term mechanism, and form an evaluation report and tracking mechanism. Finally, the focus of daily work is the separation of incompatible positions and the authority management of information system management positions.

Fourth, technical support. Zhang Yafeng et al. [4] believed that information technology is the basis for the successful implementation of financial shared services, and that after the completion of the Financial Shared Center, it will be a streamlined financial accounting model. The financial personnel are allocated according to the business chain rather than the financial chain, and the prerequisite of the assembly line operation is not the personnel but the conveyor belt, which is a tool to make it move. Therefore, the establishment of Financial Shared Service Center needs information system as support to realize the synchronization of business flow, real logistics and value flow. In the process of technical proposal formulation, the interface between the sharing platform and the existing systems inside and outside the enterprise as well as the future scalability should be fully considered. At the same time, full consideration should be given to the future business expansion, for example, the business scope of shared services may be expanded in the future, and the scope of service customers may also be expanded. In order to provide services for external customers, it is necessary to reserve corresponding extension interfaces at the beginning of system construction.

Xu Hanyou et al. [5] believed that under the premise of improving the level of information technology, enterprises should build their own internal risk management system according to the possible risks faced by the Financial Shared Service Center. The risk management system should not only promote the construction and improvement of the Financial Shared Service Center, coordinate all departments to resist financial risks together, but also provide the implementation ideas, principles and paths of risk management for enterprises from the perspective of the overall risk management of enterprises, so that the financial sharing service center can better serve the strategic objectives of enterprise risk management.

4. Conclusion

Some enterprises prefer to carry out Financial Shared Service Center in the way of "pilot", and only complete the construction of Financial Shared Service Center based on the current needs. Although a good business support has been formed in the short term, due to the lack of comprehensive top-level design, the planning of the future Financial Shared Service Center is not clear, resulting in its little contribution to the realization of enterprise value. In fact, Financial Shared Service is a "top-down" change, which advocates the concept of the whole process, the whole business and the whole collection. In the specific implementation stage, based on the current business situation, the implementation mode of sub process sharing or sub regional sharing can be implemented. However, if we adopt the idea of "bottom-up" from small-scale sharing to headquarters, it will violate the original intention of Financial Shared Services, and ultimately play a counterproductive role.

Financial Shared Service Center is the transformation and innovation of operation management mode promoted by information network technology. It is a new type of enterprise financial management mode that large group enterprises at home and abroad are competing to explore and practice. For traditional financial management, it is a historic change, and has milestone significance in the process of enterprise management transformation and upgrading.

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