

## **Analysis of Financial Management Reform in Value Chain Management**

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**Abstract:** With the rapid development of the market economy, enterprises are faced with a variety of risks and challenges at any time, the value chain management model and the relationship between enterprise financial management is very close, complement each other, business managers can be based on value chain theory to carry out financial management work, so that the production and operation of the development plan and customer and market demand to match and develop a suitable for the development of enterprises at this stage of the work program, breaking the bottleneck of enterprise development and achieve the objectives of enterprise development. This article will be through the value analysis on the current situation of enterprise financial management in chain management mode. Value chain management model to achieve value-added and preservation of enterprises as the goal, the introduction of value chain management, enterprises should be based on changes in the times to customers and the needs of the market as the basis, optimize the financial management model to improve the competitiveness of enterprises.

### **Theoretical Introduction of Value Chain Management**

Value chain refers to the enterprise in the production, marketing, finance, human resources and a series of activities. The value chain management model is a complete series of all activities in the value chain, and will be adjusted according to the actual situation of the company, management, and then through the production, sale, operation and a series of auxiliary means to complete the management. In the integrated management model of the value chain management model, each firm cooperates with each other to combine the different market conditions that each enterprise has in a partnership to maximize the use of external resources with its own factors, enhance the rational utilization of resources. Value chain management model can make the enterprise's own value to be fully utilized, improve the economic efficiency of enterprises.

Value chain management model is the value chain in the financing, procurement, production, sales, management and other links, all sectors of a reasonable organic combination, to achieve various departments, all aspects of effective combination, coordination, mutual cooperation to a certain extent, The production of enterprises, operating into the wood, improve the production efficiency of enterprises to ensure that the maximization of the realization of the enterprise. Value chain exists within the enterprise, there are different enterprises, between different industries, it can be said that each enterprise in the value chain of different positions, the competition between enterprises in the final analysis is the value chain competition <sup>[1]</sup>.

The role of the value chain in the process of business is mainly reflected in the overall competitiveness of the value chain, rather than just reflected a small, single aspect of competition. Value chain to strengthen internal and external collaboration and cooperation is also conducive to the realization of economic market resources sharing, a clear business positioning in the market. Enterprise management program for enterprises to develop a more scientific, reasonable, simple and effective development of the value chain management model, not only conducive to enhancing the business capacity to promote business restructuring and optimization, but also in the enterprise to strengthen the implementation of enterprises and enterprises, cooperation between the market and cooperation to achieve a horizontal integration of business management.

### **Important Role of Value Chain Management Mode**

For the traditional way of enterprise financial management, under normal circumstances, through the calculation of human resources to simply calculate the financial management of enterprises, and in the value chain management model, the management of corporate finance is to rely on the enterprise value chain direction of the company's financial Regulation, so that the financial management of enterprises more systematic, structured, and can strengthen the management of financial management. In this trend of liquidity in the value chain, make financial management more transparent, it is easy to supervise the financial management and management, thereby reducing the relevant departments of the supervisory staff, reducing a lot of manpower and material resources <sup>[2]</sup>.

On the other hand, the value chain management mode of financial management, with real-time characteristics, the enterprise funds, information flow real-time monitoring, reducing a lot of manpower and material resources. Compared with the traditional financial management methods, the value chain management model is more able to promote the development of the enterprise than the traditional management mode, but also can promote the enthusiasm of all the staff work, in a good way to better put into work to go. In the enterprise chain management model, the various departments can be well coordinated together, so that a good match, in the various departments together, the value chain management model can play the greatest value. Therefore, we should take into account the value chain processes, through this value chain management model will greatly stimulate the enthusiasm of the staff, which will improve the efficiency of the work.

In the traditional process of enterprise management, the enterprise is usually the operation and financial management of the separate operation, but now if the business process and financial management can be combined, then it will further promote the development of enterprises in the financial costs reduce, but also a very good financial management. Enterprise value maximizes the value of the enterprise, usually refers to the total market value of the total assets of the enterprise, rather than simply referring to the total value of the assets of the enterprise, maximizing the value of the business taking into account the value of the business cycle and risk, make right choice of investment projects to catch up with the long-term development of enterprises and social wealth growth. So that the value chain in the supervision and management control process, so that the financial better operation. In sum up, the value chain management model can greatly reduce the operating costs of enterprises, so that work efficiency is improved in the future development, enhance their own strength to achieve the rapid development of enterprises <sup>[3]</sup>.

### **Principles of Financial Management in Value Chain Management**

It is necessary to establish a scientific and reasonable value chain management program, which can not only promote the change of accounting information business process, but also promote the optimization of the management system with accounting information system as the core, so as to further improve the value of the enterprise, the promotion of enterprises and industries of long-term, stable and sustainable development. The financial control value chain is mainly through the collection, storage and processing of financial information, promote the orderly and efficient operation of enterprises, achieve social and economic benefits maximize, financial control needs to apply information technology and network technology <sup>[4]</sup>.

The financial management in the value chain management mode should grasp the elements of value chain system, and systematically and comprehensively plan and optimize it, not only in the allocation and management of funds. It can be seen that the direction of enterprise development depends largely on the value chain management mode of financial management development direction. The principle of systematization is the financial principle for the purpose of overall satisfaction, taking the main business activities as the core, not only will bring economic benefits into the enterprise, but also increase the customer value, and in the daily financial management of the enterprise value chain management theory and Method under the guidance of improving customer value has become the goal of strengthening the business development strategy. Fig.1

shows the financial management principles.

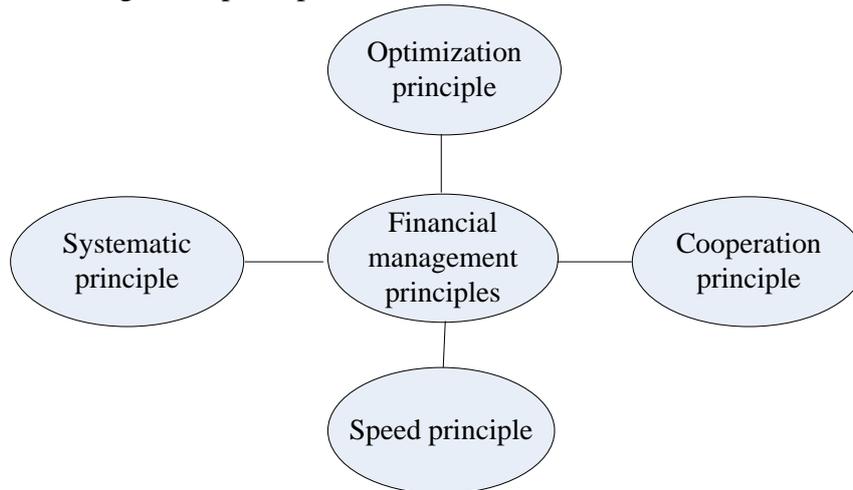


Fig. 1.The financial management principles

The speed principle is mainly embodied in the time value of the enterprise. The speed principle in the value chain management mode is that the enterprise can improve the adaptability of the customers by transforming the business process. The timely delivery of the product or service can be faster and better meet the market and customer needs, and thus increase the competitive advantage of enterprises in the shopping malls in the value chain management model, the effective use of time can improve the quality of service to improve customer value. Value chain management mode of financial management principles of cooperation aimed at balance and coordination in the value chain management model of their own resources and capacity is limited, the need for cooperation with external resources to re-allocation of resources, and enterprises to bear and resist risks, Share the benefits to adapt to economic and social changes.

### Measures to Improve Financial Management

Financial budget is the key project and link before the financial management, in the value chain management, the enterprise must innovate the financial budget, first, through the value chain management, the enterprise financial related process innovation and reorganization, reform the budget preparation method; enterprise should introduce an external value chain and broaden the horizons of budgetary development. Thirdly, it will strictly manage the working capital of enterprises and promote the decision-making of enterprise decision-making <sup>[5]</sup>. Fig.2 shows the measures to improve financial management.



Fig. 2.The measures to improve financial management

Financial analysis includes a number of analyzes of financial statements, corporate cash, corporate investment and corporate finance, and dynamic management of firm costs through internal value chains and external value chains. The financial staff must make reasonable use of the value information, compare and analyze the relevant links of the value chain, use the relevant information, analyze the service value and the value of the enterprise, and then establish the

strategic decision to realize the maximization of the enterprise value. At the same time, but also require the moral quality of the staff, so that ensure employees do not appear to violate professional ethics.

Financial control to use the network platform for enterprises to improve the financial information collection and processing efficiency, the financial and processing information, sales information and production information effectively combined to fully grasp and control the relevant information through the dynamic analysis of the enterprise, the economic budget and operational quality for effective control. Enterprises to implement the value chain management model, the need for financial staff with the relevant professional quality, not only requires financial graduates and finance and economics, but also have a good basic knowledge and other professional knowledge. Enterprises should regularly organize training activities, training staff, and improve staff's office ability and professional level, exercise staff hands-on ability and actual combat experience.

## **Conclusions**

With the development of social economy, Chinese management reform in the continuous reform and development of modern enterprises to follow the principles and principles of enterprise management reform. More and more enterprises attach importance to the value chain management model, ensure the healthy operation of enterprises to help enterprises in a competitive environment, to maintain a good operation and production, achieve maximum value for the stability of enterprises and long-term development to provide an important guarantee. Through the value chain management model to run the enterprise, the enterprise's financial management efficiency can be greatly improved, while saving production costs, which will play a very important role in the development of enterprises. Through this research, we can get the experience of the enterprise's value chain management model, so that we can combine the management objectives of the value chain and the financial management objectives to improve the vitality of the enterprise.

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