

## **Transformation from Financial Accounting to Management Accounting under the Background of Big Data**

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**Abstract:** With further popularization of digital information technology in social life, it occupies an important position in people's lives. Financial department in enterprise can transform from financial accounting to management accounting with the use of digital information technology and promote improvement of financial management. This paper mainly explores ways for enterprise to transform financial accounting into management accounting.

Financial management occupies an important position in business management. The level of financial management will affect the future development of enterprise to a certain extent. At present, big data technology has made great progress. The application of big data technology in financial management of enterprise can not only facilitate financial work, but also improve the overall level of financial management. In order to improve their core competitiveness in the market, companies need to pay more attention to management of financial accounting and adopt scientific and technological methods to gradually transform financial accounting into management accounting.

### **1. Differences between financial accounting and management accounting**

#### **1.1 Differences in their characteristics and carriers**

The financial accounting will provide financial information to stakeholders of enterprise at a certain time that contains the same financial statements. The type of financial reports is unified, which can improve the efficiency of financial accounting significantly and is also a basic feature of financial accounting <sup>[1]</sup>. However, some financial information provided by management accounting to stakeholders of enterprise is to fulfill some special requirements within enterprise. There are certain differences in the format, and financial information will be changed according to different needs. The internal report with different format is the actual carrier of financial information, and the type of financial reports is not unified.

#### **1.2 Differences in work priorities**

According to relevant financial statements, accountant will inform external economic stakeholders of the situation of enterprise, that is, the focus of financial accounting is to transmit financial report information to the external. And management accounting mainly analyzes the problems in the process of business management, and puts forward some suggestions for management personnel to reference, so that management personnel have financial data support when making decisions, that is, the focus of management accounting is to improve deficiencies, and provide information reference for the long-term development of financial management.

#### **1.3 Differences in timeliness**

Financial accounting can fully meet the timeliness of information data, scientifically feed back the past business situation of enterprise to management personnel, so that the past capital income and expenditure of enterprise can be clearly reflected, and enterprise can confirm whether there is unreasonable situation of capital income and expenditure. While management accounting can analyze the past and present capital expenditure and income of enterprise according to financial information, and plan for the future capital, so that the validity of prediction information of financial department can be fully reflected.

## **2. Specific reasons for transformation from financial accounting to management accounting**

### **2.1 Having no ability for financial accounting to deal with processing of big data well**

With the application of big data technology in various enterprises, the internal financial data of enterprise will change with the change of big data technology, and financial data information of enterprises will continue to increase. However, in the past, financial accounting was only processing data, so it was difficult to calmly face the increasing big data information<sup>[2]</sup>. When financial personnel of enterprise implement the corresponding data processing, they can effectively integrate and analyze a large number of financial data with the help of relevant channels or tools, and screen out the corresponding financial information according to the needs, so that economy of enterprise can be better developed. In the past, financial accounting can't sort out relevant effective information in time according to the needs, which leads to low efficiency; while management accounting can effectively use big data technology to sort out financial data information, which guarantees the integrity of financial data information..

### **2.2 The development trend of modern computer technology**

Nowadays, computer technology has been popularized in people's work and life. It creates many conveniences for the development of enterprise, and also improves the management level of enterprise. The effective application of computer technology in financial accounting can further enhance the ability of financial information processing, and improve the efficiency and quality of financial work<sup>[3]</sup>. In daily work, financial accountant can use computer technology scientifically and reasonably, which can solve artificial low-level errors. As a result, the level of financial data processing has been significantly improved.

### **2.3 Better for business development**

Nowadays, the development of enterprise should not be limited to domestic market. Capable enterprises can actively explore foreign markets. The development of foreign markets requires a sufficient number of management and accounting personnel. Enterprises in western developed countries will be more equipped with management and accounting personnel. The number ratio between management accounting personnel and financial accounting personnel in enterprises in western developed countries is 9: 1. but in China it is exactly the opposite. Therefore, Chinese enterprises need to establish a scientific management accounting system according to their own development<sup>[4]</sup>. In addition, in recent years, the market in China has changed significantly. More and more enterprises have begun to pay attention to refined management, and management accounting can effectively support the implementation of refined management. Therefore, management accounting is conducive to the development of enterprises.

## **3. Specific strategies for transformation from financial accounting to management accounting**

### **3.1 To make sure all employees agree to the transformation**

Enterprise managers need to clearly understand the significance of transition from financial accounting to management accounting, and guide each employee in the enterprise to understand differences between them and to understand the specific role of management accounting<sup>[5]</sup>. When preparing for the implementation of transformation, leaders need to require heads of departments to coordinate their internal thoughts. Enterprise leaders can use data information reporting and data submission to reserve time for thought conversion for each department, so that all departments can finally recognize to transform. At the same time, when stimulating enthusiasm of accountant, leaders need to refer to the experience of other successful companies, and then adjust salary standards of accountant according to their own conditions. Through a reasonable salary system, it ensures that accountant can actively participate in the transformation.

### **3.2 To further improve financial system of enterprise**

Enterprise leaders need to further improve financial system on the basis of accounting management. They need to establish a relatively perfect financial work objective, work task and workflow system. So enterprise gradually transforms management mode of financial accounting that used to be only dealing with goods and currency information to financial working mode of collection, sorting and analysis within enterprise of external data. At the same time, leaders need to gradually form a good thinking for management accounting, and effectively apply management thinking in the work of audit department, so that financial audit can better carry out internal control to reduce incidence of financial risk to the greatest extent. Enterprise managers can form a regular summary and evaluation mode internally, define the time required for transformation of financial accounting to management accounting, and supervise relevant personnel to complete transformation within the specified time <sup>[6]</sup>. Finally, leaders can create a reasonable incentive system to effectively motivate the personnel of financial department of enterprise, so that the personnel of financial department can accept the reality of transformation in a short time, and actively participate in the work of financial transformation.

### **3.3 To strengthen training of financial personnel**

HR can invite experts in management accounting to train the personnel of financial department. In the early stage of training, HR can develop a questionnaire, and then distribute the questionnaire to financial personnel. The key contents of training can be summarized through recycling analysis of the questionnaire, and experts can answer questions of employees as much as possible at the training meeting. At the same time, leaders can also actively encourage financial personnel to have internal discussion, and each employee can put forward the problems they encounter in the transformation and share experience of solving the problems through internal discussion, so that each employee can learn more ways to solve problems. Finally, leaders need to make a scientific and reasonable assessment plan according to learning results of department to observe whether personnel of each position can learn and apply the training knowledge, whether each employee is competent for the job. Leaders will incorporate assessment results into salary calculation standards of employees, so that employees can actively learn the knowledge of management accounting and are more competent to their jobs <sup>[7]</sup>.

### **3.4 To share finance among departments**

Enterprise leaders need to analyze financial budget effectively, which is closely related to the work of each department. They can create an unimpeded communication system within enterprise. And they require heads of all departments to hold regular meetings with other departments to ensure that the business communication of all departments is effectively enhanced, so as to fully grasp the capital flow of enterprise and ensure that the financial department can adjust the use of capital according to the development of enterprise <sup>[8]</sup>. Finally, they need to establish an appropriate supervision mechanism within enterprise, and assign personnel to supervise and manage the work of financial department, so that the quality of financial management can be effectively guaranteed.

## **4. Conclusion**

Under the background of big data, transformation from financial accounting to management accounting is a general trend, and management accounting can guarantee the development of enterprises to a certain extent. Enterprise leaders need to ensure that employees agree to transform during the transformation, improve financial system, strengthen training of relevant personnel, and build a financial sharing system, so that financial accounting can be successfully transformed into management accounting. Consequently, the level of financial management of enterprise can be constantly improved.

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