Research on Financial Process Reengineering Based on Financial Shared Service Center

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Abstract: Under the trend of cloud computing, big data, and digital transformation of enterprises, financial sharing, as the entry point of “Internet + Finance”, has become an important means to stimulate the integration of finance and taxation, promote enterprises to apply the cloud-based services, and establish financial big data. The era of "new finance, big sharing" is coming. In this context, this paper combines the process reengineering and process optimization theory, analyzes and studies the basic work, core procedures and methods of process reengineering under the financial sharing mode, and puts forward requirements of the standardization of process reengineering.

1. Introduction

In recent years, along with the ever-expanding enterprise scale and the ever-expanding industrial chain, financial processes have become more complex and financial risks have intensified. Therefore, how to reduce the financial management cost of the enterprise, and ensure the quality of the financial department's service, has attracted the attention of enterprises. In order to meet the needs of the survival and development of enterprises, an emerging financial management method, namely financial sharing services, has been welcomed by many enterprises. Utilize advanced business process reorganization ideas, transform existing business and financial accounting processes, and achieve deep and comprehensive financial business process integration, which will improve the efficiency of business management, enhance the ability to withstand risks, and develop enterprise value creation. Capacity and competitiveness are of great significance.

2. The Significance of the Rise of Financial Sharing Services

The financial sharing service was proposed in the United States in the 1990s. It has reached a relatively mature stage of development abroad, and a financial sharing service model adapted to its own development has gradually formed in China. Financial sharing services are based on the rise and application of new technologies such as cloud computing, big data, electronic invoicing and artificial intelligence, and put a large number of repetitive, regular, standardized accounting processing and trading services into a special Independent, centralized business processing in the service organization.

Financial sharing helps to realize the transformation of financial functions from accounting to enterprise value creation by reengineering financial organizations and business processes, which is a powerful support for improving financial management efficiency and enterprise development. The realization of the financial sharing service model is to promote the transformation of finance from accounting to management accounting, and then to the digital transformation of the entire enterprise; second, to promote the integration of business and finance, accelerate the penetration of finance into business, and realize the integration of industry finance and taxation; Flexibility and flattening, achieving both management and service, centralized and decentralized incentives; Fourth, strengthening group management and control, providing accounting information quality, and
promoting the transformation of management and control mode to precision, visualization and intelligence.

3. The Development Trend of Financial Sharing Service Centers

Financial sharing services provide enterprises with a brand-new financial management model. Through professional division of labor, professional people to do professional things, through decision-making finance, shared finance, business finance and other multi-dimensional divisions, nearly 70% of corporate financial work The basic affairs are concentrated in the sharing center for batch processing, and the transformation of financial personnel from "Mr. Accountant" to "Military Staff" is promoted.

First of all, the business scope and functions of the Financial Shared Service Centre, along with the continuous maturity of technologies such as big data, cloud computing, and mobile internet, have added new modules covering tax analysis, fund management, and financial budget management. The strategic financial decision function and the function of the Financial Shared Service Centre are further expanded.

Second, it has brought about transformative impact through deep integration with technologies such as big data, intelligence, mobile Internet and cloud computing. The Financial Shared Service Centre has derived the functions of the data centre in the basic accounting centre, expense processing centre, and business settlement centre.

Finally, the Financial Shared Services Centre expands its financial outsourcing business. The enterprise will focus its work on the business front-end of management, strategic decision-making, and core values such as R&D. The established financial shared service centre can serve as a semi-independent entity to undertake external accounting business, or some basic Outsourcing of simple accounting operations.

4. The Only Way to Achieve Financial Sharing-process Reengineering

The process is the basis of the operation of the enterprise. All the business of the enterprise needs the process to drive. It transmits the relevant information data from one person (department) to other personnel (department) according to certain conditions and obtains the corresponding results, and then returns to the relevant Person (or department). A different department of a company, different customers, different personnel and different suppliers rely on processes to coordinate operations. The process may carry corresponding flow of practice, capital flow, and information flow during the transfer process. Poor circulation can lead to poor business operations. Process reengineering, that is, business process reorganization, emphasizes rethinking the business process of the enterprise. It should be based on the principle of promoting the value chain value-added, and carry out subversive design. The goal is to continuously improve customer satisfaction and improve the operational efficiency and business performance of the enterprise.

Process reengineering is a necessary process for the establishment of a financial shared service centre. It processes the large number of repetitive businesses in the enterprise in a centralized process, breaking the monopoly of the department, which is the process reengineering. This is also the foundation for the establishment of the financial shared service centre. The main idea of establishing a shared service centre is to continuously analyze, identify, improve, and optimize existing business processes to optimize the process. In the process of building a financial sharing centre, Standardized and scientific process are the basis for the efficient operation of financial sharing services and the prerequisite for information. However, how to make the standardized process fully implement without any deviation is an important issue facing the intermediary consultants and centre construction managers in the financial sharing centre. To this end, we must sort out the existing financial business processes of the company and formulate a rigorous, unified and streamlined standardization process.
5. The Basic Work of Process Reengineering under Financial Sharing

5.1. Simplify organizational hierarchy and optimize management structure

The traditional enterprise business model divides business processes into categories such as operations, supervision, and decision-making. Sometimes a simple business needs to be completed through the processes of several different departments. Often, departmental responsibilities are unclear and confusing. Business process re-deployment redistributes business processes that are scattered across different functional departments, reduces bloated enterprise-level management structures, reduces unnecessary intermediate processing links, reduces work frictions across departments, and enables employees to have maximum control and The decision-making power enables employees of different positions to take the overall goal as their own direction when conducting the same project, and no longer only value the work within their own responsibilities, so that the operation of the project can be seamlessly linked, through the business of the enterprise. Process reorganization can improve employees' own management awareness and team awareness, and has a good incentive for employees.

5.2. Unify business processes and improve system construction

The essence of the process of establishing a financial shared service center is the process of process reengineering. The core management is the management of the process. The most obvious representation is the centralized processing of information flow and capital flow. The original units are subject to business approval according to the internal management system of the enterprise. In the sharing mode, it is necessary to reorganize the processes and find the greatest common divisor among the units. The unified implementation can be unified, and it is not suitable for unified implementation. In the initial stage of platform construction, it is generally required to focus on accounting, centralized revenue and expenditure, and centralized accounting. For the support of these three business modules, it is necessary to standardize audit and approval, fund payment, accounting processing, file management, and image transmission. Inseparable from process management is the establishment of the system. The design of the process is based on the description of the system. The perfection of the system makes the platform run in accordance with the rules.

5.3. Unified accounting systems and strengthen data construction

The specification of the accounting system is divided into two parts: one is the original subject system, the merchant information, the account information, the personnel information, the information of the current account information and the migration; the second is to formulate new accounting rules for these information. Prior to this, we should try to solve the problems left over from history and complete the clean-up of those "zombie" accounts. There are certain differences in the original subject accounting level, customer-assisted information, and personnel information among member companies. In order to concentrate this information in the shared service center, new standards must be adopted to digest these differences, and on the basis of basic unification, Automated accounting for the purpose of improving efficiency.

6. The Core Procedures and Methods of Process Reengineering

Business process reengineering is a relatively complex process involving multiple parties. This process must be combined with the management style and business characteristics of the enterprise as well as the IT technology level at that time. And as the environment changes, business process reengineering often requires continuous optimization and improvement. In general, the core procedures and methods of financial process reengineering include:

6.1. Process analysis

The important goal of process analysis is to find the key business processes of reengineering through objective and rational analysis, and to separate the basic business process from the
management decision-making process to achieve hierarchical management. The analysis includes: customer needs of existing business processes, resources consumed by operations, selection of leaders for benchmarking, bottleneck search, internal control and control risk analysis, process stability testing, process reengineering input and output comparison. For example, the bottleneck analysis of the process needs to consider: the imbalance of resource allocation during the execution process, whether the process performer is diligent, and the bottleneck of resource pre-emption and conflict between process resources.

Generally speaking, not all business processes of an enterprise need to be re-created. In fact, the accounting business process also embodies the “two-eight rules”, that is, the process of creating 80% of the value of the enterprise only accounts for 20% of the accounting business process. Therefore, before the process reengineering, the company must analyze the business process, find the key 20% process, and conduct in-depth and comprehensive analysis of the key processes, which is one of the keys to the success of the reengineering process.

6.2. Process design and grooming

The process design should integrate the business process, financial accounting process and management process in the enterprise operation, introduce the concept of “event-driven” of the computer into the process design, establish the information process for a financial integration based on business events, and break the information island. Integrate financial data and business, maximize data sharing, control economic business in real time, and truly play the role of accounting control. At the same time, the process design should adhere to the principle of “considering homogeneity and specialties”, which can not only meet the flow of the same business process, but also enable special services to be integrated into the sharing centre. For example, the core business of a construction engineering enterprise is engineering construction, but there are also real estate development, equipment leasing, property management and other services. For the situation where the business content and standards of each sector are quite different, the business sector should be set differently. Process.

The process of combing should consider the full-service process from the business side to the financial side, while focusing on the division of responsibilities between business and financial connections. Process combing includes input parties, inputs, processes, outputs, and outputs. Among them, the input party mainly refers to individuals and units that provide key materials, information and other resources for process activities; the input mainly refers to the process activities or materials or information required for one of the activities; the process mainly refers to valuable contributions or core, value-added The action or action set is an activity that must be completed to meet the customer's needs; the output mainly refers to the material or information generated during the process of the process, and the output content should meet the needs of all aspects of the customer, mainly including the final output and the process output. Output content; output refers to the individual or unit that is produced using the process. After the process is completed, in the subsequent operation and transfer process, it is necessary to continuously improve and improve with the corresponding optimization mechanism.

6.3. Process experiment and conversion

The re-engineering of the financial sharing centre process must first ensure the “parallel operation” of the old and new processes. Although this kind of behaviour will cause certain inconvenience and waste of resources to the organization, compared with the experience accumulated through the pilot and the lessons learned, the pilot essential.

During the pilot period, how to choose a good organization team and fully understand the connotation of the new process to ensure the effectiveness and efficiency of the pilot work is the key. After the completion of the pilot, it is necessary to determine the conversion order throughout the organization and introduce the implementation of the new process in stages. In the conversion phase, special attention should be paid to the conversion sequence, avoiding turbulence for the organization, affecting the normal work and operation of the organization, and retraining the employees while transforming, and clearly explaining the entire conversion plan to the employees.
Of course, in this process, the support of top management cannot be ignored. They must devote more energy to help the smooth progress of the conversion work.

6.4. **Process optimization and improvement**

Due to the expansion of the business field, changes in organizational structure, and changes in strategic goals, process management cannot be completed at one time, but rather as a continuous process. This requires a mechanism for continuous self-optimization to achieve continuous evaluation of the process. Improve and upgrade to meet the company's cost, strategy, and compliance requirements, and avoid the decline in the quality of financial shared services due to changes in processes and other related content.

Continuous improvement of the business process of the Financial Shared Service Centre can be implemented through detailed improvement and process reengineering. Regardless of the approach taken, the goal of continuous process improvement must meet the company's overall strategy, cost, efficiency, and compliance requirements. At the same time, continuous improvement puts high demands on the management team of the sharing centre. Managers not only need skills and skills to improve the process of change, but more importantly, they must have continuous improvement awareness, keen insight and firm belief. Therefore, the Financial Shared Service Centre needs to configure a professional management team to promote continuous improvement of the process.

7. **Standardization of Process Reengineering**

Under the financial shared service model, the ultimate goal of process reengineering is to establish a standardized (or standardized) business process. Standardizing business processes requires meeting the following criteria:

1. **Standardization of processing operations.** Formulate operational standards and manuals for each link, so that everything is in order to improve the quality and efficiency of work through standardized operations. For example, for bills, the scope definition, bill review, bill circulation, bill filing, accounting process of each cycle, accounting report preparation process, statistical information release process, etc. must be standardized and standardized. For another example, rules and regulations and operation manuals such as financial reimbursement management methods should be formulated to clearly define the work responsibilities, reimbursement procedures, approval authority, financial accounting file management, and branch reimbursement assessment methods of the Financial Shared Service Centre to ensure that there are chapters. Follow, standard operation.

2. **Standardization of the response mechanism to customer needs.** It refers to the establishment of customer demand acceptance, customer demand analysis, risk assessment planning, project establishment, system development, task decomposition, task tracking, project acceptance, standard process management, and improves response speed.

3. **Standardization of business process and information system changing process.** It refers to the change of system and business process, determines the plan according to the principle of benefit and cost, evaluates the risk during the handover process, strengthens the acceptance test, and ensures the normal operation of the company's business during the handover process. Establish a sound change record system to ensure the smooth progress of continuous improvement work.

7.1. **Process analysis**

The important goal of process analysis is to find the key business processes of reengineering through objective and rational analysis, and to separate the basic business process from the management decision-making process to achieve hierarchical management. The analysis includes: customer needs of existing business processes, resources consumed by operations, selection of leaders for benchmarking, bottleneck search, internal control and control risk analysis, process stability testing, process reengineering input and output comparison. For example, the bottleneck analysis of the process needs to consider: the imbalance of resource allocation during the execution process, whether the process performer is diligent, and the bottleneck of resource pre-
emption and conflict between process resources.

8. Conclusion

The implementation of the shared service centre has a huge impact on the traditional management model. This paper combines the process reengineering theory, analyzes and identifies the financial processes, and ways to form a standardized process management model. It has certain value in guiding enterprise to establish the key factors in financial sharing and to optimize the process. It should be noted that to ensure the operation of the financial shared service centre, the enterprise need not only deconstruct and reconstruct business processes, but also adjust the finance department organizational structure and finance staff accordingly. And in the meantime, a powerful information system platform is also needed to support the operation. Therefore, to establish a financial management model with shared finance as the core, it is necessary to carry out overall planning and careful design from the top level, and comprehensively analyze the core elements of the system construction to ensure the adaptability and stability of the application of financial sharing model.

References