

Analysis on the construction of Enterprise Financial Sharing Service Center

Anyu Wang

Jiangsu University of Science and Technology, Zhenjiang, Jiangsu, China

834373342@qq.com

Keywords: Financial Shared Service Center; Enterprise; Improvement Measures

Abstract: Since the 1980s, financial shared service center was firstly implemented by the Ford Motor Company of US. As an effective way of corporate financial management, the advantage of FSSC is that it guarantees certain economies of scale to reduce financial management and operating cost, as well as enhances their core competitiveness. Later this concept was introduced into China, On the basis of reviewing the development process of financial shared service center at home and abroad, in view of our country enterprise financial sharing center further development problems, put forward relevant suggestions and opinions for the optimization of financial shared service center.

1. Introduction

Introduction "sharing" is not only a hot issue in our social life, but also in the economic field. It has become a hot issue in China's economic development. Relevant policies such as the 13th five year plan for national economic and social development and the government work report also mentioned. As early as 2013, the accounting informatization standard for enterprises (CK [2013] No. 20) requires that large-scale enterprise groups with many branches should actively use information means to promote the concentration of financial work and gradually establish a financial sharing service center. The original intention of the construction of Financial Sharing Service Center is to solve the problem of accounting. With the continuous transfer of the focus of financial functions to decision support, financial transformation has begun and serves the strategic development of enterprises. The financial sharing service center uses the Internet platform to intensively process the accounting process with low value creation, control the accounting cost, strengthen the overall control of the group, and promote the accountants to engage in more valuable work related to enterprise operation and strategy. The Financial Sharing Service Center has created massive accounting, financial and other related data while centralized accounting. How to transform these massive data into valuable decision support information to support the strategic development and transformation of the enterprise has become one of the problems to be solved by the management.

2. The development of Financial Sharing Service Center at home and abroad

In the mid-1980s, the cost of multinational companies is increasing and the difficulty of management and control is increasing. At the same time, the difficulty of financial accounting is increasing, the business risk of enterprises is increasing, which restricts the further development of enterprises. In order to reduce operating costs, eliminate redundancy, obtain low-cost advantages and achieve sustainable development of the company, some multinational companies began to create financial sharing service centers to provide financial services for global branches.

2.1 The development of Foreign Financial Sharing Service Center

The development of Financial Sharing Service Center in foreign countries can be divided into the following three stages: initial stage, growth stage and mature stage.

Table 1. Foreign development stages and objectives of Financial Sharing Service Center

| | |
|--|--|
| Initial stage (mid-1980s to early 1990s) | In order to achieve scale economy and reduce enterprise cost |
| Growth stage (from the middle and late 1990s to the beginning of the 21st century) | Improve work efficiency and service quality |
| Mature stage (from 21st century to now) | Connect all aspects of cash flow, supply chain and logistics to maximize the use of cash flow in all aspects |

2.2 Development history of domestic financial sharing service center

The development of Financial Sharing Service Center in our country is less than ten years. Its development process can be divided into two stages: introduction stage and growth stage.

Table 2. Domestic development stage and target of Financial Sharing Service Center

| | |
|--------------------------------|--|
| Introduction stage (1999-2009) | Change the traditional financial management mode, reduce enterprise cost, improve work efficiency, strengthen risk management control and optimize process |
| Growth stage (2009 present) | Use big data, cloud computing and other technologies to connect the finance of the financial sharing service center with the business of the enterprise, provide support for the formulation of the enterprise strategy, and provide sharing services for the global business activities of the enterprise |

3. Development status and construction value of Financial Sharing Service Center in China

Nowadays, most of the enterprises that establish financial sharing service center are large-scale enterprises. In China, most of the initial financial sharing service centers are created by foreign enterprises. In the process of continuous development, Chinese enterprises also gradually start to build financial sharing service center, as shown in Table 3.

Table 3. Process of Establishing Financial Sharing Service Center for famous enterprises in China

| corporate name | Event |
|-------------------------|--|
| Motorola | In 1999, the Asian financial settlement center was established in Tianjin In 2006, it was renamed Motorola global accounting service center |
| Accenture | In 2003, Asia Pacific shared service center was established in Shanghai |
| ZTE | In 2005, ZTE successfully built the first financial sharing service center in China |
| China UK life insurance | In 2006, the first financial sharing service center in foreign insurance industry was established in China |
| Pfizer | In 2007, the Asia Pacific branch of global financial sharing service center was established in Dalian |
| Changhong | In 2008, the Financial Sharing Service Center was established |
| Haier | In 2008, we relocated our finance and set up a financial sharing service center in Qingdao |

At present, China's Financial Sharing Center has the following four characteristics: first, the enterprises that establish the financial sharing service center should have a certain scale. According to the relevant information, most of the enterprises with an annual revenue of more than 10 billion have established financial sharing service centers, but few of the enterprises with an annual revenue of less than 10 billion yuan have established financial sharing service centers. Secondly, the business of Financial Sharing Service Center is normative. The business of Financial Sharing Service Center has a unified and standardized mode, and its operation process is complex and standardized. Then, the financial sharing service center must be mainly supported by information

technology. The construction of financial sharing service center platform needs to be based on information system, and enterprises need to continuously use new technology and optimize information system. Finally, with its unique standardized and integrated service mode, Financial Sharing Service Center has the advantages of reducing costs, improving enterprise operation efficiency, supporting enterprise strategy, serving the internal and customers of the enterprise, so it has a good prospect of development. Since its emergence, the number of enterprises with Financial Sharing Service Center has been increasing, and the number of financial sharing service centers is not large. The number is increasing, showing a trend of vigorous development.

4. Construction process of Enterprise Financial Sharing Service Center

Generally speaking, the construction of Financial Shared Service Center is divided into three stages: scheme design, migration implementation and project management, and the construction process of each stage is as follows:

4.1 scheme design stage

4.1.1 The selected enterprises can preliminarily select a batch of cities for analysis and evaluation according to the list of outsourcing demonstration cities issued by the State Council and the distribution of their own enterprise addresses.

4.1.2 The process of Financial Sharing includes purchase payment, expense reimbursement, order collection, investment assets, fund settlement, general ledger report preparation, file management and master data maintenance.

4.1.3 The first thing an organization needs to do in its organizational design is to make clear the division of labor and cooperation among the Financial Sharing Service Center, corporate headquarters finance and local finance, so as to allocate the business of the sharing center very well.

4.2 migration implementation stage

4.2.1. The formulation of the overall plan should initially formulate the migration plan, then establish the migration team, then determine the appropriate migration management mechanism, and then determine the specific migration mode, specific responsibilities and migration tools.

4.2.2. Before the formal migration of pilot regions, address information, information system, staff and business analysis should be prepared.

4.3 project management stage

4.3.1. Scheme design stage Enterprises often don't pay attention to the location of enterprises, have no exact purpose and clear implementation plan, lack of effective evaluation of system, laws and regulations, lack of consideration of management control and operation effectiveness of shared service center, lack of management framework, service specification, performance evaluation, internal management system of shared service center, etc., and give financial shared service center at the beginning. The construction of has caused the huge risk.

4.3.2. In the migration implementation stage, due to the lack of prediction of the difficulties that the enterprise may encounter in the migration process, the blind migration leads to the confusion of work and business during the transition period, resulting in the loss of core employees, and the lack of cooperation between the enterprise employees.

4.3.3. When the operation stage enters the operation stage, especially after entering the stable operation stage, large enterprises often have problems such as the decline of service quality of business departments, the difficulty of implementing enterprise process reform and so on.

5. Analysis and improvement measures of Financial Sharing Service Center

5.1 Blind implementation of Financial Sharing Service Center

The establishment of Financial Sharing Service Center provides a more favorable competitive advantage for the development of enterprises, but not all enterprises are suitable for the

establishment of Financial Sharing Service Center model.

5.2 financial sharing service personnel are separated from business and affect the function of financial management

Because of the establishment of Financial Sharing Service Center, it facilitates the relevant processing of financial work in different regions. However, some enterprises, when implementing the financial sharing mode, are only in the form of simply centralizing the financial personnel in various regions to handle official business, lacking the supporting implementation of relevant management mechanism, not only does it not improve the efficiency of financial management, but also there are financial sharing service providers in enterprises. The separation of staff from business.

5.3 Contradictions between Financial Sharing Service Center and service object

Financial Sharing Service Center is a service provider that carries out specific related affairs and focuses on the needs of internal customers. Therefore, compared with other departments, financial sharing service center requires higher service awareness. However, our existing financial staff do not have a clear understanding of this phenomenon. The financial work of the company is still handled according to the early workflow and attitude. To deal with it.

6. Conclusion and Prospect

The emergence of Financial Sharing Center provides new ideas and new directions for the financial management mode of many companies. At the same time, the construction of Financial Sharing Center is a very complex and systematic project. In the process of Building Financial Sharing Service Center, it needs to coordinate all aspects of the work of the enterprise, and finally achieve the goal. In the process of Building Financial Sharing Center, enterprises must pay attention to the integration with Financial Sharing Service Center, and strengthen the construction of financial talents. In order to better promote the development of enterprises.

Reference

- [1] Wu tang. Financial Sharing Center to support the strategic development of enterprises: a case study based on Changhong [J]. Finance and accounting,2018,(02)
- [2] Hu shao-yu. Optimization of Financial Sharing Center [J]. Finance and accounting,2018,(01)
- [3] Wang ke. Analysis of service center construction [J], Accounting study,2017,(24)
- [4] Cong li-li. Research on the construction of Financial Sharing Center [J]. Academic Forum,2018,(03)
- [5] Wang yun-yun. Research on Financial Sharing Service Center [J]. Accounting Monthly,2017,(01)
- [6] Hu jing. Research on the practical problems of Establishing Financial Sharing Service Center in Chinese Enterprises [J]. accounting research,2018,(01)
- [7] Li yan. Reflection on the construction of Financial Sharing Center [J]. Business required,2018,(06)
- [8] Tong jiayi. Research on the operation and optimization strategy of Financial Sharing Service Center of S company [J], China's management informatization,2017,(14)
- [9] Zhang bin. Chinese enterprises need six sigma culture more [J]. China Quality,2018,(04)
- [10] Yuan yue. Location strategy of Financial Sharing Center [J]. Chief financial officer,2017,(01)