

Research on Financial Informatization Construction of Business and Finance Integration

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Abstract: *As times are progressing, enterprises want to become bigger and stronger, the traditional way of specialization has not satisfied with the needs of enterprise development, business and finance transformation. Therefore, more and more enterprises began to promote the integration of business and finance. At present, some large and medium - sized enterprises are using information system as a platform to create the enterprise financial management mode of "business and finance integration" and deepen the integration of business and finance. This paper expounds the necessity of financial function transformation and the significance of business finance integration, analyzes the restricting factors of business finance integration faced by enterprises at present, and puts forward suggestions on the implementation of business finance integration information construction based on specific cases.*

Keyword: industry and finance integration, industry and finance integration, informatization

1. Introduction

With the rapid development of information technology, financial information technology plays a very important role in promoting the transformation of enterprise financial work. In order to be able to come to the fore at present, most enterprises in the fierce competition in the market began to vigorously promote financial information technology application in the existing financial work and the fusion, through the promotion of the digital and intelligent level of financial work to form a complete system and smart financial management mode, so as to help the company to achieve high quality development.

2. The necessity of industry and finance integration

(1) The integration of industry and finance is the trend of enterprise management transformation and upgrading

In recent years, with the continuous spread of the epidemic and the severe recession of the global economy, enterprises must carry out transformation and upgrading and strengthen internal management, especially financial management, in order to maintain stable development and further enhance their competitiveness in the face of difficult macro environment. The traditional financial management model is limited by the professional influence, and there are certain disadvantages which cannot guide the development of business. The gradual integration of industry and financial management model emerged. The financial department gets rid of the concept of the rear functional department and ideologically, goes deep into the front end of the business, comprehensively understands the development of the specific business of the enterprise, breaks the invisible boundary between industry and finance, and realizes the enterprise management efficiency.

(2) The Integration of Business and Finance can Stimulate the Vitality of Enterprise

From the external environment, as the epidemic situation has been brought under control, the world economy has begun to

recover gradually, but it shows obvious differentiation and imbalance. China's economy is also in the overlapping stage of "three phases", and the survival and development environment of enterprises is more uncertain. The reform of replacing business tax with value - added tax (VAT) and the comprehensive adjustment of VAT rate, the fourth phase of golden tax came into operation, and the tax pattern and tax environment have undergone earth - shaking changes. With the advent of the era of big data and the rapid development of modern information technology, new businesses and new models emerge in endlessly, prompting enterprises to transform methods of comprehensive budget to cooperate with each other, mutually close contact to construct a complete system of change management concept, and adapt to the pace of the times.

From the perspective of internal environment, firstly, the enterprise management level has been improved with the continuous development of the enterprise, the professional ability of the management team is becoming increasingly stronger, and the management concept is gradually changing from policy - oriented to customer - oriented, from market opportunity to value - creating. In this process, the cultivation system of core competitiveness must be built. Over recent years, the awareness of enterprise compliance operation has gradually gained popular support. After the implementation of the integration of business and finance, some enterprises have closely linked the financial and business links to form closed - loop management and effective supervision over the key links and eliminate the potential risks in enterprise operation. Therefore, the internal and external operating environment that enterprises are facing forces enterprise management to transform and upgrade. Through the integration of business and finance, efficient collaborative management can be formed to stimulate enterprises' ability to create value and achieve high - quality development.

(3) The integration of business and finance is an inevitable way to realize management synergy

The high - level realm of management is collaborative management. Few single functional departments can achieve

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management coordination, which is mainly determined by their functional positioning. However, financial work is closely related to enterprise strategy, resource allocation, mechanism coordination and other key elements of management coordination, so the integration of business and finance is to achieve management coordination quickly.

(3.1) Financial information covers key data of enterprise operation

Financial information has the characteristics of comprehensiveness, systematization, while business involves production, supply and sale, human, goods, and ultimately reflected in the enterprise financial information throughout the whole enterprise internal value chain. Through the analysis of these data, it can be all - round, multi - angle to reflect the efficiency and effect of enterprise resource, provide clues and to improve the enterprise management according to support.

(3.2) Financial management has a complete method system

As the center and focus of enterprise management, financial management in enterprise develops to the important role. After years of development, financial management method system is relatively perfect, financial projections, financial decision - making, financial analysis, financial management, the industry gains a body for the enterprise.

(3.3) Improve the quality of financial personnel and promote the process of industry and finance integration

In order to adapt to the economic complexity and variability of the business, make the category of financial management not broken, some large and medium - sized enterprises are advocating financial personnel from accounting to the management, the high type of change, from the previous "accounting" gradually become a disclosure of information, finance and tax consulting experts, financial experts, wealth management and data sharing experts. Through the continuous improvement of comprehensive ability, it helps enterprise managers to make scientific management decisions which are more conducive to the realization of enterprise goals.

3. The Connotation and Significance of Business and Finance Integration

The integration of business and finance is based on the enterprise information system platform, which integrates, penetrates, intersperses and balances the management flow, business flow and financial flow of an enterprise. In the same information system, all kinds of basic data are unified and standardized, which provides a unified language and reliable basis for later information transmission, communication and data analysis, greatly shortening the response time of enterprise management. At the same time, business and finance are integrated through data, so that everyone has a unified language, eliminate communication barriers, and the integration of industry and finance is of great significance to the business development of enterprises.

3.1 Standardize internal business processes and improve decision - making efficiency

Business financial integration is used to implement the

enterprise internal financial management, effective supply, to the enterprise research and a series of production and operation activities for process design and optimization, using the ERP information system such as the standardization and solidified into information systems, to established requirements in accordance with the business process to avoid the information distortion caused by human interference. After the integration of business and finance, business data can be directly reflected in the financial results, providing data support for business development, enabling it to flexibly adjust the direction of decision - making and promote the good development of business.

3.2 Realize data sharing and coordinated development of upstream and downstream

With the growing scale of enterprises and gradually increasing management, the enterprise management process will be to suppliers and customers in a vertical value chain extension, through the information platform according to the interface, let the enterprise information data sharing across units, such as purchase order information, incoming quality inspection information, information to deliver goods and goods flow, etc. The sharing of this information promotes the collaborative development of enterprises across the value chain and improves customer satisfaction.

3.3 The current enterprise implementation of business and finance integration constraints

(1) Corporate management attaches importance to business over finance

Management's lack of awareness of financial integration is common in enterprises. Enterprise operators generally attach great importance to business performance management, but their understanding of finance is just "keeping good accounts, making good statements and filing good taxes", ignoring the important role of finance in enterprise management, which increases the business risks of enterprises to some extent. If the contract is signed without financial review of the settlement method, it may increase the risk of bad debts or capital costs, sales collection link, the lack of financial reconciliation supervision, so that the business has the possibility of embezzlement.

(2) Lack of professional information system construction

In enterprises, there are still many leaders who do not have enough understanding of financial informatization management, resulting in insufficient attention or unwillingness to cooperate in the implementation of financial informatization projects, and thus poor implementation results. At the same time, the management layer attaches importance to the current business performance, thinks that the information input is large and slow to take effect, and is unwilling to invest too much in information, which leads to information system unified construction cannot achieve the requirement of industry and finance integration.

(3) Lack of talent

Financial personnel rarely understand information knowledge, familiar with information technology while IT staff rarely understand business, familiar with business

personnel and rarely understand finance. Professional financial information management personnel are extremely in short, which leads to the company's information construction is difficult to achieve the desired goal. At the same time, as the existing financial personnel have been using the traditional financial management method for a long time in the company, this management method is completely different from the management method under information technology. Thus, when the information project goes online, there is a shortage of talents, so that the application effect is not good.

(4) Imperfect information construction and management

At present, due to the limitation of China's software development level and the low level of financial management of some enterprises, enterprises need more professional judgment when introducing information systems. For example, whether there is a big difference between the information system design and the strategic development of the group, and whether it can be fully applied to the actual financial work during the construction of the information system, whether the inherent conditions of the implementation party and the software match the financial development goals of the enterprise. These are the preconditions that affect the success of informationization construction.

4. Implementation cases and effective measures of business and finance integration

(1) The implementation case of industry and finance integration of enterprise A

Enterprise group A is a large tractor manufacturing enterprise in China, and its tractor manufacturing capacity and scale are at the advanced level in China. Enterprise group A has a number of subsidiaries and subsidiaries, which constitute the internal "gold supply chain" of enterprise production. In recent years, the agricultural machinery industry has entered deep adjustment under the influence of factors such as increasing farm machinery market holdings, low operating income of agricultural machinery, overcapacity of low - end agricultural machinery products, upgrading of emission standards and weakening marginal effect of agricultural machinery subsidies. The tractor industry has been declining for many years in a row. In 2018, the industrial sales volume was only 180, 000 units. It accounted for about 50% of the sales volume in 2013, and the development of enterprises in the tractor industry faced severe challenges. Company A suffered a large loss in operation that year. Under such a background, company A actively seeks for a way out of development, focusing on market grab, production promotion, reform, strong management and other aspects of the breakthrough, relying on SAP system as the company's core information system, to solve the efficient allocation of resources, real - time control of business process, abnormal business indicators timely response so as to achieve fine, standardized, unified enterprise management.

(I) Analyze the current situation and unify thoughts

Company A implemented ERP earlier, starting from the "E

Procurement" project in 2009, and gradually expanded to production, sales, supplier management and other business contents, but the financial module failed to run successfully. After full preliminary demonstration and project preparation for this project, company A decided to carry out the business - finance integration project in the group's core business units. The main body of implementation includes procurement units, host production units and sales companies. This project takes the group management and control idea as the main line to achieve the unification of business processes, accounting items, cost accounting methods and statements.

(II) Project implementation process

- In the preparation stage, full project preparation was carried out before the project began. The project director and project manager interviewed each subsidiary company of company A to understand the implementation object and implementation scope in detail, formulate implementation objectives, arrange implementation cycle, formulate the implementation plan of the whole project, and arrange implementation consultants.
- In the demand research stage, the project manager will lead the consultants of each module to conduct detailed demand research in each company and collect the in - use process at the same time recommend how and reports in use.
- Blueprint confirmation stage, business consultants, internal IT, key users according to the content of the demand survey, in - depth discussion and sorting, formed a business blueprint design scheme, including: process design, key scheme design, special scheme design, system function design, development report scope, interface function design and other content.
- In the development stage of the system, the business consultant configured system parameters and wrote function spec according to the blueprint design. During the implementation of the system, it was gradually found that several enhanced controls in the ERP system accumulated for 10 years affected the data operation results. Therefore, during this process, they adjusted and added a number of enhanced codes to ensure the correctness of system execution results. At the same time, develop interface programs to realize the interface with NCC financial system, adjust ERP and other system interface programs to ensure the data interconnection of each system.
- In the system test stage, in order to ensure the reliability of some irreversible operations, a sandbox test environment was established. For irreversible parameter configuration actions, the test was first carried out in the sandbox system. Then unit testing of individual function points because of this industry integration project in the original production environment is the upgrade to switch, not restart switch new environment, so the switching point need to do more complicated switching operation, and also need to make sure that business processes and the month after switching process of the normal, so in this period in the process of project implementation, joined the analog switch test process. After the simulation switch, the environment of the test system is the environment after the simulation online switch. Based

on this environment, the business integration test is carried out.

- In the cut over phase, according to the requirements of the project work manual, complete the switch of the whole SAP system in the National Day holiday as scheduled, and officially put it into operation.

(III) Project implementation effect

The construction of the current project includes a series of business processes such as material procurement and inventory management, production management, sales management, financial management and cost accounting. The information system construction gives full play to the characteristics of SAP integrated business platform and promotes data sharing and industry and finance integration. The business data can automatically generate financial vouchers, and the business documents can be traced back to the financial vouchers. The business information and financial information really achieve a seamless connection. At the same time, the project strictly implemented the project management standards, and accumulated rich experience for the later financial information projects.

(IV) Significance of project construction

Through the implementation of this project in enterprise A, a four - layer group financial control system based on financial business integration has been established, namely, business execution layer, accounting layer, strategic unit layer and strategic management layer. In the business execution layer, through business process combing and optimization, the company has realized the unification and standardization of various manufacturing business processes. At the financial accounting level, the basic accounting system of the group and units at all levels in each sector has been unified, forming the template of the financial system, which can be copied and promoted quickly to realize the centralization and standardization of the group's financial accounting. At the management level, unified and standardized cost accounting rules have solved the problem of unified accounting and formed profitability analysis reports that meet the requirements of groups, components, non - production units and virtual entities. At the same time, relevant business and financial data transmission BI system, through data analysis to find problems to see the essence, to provide data support for managers to make decisions. The implementation of this project has really improved the standardization, high efficiency and low risk of the overall operation of the enterprise.

(2) Suggestions on the implementation of industry and finance integration

(I) Correctly establish the awareness of information management

In the era of big data today, the development of everything will be related to information technology, so it is necessary to have a correct understanding of information technology, to be able to keep up with the pace of social development. In the financial management of enterprises, with the promotion and application of information technology, financial management has changed a lot. These changes require financial personnel to embrace these changes with a more positive attitude, take the initiative to adapt to changes and

create changes. Only when the company has a correct understanding of financial informatization, the construction and promotion of financial informatization can be carried out smoothly.

(II) With the help of information platform, realize "third - rate" synchronization

Through the process sorting and solidifying into the information system, make the information flow, logistics and capital flow into one, promote business collaboration. Enterprises pay more and more attention to the integration of the three streams in information system construction, because through process optimization, the integration of the three streams can promote the efficiency, coordination, transparency and traceability of the upstream and downstream chains of enterprises, make it easier to improve the management level of enterprises, and gradually improve customer satisfaction in the value chain.

(III) Actively cultivate talents

In the increasingly fierce market competition, enterprise competition is ultimately the competition between talents, to meet the needs of enterprises for information management, high - quality talents are the key to implement the integration of business and finance. Enterprise can set up training system and social forms to meet the demand for talent recruitment, such as the financial staff of the enterprise existing information professional training, to be able to quickly into the work role, or uses the abroad study, self - motivated financial staff, the study abroad advanced mode to the school or company, enable them to obtain the corresponding skills to meet the needs of the company's financial information construction.

(IV) Optimize the construction content of financial information management

Most of the common financial software in the market only contains financial related modules, such as general ledger, fixed assets, receivable and payable, bank statements, etc. Common ERP software is still mainly financial checking function, lack of business process management, these software congenital cause it is difficult to realize the integration of business and finance. In fact, each enterprise internal business management process and financial management is not the same, whether to develop their own personalized information system or choose the appropriate existing system on the market, enterprises need to choose after careful research. At the same time, the project implementation process must be based on enterprise strategic planning and financial development ideas for process design and implementation, only in this way to promote enterprise management through the application of information system rather than restrict the development of business.

4. Conclusion

The integration of business and finance has been an inevitable trend in the development of enterprise management. How to effectively integrate enterprise resources, improve management efficiency and operation efficiency is the challenge facing every enterprise. Based on the necessity and connotation of the integration of business

and finance, this paper briefly analyzes the factors restricting the integration of business and finance, puts forward relevant suggestions, and explains the implementation process and effect of the project by taking the implementation process of the integration of industry and finance of enterprise A as a case, hoping to help the construction of the informatization project of business and finance integration.

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