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Research on Financial Management Issues from the Perspective of Business and Finance Integration

Jinjing Bao

Wenzhou Business College, Wenzhou, Zhejiang, China

Abstract: ***Digital transformation is not merely about enterprises obtaining data, but rather about shifting the operational logic of business modules towards a digital direction. Against this backdrop, the digitalization of enterprise financial systems also requires the overall planning of existing business processes to provide more financial considerations for addressing the issues of enterprise digital transformation. This study mainly conducts research on the deep integration of business and finance in enterprises under the background of digitalization, analyzes the transformation direction of enterprise financial management under the background of business and finance integration, and provides more efficient and intelligent financial management suggestions for enterprises. Solve many problems in the current enterprise financial management, such as talent shortage, unsuitable organizational structure and low data quality. The research suggests that enterprises need to further strengthen the construction of strategic structure, coordinate the financial management and business management of the enterprise, enhance the identification of business risks during the financial management process, and strengthen the construction of integrated data to improve the unity of business and finance integration and promote the transformation of enterprise financial management.***

Keywords: Enterprise finance Digital technology Integration of business and finance**.**

1. Introduction

Digital technology has transformed the way enterprises operate and develop, as well as their financial management methods [1]. Digital technologies represented by big data and artificial intelligence have driven the transformation of enterprises' financial management from the traditional stage to the strategic stage of integrating business and finance. Most enterprises, squeezed by the exponential growth of data and the relatively low processing capacity of financial data, are seeking innovative financial management methods. From the practical experience of most enterprises, the financial management approach of integrating business and finance is conducive to the integration of innovative resources by enterprises, responding to the changing demands of the external market environment, and forming forward-looking process control [2]. Digital financial management methods help enterprises make high-precision decisions, facilitate the breaking of business barriers between departments, achieve collaborative efficiency, ensure that financial data can be dynamically fed back to business processes, innovate the management efficiency of enterprises, and reduce the resource consumption of enterprises. At present, the academic community's research on the transformation of financial digital management under the background of the integration of business and finance in enterprises mostly focuses on micro-fields such as the financial shared service center model and the intelligent technology transformation model, lacking a systematic and integrated research perspective. Based on this, from the perspective of dynamic resource integration, this paper analyzes the comprehensive financial management methods under the background of enterprise business and finance integration, which is conducive to comprehensively improving the actual quality of enterprise financial management [3].

2. Trend Analysis of Enterprise Financial Management Transformation from the Perspective of Business and Finance Integration

From the current perspective of business and finance integration, integrated financial management has become an important way to handle data efficiently. The integrated platform can adopt an integrated data processing approach to replace the traditional single and isolated data processing methods and the traditional financial data processing procedures, ensuring that in enterprise management, various programs and business processes can be integrated together. Ensure the efficiency of integrated financial processing and significantly enhance the practical working level of financial personnel. This integrated data processing can not only improve the management and operation effect of enterprises, but also ensure the integration of the financial system with the supply chain system and customer relationship system, reduce the waste of enterprise resources, ensure the full connection of financial data and other data processes, and enhance the transparency and accuracy of data processing [4]. This financial data processing method can also help managers deeply analyze the financial development trends of the enterprise, integrate the analysis results with the strategic management of the enterprise, form financial development reports, and provide more flexible financial management functions for the enterprise.

3. Analysis of the Problems Existing in Enterprise Financial Management under the Background of Integration of Business and Finance

3.1 The Strategic Goals are Disconnected from the Budget

At present, the strategic financial management work carried out by many enterprises lacks effective technical tools as support, and the degree of quantitative assessment is insufficient. As a result, the financial management goals of enterprises only remain at the qualitative description level and are difficult to be transformed into executable plans. During the implementation of this static financial strategy, it is very easy for changes and deviations to occur, resulting in various departments competing with each other to achieve financial goals and deviating from the strategic goals at the enterprise level [5]. The vague financial strategy cannot guide the business management of an enterprise. The deviation of business departments from the financial budget, in turn, reinforces the execution deviation of the enterprise's financial strategy. Most enterprises often have a mismatch in the allocation of resources. For the key areas of strategic development, only those within the budget are needed, but for non-core business departments, there is a redundancy of resources. Each department is engaged in strategic competition and cannot form a unified financial allocation standard. At the same time, the financial adjustments of most enterprises are relatively lagging behind, making it difficult for them to respond flexibly to the rapid changes in the market. The budget systems of enterprises are rather rigid, and the approval processes are rather complex, making it hard for them to make quick adjustments to market demands. Front-line business personnel are well aware of the duration of the financial processes of enterprises.

3.2 The Risk Management Level is Relatively Low

Most enterprises are confronted with problems such as decentralized risk management and fragmented resources in the process of integrating business and finance. In the vertical dimension, there is an obvious gap in the risk perspectives of the strategic level, management level and execution level of the enterprise, and the strategic goals are difficult to penetrate to the risk control measures of the business execution units. In the horizontal dimension, each functional department adopts differentiated risk assessment standards, resulting in completely different quantitative results of the same type of risk in different departments. This fragmented state makes it impossible for enterprises to establish a unified risk appetite statement, and it is even more difficult for them to form cross-cycle risk response strategies. When business departments focus on operational indicators such as market share, they often overlook the corresponding financial liquidity risks [6]. With the globalization of business operations and the complication of the regulatory environment, the financial regulations and standards that enterprises need to comply with are increasing day by day. This requires enterprises not only to ensure compliance in their daily operations, but also to meet the requirements of various domestic and international regulations in aspects such as financial reporting and tax treatment. The risk of non-compliance leads to legal disputes, fines and even business suspensions. Traditional risk control mostly adopts post-event auditing and node inspection models, and fails to be embedded in the real-time links of business circulation. It not only reduces operational efficiency but also fails to achieve the pre-interception of risks. What is more serious is that the risk data scattered across various business systems, such as the delivery delay records of the supply chain system, the bad debt data of the financial system, and the equipment failure rate of the production system, lack a unified cleaning standard and integration platform, which makes the risk early warning lose its timeliness.

3.3 Insufficient Support for the Integration of Financial Data and Business Data

Many enterprises, in the process of integrating data from business departments and finance departments, do not consider the quality of data from the two departments uniformly. Some data from the finance department are not accurate and complete enough to clearly reflect the problems of the business department. Moreover, the data from the business department is often scattered and cannot meet the application requirements of the finance department. At present, the data organization of the finance department is mostly organized by year, mainly focusing on compliance compilation, lacking a keen judgment on the market development trends and customer demands at the business front end. Most budget analysts and accounting specialists in the finance department will trace the compliance of financial analysis models, which also leads to the fact that the suggestions given by the finance department are mostly lagging behind the time nodes of business decisions. The finance department often has to passively calculate the relevant data before it can provide financial data, which fails to meet the market's demand for rapid response. In addition, the standardized financial indicators developed by some finance departments can easily lead to the vitality of different business departments being restricted. For instance, a series of strategic expenditures such as brand-building investment in the R&D department and investment in the discovery of high-end talents can easily be simply classified as cost items. In the cost-benefit assessment, being cut due to failure to meet the indicators will also make it difficult for the enterprise to achieve its long-term strategy [7].

4. Specific Strategy Analysis of Business and Finance Integration in the Transformation of Enterprise Financial Management

4.1 Strengthen the Guiding Role of Enterprise Financial Strategy in Business Operations

First of all, enterprises need to form a strategic management map, systematically divide and decompose the enterprise's development strategy into quantifiable financial indicators and non-financial driving factors. During the management process, the finance department needs to integrate the strategic planning process into the financial budget, strengthen the use of scenario planning tools, and analyze the impact of different business development models on the capital chain. Carry out rolling budget management. Transform the quarterly execution strategy into a budget, adjust parameters, and determine the priorities for the development of different businesses.

As shown in Figure 1, enterprises should analyze the content of financial management in accordance with strategic analysis methods to enhance the guiding ability of financial budgets for business operations. In terms of organizational setup, enterprises also need to design a strategic budget committee, where the CFO and the heads of business lines jointly approve large budgets, assess important expenditures, and enhance the integrated management of the enterprise's financial and business operations. Enterprises also need to deploy a unified data management platform to automatically convert operational indicators such as customer conversion rates and delivery cycles of business departments into predictive parameters for the finance department, and conduct dynamic analysis. Generate contribution reports of business units in real time, calculate the budget execution deviation of business departments, form strategic return rate statistics, and take budget compliance as an important indicator for the evaluation of each business department. Budget analysts spend at least 30% of their time each year delving into the front lines of business to understand the on-site business conditions of various departments. Enterprises need to make adjustments at the organizational strategy level and set up strategic financial teams, convenient managers obtain relevant information and make optimization decisions. Business financial partners should be stationed together in the strategic team to provide synchronous reference for business decision-making, among the strategic finance team, the financial sharing center needs to standardize the processing of business data of each department to ensure the authenticity of the obtained data, enterprises need to implement a rotation system for financial personnel internally, so as to ensure that the business data of each department can be truly fed back to the financial department through the rotating financial personnel, strengthen key business requirements for core talents, and improve the innovation of business and financial integration [8].

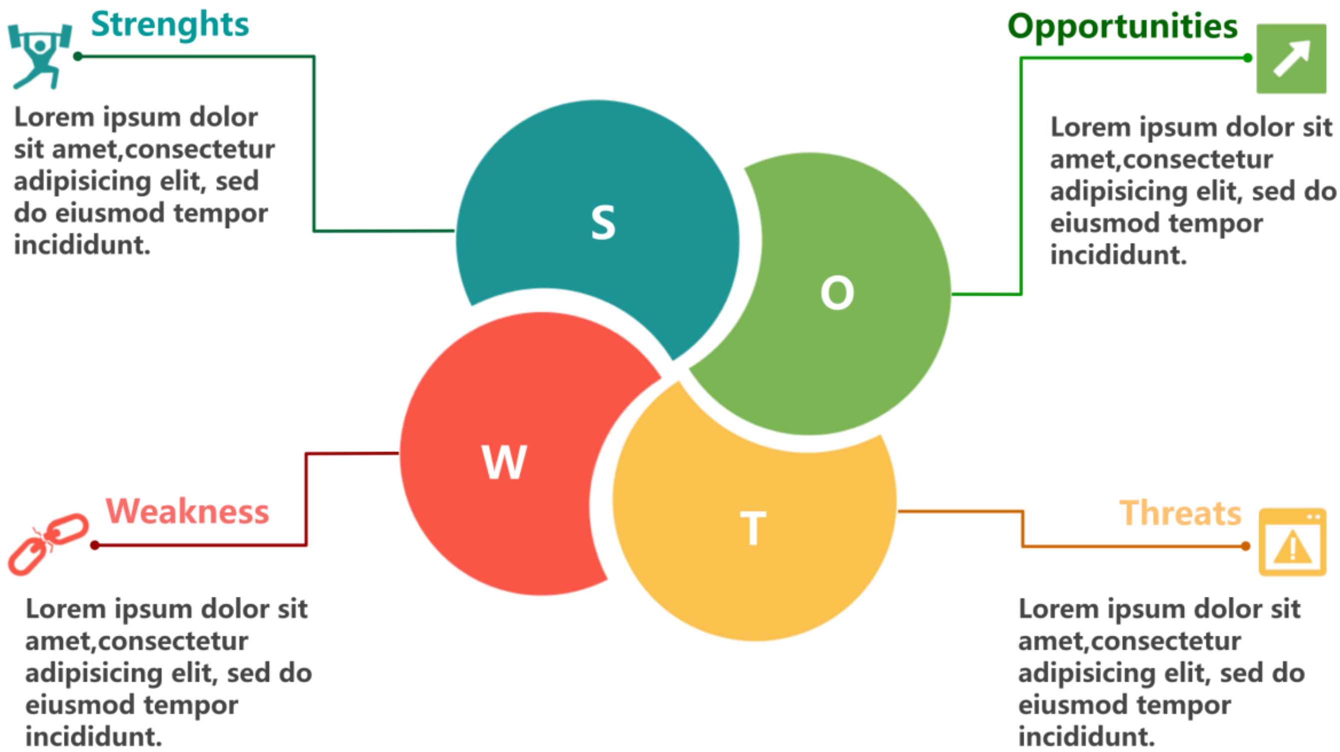

Figure 1: shows the data classification diagram of the integration of business and finance

4.2 Improve the Risk Management Mechanism

Enterprises need to formulate a complete set of sound data security and compliance policies to ensure the effective implementation of these policies. They should regularly review and update the policies to continuously adapt to changes in the external technical environment and regulatory environment. They should also use more powerful firewalls, anti-virus software and other security tools to promptly identify potential threats to the system [9]. Prevent unauthorized access and data leakage. Update security measures in a timely manner to ensure that the existing security measures can meet the security risk requirements in the market. In addition, the financial management department of the enterprise should also train financial personnel to ensure that all financial personnel are fully aware of the relevant safety and compliance standards. Establish risk control nodes covering the entire business chain and incorporate risk elements such as tax compliance logic and capital security thresholds into business processes. Develop a dynamic risk monitoring model to match the tracking data of business orders with cash flow in real time, thereby automatically intercepting some abnormal business operations. In the process of financial management, enterprises also need to constantly upgrade their technologies. Electronic bill verification systems based on blockchain and risk early warning systems for supply chain finance should be developed to enhance the identification and review of various types of risks. Risk management should be upgraded from regular audits to real-time interception to ensure the pertinence and effectiveness of enterprise risk management. Enterprises should set up cross-departmental risk management departments, hold financial risk joint meetings every month, and adopt strategic map work to strengthen the identification of financial risks in each department. Risk-based quantitative management, strengthening a series of process control methods such as activity-based costing, improving the application in business activities, and identifying the real resource consumption of activities. Enterprises also need to establish risk sharing models to make effective assessments of the processes of various activities [10]. Business departments need to focus on market risks and operational indicator risks, focus on compliance and liquidity, so as to respond to financial data. This risk identification mechanism is conducive to enterprises obtaining sufficient financial support when making major strategic decisions such as product development, capacity expansion, etc., and avoiding business department activities, creating excessive financial risk. In the process of financial transformation, enterprises also need to cultivate a compound leaf timber risk control team, Implementing the business rotation system for financial personnel is a more effective method. Enterprises can require risk control specialists to set up a dual assessment system in front-line production and sales positions for more than 60 days every day to strengthen the assessment of the business level of financial personnel. In the design of performance appraisal indicators, business growth quality should be regarded as an important factor of financial team performance appraisal, thus forcing current financial managers to go deeper into the front line and understand business knowledge, learn operation knowledge, production knowledge, sales knowledge, and all employees participate in the discussion of risk cases.

4.3 Accelerate the Integration and Convergence of Financial Data and Business Data

Enterprises should establish unified management norms for diverse and heterogeneous data in financial management, integrate data from different fields such as financial accounting and business operations, and strengthen unified data coding. For instance, core entity data such as customer data and supplier data can be encoded through the master data management system to facilitate the simultaneous use of business systems and financial systems. In addition, enterprises should also establish conversion rules for business and financial data, intelligently map business documents and accounting subjects, facilitate unified application by the finance department, and also make it easier for personnel in business departments to interpret the data. Build real-time data channels to synchronize transaction data from business systems such as ERP and CRM, facilitating the joint upload of data from different platforms and reducing differences in data formats and entry. Support multiple accounting standards and conduct verification, provide self-service data analysis services, build a mapping relationship network of the database, and convert market dynamic data into financial impact assessment in real time. In the process of innovating the financial management model, enterprises also need to innovate the model of the financial organization and reorganize and restructure the traditional distribution mode of the financial department. For instance, a certain group allocates 10% of its strategic finance team to mining the asset data of the enterprise, while the other financial partners conduct analyses on the work of the business departments. This cooperative analysis method can ensure that the finance department promptly understands the work situation of the business departments, and provide effective support for the work of the business departments through standardized data center processing methods. This method reform. Subsequently, the enterprise established an effective dual-line assessment system for financial BP, which can effectively enhance employees' sensitivity to the implementation of the enterprise's strategy. Moreover, the relevant supporting departments of the company have incorporated the benefits of business units into the performance assessment of financial personnel, which has greatly enhanced the sensitivity of financial personnel to business data. The enterprise conducts practical workshops on the integration of business and finance, training all financial and business personnel in the form of workshops. Every year, it can train multiple data modeling talents and financial analysis specialists with compound capabilities. By cultivating a large number of talents, enterprises can also ensure that the subsequent integration of business and finance and financial transformation receive effective human support, thereby enhancing their innovation capabilities.

5. Conclusion

American Research fully analyzes the problems faced by corporate financial management under the current background of business and finance integration, and combines market development trends to analyze the importance of corporate digital financial transformation. It is pointed out that in the process of financial management transformation, enterprises should integrate business activities and financial elements to establish mapping matrix and form dynamic analysis method, So as to improve the accuracy of enterprise budget, improve the efficiency of enterprise risk identification, strengthen the integration of business data and financial data, and form common support for management decision-making. In future research, it is also necessary to fully consider the differences between manufacturing and service industries and enterprises of different natures, strengthen case discussions on specific enterprises, and analyze emerging technologies such as artificial intelligence technology and blockchain technology, implementation analysis in reconciliation scenarios, technological changes in financial management directions.

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