

# Discussion on the financial shared service Mode of enterprises in the intelligent era

Chenzhe Zhao<sup>1</sup>

<sup>1</sup>Zhengzhou Business University

**Abstract**—With the pace of economic globalization, financial Shared service has more and more widely used in enterprise groups and multinational companies and other large enterprises. The new financial management mode has become a "trend". This paper discusses the mechanism of the transformation of the financial shared service mode of enterprise groups from service mode and control mode to value creation mode under the background of intelligence.

## 1 INTRODUCTION

Financial Shared service produced in the middle of the 19th century the western developed country, its initial application purpose is to reduce the cost and provide business service to enterprise group. GE's "Customer Business service" organization, set up in 1986, is seen as an early model for shared service. Shared service is a collaborative strategy that centralizes a portion of existing business functions into a new semi-autonomous business unit with the aim of improving efficiency, creating value, saving costs and improving the quality of service to the parent company's internal customers[1]. It is an early concept of shared service.

With the development of enterprise collectivization and transnational operation, the function of financial shared service has gradually expanded from the initial cost reduction to the realization of strategic objectives such as strengthening group control and reducing financial risks. The development and application of big data, artificial intelligence, cloud computing, blockchain and other technologies have opened a new window for the updating and improvement of financial shared service mode.

Deloitte touche Tohmatsu launched its first financial robot in 2017, marking the arrival of the intelligent era of financial shared mode. Later, Yonyou and other large financial service groups successively launched their financial robots. The rise of blockchain technology has opened a new round of journey for the technical innovation of financial shared service.

Nearly 30 years have passed since the birth of FSSC, and 90% of fortune 500 enterprises and over half of multinational companies have built or are building FSSC centers.

## 2 CURRENT SITUATION OF FINANCIAL SHARED SERVICE MODE

With the development of enterprise scale and economic globalization, more and more enterprises have set up financial shared service centers, which also marks that financial shared service has entered the practical stage in China. The establishment of the financial Shared service center need to consider many factors, enterprises to choose what kind of path to establish Shared service center, and how to make the Shared service center really match the enterprise strategic goals, boost the realization of the strategic objectives, is an important problem should be considered in the early years of shared center set up, namely the pattern of financial Shared service center. Financial shared service are divided according to different standards and have the following categories:

### 2.1 According to the scale and format of enterprise groups

#### 2.1.1 Single-center mode

Refers to the establishment of a financial shared service center in an operating system of an enterprise group, and the internal organization is set up according to the business or format.

The single-center model is more suitable for enterprise groups with strong group control, weak business independence and wide geographical distribution.

#### 2.1.2 Multi-center mode

Refers to an enterprise group that sets up one or more operating systems and sets up several financial shared

---

zcz15538156665@163.com

service centers at the same time. There is no cooperative relationship between the shared centers.

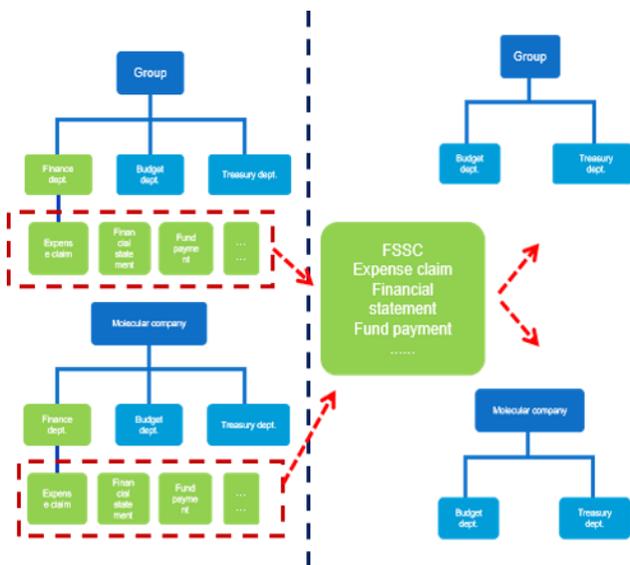
The multi-center model is suitable for enterprise groups with multiple sub-groups, and the group has strong control over the sub-groups, wide geographical distribution and great difference in industrial business.

### 2.1.3 Disaster preparedness center mode

Refers to an enterprise group that sets up a financial system, sets up multiple financial shared service centers to operate at the same time, and pays attention to the backup of data to prevent natural disasters, such as Ping An.

### 2.1.4 Mode of specialization center

The design of specialized centers under the single-center or multi-center model focuses on a group with a large enough single business volume and independent management requirements for tax, capital and other businesses.



Changes in the organizational structure of the financial department

## 2.2 Classification according to customer demand orientation

### 2.2.1 Basic mode

Basic mode is one of the most basic financial Shared service model, it will be in the business and financial processes to streamline, standardization and normalization of transaction spun off for centralized processing, the authors in order to achieve efficiency and realize the large-scale development.

### 2.2.2 Market mode

On the basis of the basic model, this model further separates the basic operation from the decision-making right, separates the control function from the service

function, and provides fee-based service to reduce the cost and improve the service quality.

### 2.2.3 Advanced market mode

The advanced market mode mostly exists in large foreign groups or multinational companies. This mode is conducive to strengthening internal control, considering its own cost effectiveness, and providing external service. Under this mode, customers have more independent choices.

### 2.2.4 Independent business model

In this mode, the financial shared service center operates as an independent business entity. It adopts market-oriented charging standards for both internal and external service to compete with external service agencies and consulting agencies, thus creating stable income and constantly improving service level[2].

## 2.3 Classification according to shared service function objectives

### 2.3.1 Service mode

Financial Shared service is the product of the enterprise collectivization and economic globalization, the cause of its initial is the enterprise will be repeated, standardization and streamline financial business for centralized processing, to better services group within each business unit. In addition to the main factor of reducing costs, improving efficiency, improving customer satisfaction, optimizing the allocation of resources within the group and strengthening the core competitiveness of the group are all functional goals to be achieved by financial shared service, which are more reflected in the early financial management models of western enterprises.

### 2.3.2 Control mode

Origin and development of domestic financial Shared service more benefit from the rapid development of economy and the enterprise scale expanding rapidly, the financial Shared services functions are no longer limited to reduce the cost, improve customer satisfaction, such as service level, but will strengthen its position in the group control level, which pay more attention to group control of the various business units rather than focusing on the service for it[6].

Before the emergence of financial shared service, the enterprise group's control was weakened along with its rapid expansion and scale, and the group's centralized financial accounting mostly made up for this shortcoming. With the emergence of the financial shared service model, the group's centralized accounting model is replaced by the financial shared service. Meanwhile, the functional goal of strengthening the group's management and control is also inherited by the financial shared service.

No matter from the perspective of group size or customer demand point of view, the financial Shared service model eventually stop is either in the service of the group within each business unit to realize the service function, either strengthen the group control of the molecular companies realize the control function. With the advent of the age of intelligence, the financial shared service mode can realize value increment on the basis of the original service and control.

### 3 THE INFLUENCE OF THE INTELLIGENT AGE ON THE FINANCIAL SHARED SERVICE MODE

Under the background of intelligence, artificial intelligence, big data and other technologies are widely used in the field of financial management, which have an important impact on management thinking and process optimization of financial shared service.

#### 3.1 Reshape the strategic planning of financial shared service

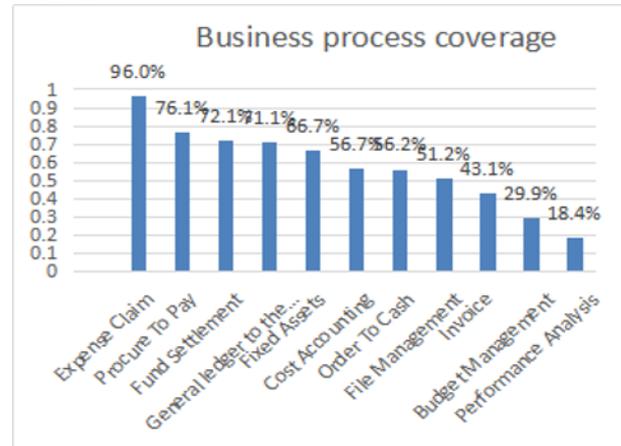
In the strategic planning stage of the financial shared service center, the site selection of the shared center should be considered. Among the consideration factors such as human resources, group control degree and environment, the group control degree generally takes up a heavy proportion. Especially in the early stage of the construction of the shared center, the group's financial strategy mostly includes the goal of strengthening group control degree. The rise of blockchain technology and its application in the field of financial shared service make the whole process transparent for each business unit, group headquarters and shared service center, operators and documents of each business node can be clearly traced, and distance is no longer a key factor restricting the location of shared centers. At the same time, the strategic positioning of the financial shared service center is tilted from reducing costs and strengthening group management and control to enhancing enterprise value and promoting enterprise development.

#### 3.2 Optimize business process reengineering

In the initial financial shared service mode, the main goal of enterprise group financial management is to achieve the integration of homogeneous and standard financial business and form scale effect. Although process construction is better than traditional business process, the degree of informatization still needs to be improved[3]. In the intelligent era, the informationize construction of financial shared service has been pushed to a new level, the functions of financial personnel have been further evolved, the financial system has been further improved, and the integration of business and finance has become more obvious. This series of influences brought by information technology has led to the reshaping of management thinking.

According to the research report on financial Shared service in China in the past two years, 23.1% of the surveyed enterprises have more than 10 processes

covering Shared service, and 48.8% have 6-10 processes including Shared service. More and more business processes are being incorporated into the shared service business.



Business process coverage types

The application of block chain technology, the application of financial robot, the use of high beat instrument and the upgrade of invoice management system all promote the optimization and upgrade of financial shared business process of enterprise groups. There is no need for financial personnel to enter vouchers in the reimbursement process. After the examination, a financial robot can directly generate vouchers, which simplifies the work of financial personnel. The business travel platform and other ports are related to the enterprise account reimbursement platform, booking air tickets and hotels from the enterprise account reimbursement portal, and the enterprise directly pays or the merchant pays forward funds without the employee pays forward, which simplifies the examination and approval process and creates a more convenient business and financial processing process.

According to the statistics of Yonyou Group, with the help of intelligent technology, the comprehensive cost of enterprises can be reduced by 20%-30%, and the processing efficiency of each business can be increased by 30%-50%. In addition, the growth rate of property business can be increased by about 30% without increasing the number of shared service personnel.

#### 3.3 Business synergies were further improved

Compared with the traditional financial business processing, the financial shared service mode realizes the deep integration of business and finance, while the application of collaborative office is an effective way to realize the integration of business and finance. The reason is that financial personnel from financial basic theory is closely linked to financial skills and business type, the social division of labor refinement, mature business model and the complication, which emphasizes the business process efficiency, appeal, that the financial personnel of comprehensive quality for higher at the same time, also pay more attention to the synergistic effect of each business segment[8].

In the era of intelligence, the process of scanning, uploading, and directly uploading invoices, contracts and other documents to electronic documents can be directly completed by business personnel, while the application of block chain technology and the development of mobile Internet technology enable the issuance, storage, examination, and document review of bills to be operated on the mobile end, which greatly improves the mobile collaborative office efficiency, enables mobile operation of all levels of business units, and significantly enhances the coordination of financial shared service.

### 3.4 Dig deeply data value and create a new profit engine

The flexibility of cloud computing space and time meets the demand of big data for storage function and computing space, and the ability of data collection, screening and processing is greatly improved. The addition of artificial intelligence makes the data analysis process and results more simple, intelligent and effective.

Enterprise group on the basis of their scale and system of confused, financial Shared business processes to form a large number of financial and non-financial data precipitation, and with cloud computing, big data and the perfect combination of artificial intelligence, improved accuracy data analysis, the results support the effectiveness of financial decisions get bigger play, and make the data more intrinsic value increasingly be made explicit, thus brings about more new enterprises profit points.

### 3.5 Strengthen financial system and policy implementation effect

China's 14th five-year Plan puts forward such scientific and technological innovation and development concepts as "adhering to innovation-driven development, shaping new development advantages in an all-round way" and "accelerating the development of modern industrial system and optimizing and upgrading the economic system" to provide policy support for the digital transformation of the economy and the circulation of data assets and further release the value of data elements. Cutting-edge technology not only leads the emerging industry development, drive the role of the original industry model transformation is to be reckoned with. The application of big data, cloud computing, artificial intelligence and other technologies is more reflected in the level of business model innovation.

It is believed that under the premise of China's demographic dividend, strong government support and capital boom, intelligent innovation will gradually be excessive from the innovation of business model to the innovation of chip and underlying algorithm, and technology will be applied to more basic industries and fields to create greater commercial value.

## 4 SUMMARY

From the perspective of the development of financial shared service at home and abroad, financial shared services show different characteristics in different economic development periods, social and cultural environment and enterprise development stages, and the internal and external factors of enterprise groups act together on the selection and evolution of financial shared service. On the other hand, the influence of the age of intelligence is multifaceted. No matter in western developed countries or in developing countries such as China, intelligence is gradually penetrating into all economic fields.

In a comprehensive sense, the development of financial shared service, whether it is the determination of strategic positioning, the optimization of process reengineering, or the creation of data value, cannot get more development without powerful information technology support. It can be said that the intelligent age has had an important impact on the development of financial sharing service model. For enterprise group in the financial Shared services for more rapid development in the financial management mode, you need to make full use of information technology means, from a strategic planning, organization structure adjustment and process optimization and so on angles to explore financial Shared services model building, continuously strengthen the infiltration of information technology in every business link, accelerate enterprise financial Shared services by the service, the control model to value creation migration.

## ACKNOWLEDGMENT

In the process of writing this paper, Teacher Chen. gave careful guidance and pertinent suggestions to all aspects of the paper, from the topic selection, the structure of the paper to the final draft, which enabled me to successfully complete the writing of the paper. I am greatly encouraged by Her rigorous academic attitude and excelsior working style. I hope to learn from her in my future research and work. Here I would like to express my sincere thanks and high respect to Teacher Chen. For a long time, friends and colleagues in writing selfless care and support, to create a good learning environment for me, let me to complete the writing of the article, in the good atmosphere to me in this express heartfelt thanks to friends and colleagues.

## REFERENCES

1. Brian Bojaron. The Essentials of Shared Service [M]. China Renmin University Press,2004.
2. Zhang Qinglong, Dong Hao. Discussion and Selection of Financial shared Service Model [J]. Chinese Certified Public Accountants,2012(02):66-69.
3. He Ying. The Path and direction of enterprise Group financial process Reengineering based on cloud

- Computing [J]. *Management World*,2013(04):182-183.
4. Liu Tingyuan. Discussion on financial shared Service Management Model of Enterprises [J]. *Finance and Accounting Research*,2007(02):40-41.
5. He Ying. New Trend of Enterprise Financial Process Reengineering: Financial shared Service [J]. *Finance & Accounting Newsletter*,2010(06):110-113.
6. Zhang Yuqiang, Lin Jinteng. Comparative Analysis of Financial shared Service Mode in Enterprise Groups [J]. *Friends of Accounting*,2011(01):41-44.
7. Zhang Ruijun, Chen Hu, Hu Yaoguang, Chang Yan. Financial shared Service Model research and Practice [J]. *Management Case Study and Review*, 2008(03):19-27.
8. He Guoqin, Pan Wenfu. Research on the transformation of enterprise financial management based on financial shared in the intelligent era [J]. *Journal of luohu vocational and technical college*, 2020,19(06):59-61.
9. Zhao Xiaoling, Qiu Yunlin. Benefit Analysis of the Financial shared Service Mode of the Group -- A Case study of ZTE [J]. *Friends of Accounting*, 2014(22):61-65.