

A Case Study of Financial Integration of Yonghui Supermarket under the Financial Sharing Model

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Abstract. At present, due to the rapid development of information technology, problems such as low financial work efficiency, high operating costs, imperfect internal control system and inadequate risk control have emerged. In order to improve and solve these problems, many companies have put forward a financial sharing solution, which in essence is to centralize financial data and carry out standard assembly-line reform on part of financial work. However, this only improves the efficiency of financial accounting to a certain extent, but does not improve the financial value creation ability, and cannot meet the deep-level requirements of enterprises. Therefore, with the gradual development of management accounting theory, the integration of industry and finance will gradually become the trend of financial management in the future. In this paper, financial sharing is the starting point to study financial integration. Yonghui Supermarket is selected as the research object. Firstly, the general situation of the company and the establishment process of its financial sharing center are introduced. Secondly, it analyzes the effect of financial integration under the corporate financial sharing model. Finally, the research conclusions of this paper are put forward.

Keywords: Financial sharing; industry and finance integration; financial management.

1. Introduction

As the financial work of most enterprises lags behind the future development of the company, and the financial personnel are mainly responsible for accounting afterwards and passively reflecting the financial situation of the company, if the financial work is to play a guiding and supporting role in the business, it is necessary to change the financial thinking, increase the attention of the enterprise management to the financial management function, optimize the financial process, build an integrated platform with a high level of information, promote the automation of data processing, guarantee the timeliness and comprehensiveness of financial data, and stimulate the creativity of financial personnel. As a new financial management concept, financial sharing and financial integration provide a good solution for the above aspects.

2. Case Overview

2.1. Company Profile

Yonghui Supermarket is one of the first batch of circulation enterprises to introduce fresh agricultural products into modern supermarkets in China. It was established in 2001 and listed on the Shanghai Stock Exchange in 2010. With the concept of "integration, sharing and competing development", Yonghui Supermarket implements a differentiation strategy and takes the development of logistics industry as its pillar, so that it can quickly develop chain stores in various provinces and realize cross-regional development.

2.2. Background and Objectives of Corporate Financial Integration

Implementation Background: As the company's scale continues to expand, its business volume and operating income are also increasing, and at the same time, it will also cause continuous cost increase. If the company wants to continue to make profits, it must strengthen its management level, improve its operation efficiency and reduce its costs and expenses. Therefore, since the end of 2011, the Company has introduced a series of new ideas such as "business finance" and "business partners",

bringing together talents from all over the country to form a project team to be responsible for ERP projects, so as to achieve the objectives of optimizing the Company's organizational structure, coordinating financial management with business management, improving the utilization rate of existing resources and utilizing limited resources.

Implementation objective: to promote the development of financial integration through financial management transformation, so as to achieve the goal of corporate value-added. In the implementation process, the Company should focus on improving its value management ability, financial business handling ability and risk prevention ability, establish a new value-oriented financial management system, and realize the optimization and upgrading of financial organization.

2.3. Specific implementation of financial integration under the corporate financial sharing model

2.3.1. Establish a financial sharing center and rebuild the financial process

The first step in the implementation of financial integration is to establish a financial sharing center, which mainly includes the following three stages:

Start-up period (From November 2011 to November 2012): As the company was just listed at that time, and had a large-scale capital expansion and huge financial pressure, it began to plan the ERP project and hired IBM to help build the SAP system. In November 2012, the ERP project was put into trial operation, and talents from all over the country were brought together to form a project team, which marked the next stage of financial sharing in Yonghui Supermarket.

Development period (From November 2012 to December 2015): during this period, financial sharing is roughly divided into three stages: pilot operation, business concentration and platform establishment. In addition, the financial sharing center has also achieved national sharing and is no longer restricted by geographical space, making the database more comprehensive.

Maturity period (From 2016 to the present): by the end of 2015, the financial sharing center had basically achieved paperless and nationwide information sharing and accounting, and the system was relatively mature. Only further improvement was needed to gradually incorporate the businesses that had not yet received the revenue sharing system for business integration.

The optimization and reconstruction of the financial process is the core of the establishment of a financial sharing center. Before, each branch had its own financial department to conduct independent accounting, forming a situation of one branch with one financial system, which is not conducive to the overall management of the Group. However, after the establishment of the financial sharing center, a unified and standard process has been formulated to enable the information of each branch to be processed in a unified way, mainly focusing on receivables, payable and expense reimbursement.

2.3.2. Optimize and rebuild the organizational structure

As the finance department is the main participating department in the process of financial integration, the organizational structure of the company's finance department needs to be optimized and reconstructed, which consists of three parts: headquarters finance, finance sharing center and business unit finance.

Among them, headquarters finance is mainly responsible for formulating reasonable systems and specifications according to the specific conditions of the enterprise, ensuring their smooth implementation, controlling the overall risks of the enterprise, participating in the financial decision-making and performance management of the company, etc., and promoting the optimization of the internal processes of the company; The financial sharing center is mainly responsible for undertaking the central service platform for fund settlement and accounting data processing, providing financial data and settlement services, etc. Business unit finance is mainly responsible for the implementation of specific financial policies, supervision and guidance of the financial behavior of each branch, analysis of daily results and reasonable control of risks, audit of financial activities of subordinate institutions, completion of financial activities at the corresponding level and reporting to the superior when quality assurance is ensured.

2.3.3. Open up the channel of financial integration

Opening up the data exchange mechanism for industry and finance: In business activities, data is not only a process but also a display of results, which can lay a foundation for making correct business decisions. Opening up the data exchange mechanism for industry and finance can open up a new way to achieve the goal of integration of industry and finance faster and better. The most important thing is reasonable information platform planning. Yonghui supermarket has ERP system, machine vision image management system, financial accounting, bank-enterprise direct link, etc.

Opening up Communication Channels for Financial Professionals: Yonghui Supermarket has established both formal and informal communication channels in combination with its own development strategy, corporate culture and core values of "integration and sharing". Formal channels of communication include the establishment of electronic forums, the establishment of hotline, regular publications within the company, departmental communication suggestion boxes, etc. At the same time, informal channels of communication include organizing group building activities, departmental social gatherings, weekend outings, etc., which can enable people from different departments to get familiar with each other, communicate and share work experience and suggestions, which promotes the implementation of the integration of industry and finance.

3. Implementation effect of financial integration under corporate financial sharing model

3.1. Improving operational efficiency

In this paper, the ratio of total assets to management personnel is selected for analysis, because the ratio is positively correlated with the number of assets managed by each management personnel, and the higher the ratio, the higher the operating efficiency, and vice versa. As can be seen from Table 1, Yonghui Supermarket was listed in the early stage from 2010 to 2012. As a result of the company's scale expansion, the original management personnel were far from being able to meet the ever-increasing business volume. As a result, the company continued to significantly expand its personnel, and the number of management personnel increased exponentially, with the total assets also increasing. During the period from 2012 to 2014, both ratios were relatively stable with little change. However, as the construction of the financial sharing center was basically completed in 2014 and the Company expanded its management personnel and financial personnel again, it can be seen that the ratio of asset management personnel in 2014 decreased significantly as compared with 2013. After 2014, the construction of the financial sharing center was basically completed, and the ratio of the two began to increase continuously. This indicates that the establishment of the financial sharing center and the implementation of financial integration have a continuous positive effect on the work efficiency of the company's management personnel, especially the financial personnel.

Table 1. Changes in Relevant Data of Operation Efficiency of Yonghui Supermarket.

Year	Number of managers	Financial strength	Total assets	Total assets/number of persons under management	Total assets/financial strength
2010	805	263	661,082	821.22	2513.62
2011	2340	408	946,693	404.57	2320.33
2012	4055	744	1,090,685	268.97	1465.97
2013	4714	920	1,297,281	275.2	1410.09
2014	6476	1209	1,547,957	239.03	1280.36
2015	5216	1255	2,030,410	389.27	1617.86
2016	4698	1308	2,943,821	626.61	2250.63
2017	4361	1211	3,287,047	753.74	2714.32

3.2. Optimizing Resource Allocation

On the one hand, financial sharing eliminates the need for financial personnel to repeat complicated work, and financial integration gives financial personnel the opportunity to make business decisions, thus reducing the number of basic accounting personnel and increasing the number of strategic financial personnel with higher added value. Therefore, Yonghui Supermarket has re-divided its financial personnel resources. Junior accounting personnel are responsible for basic work such as cashier, while senior accounting personnel are responsible for financial control and assisting the company's strategic decision-making. This decision enables the company to support the company's strategic development in all aspects before, during and after finance.

On the other hand, financial sharing breaks down communication barriers in financial business, and financial integration organically integrates finance with business, which not only enables finance to evaluate business projects in advance and judge the feasibility of projects, but also provides comprehensive financial support for project implementation. The integration of business and finance can enable managers to grasp the dynamic situation of the company, so as to obtain more financial management value. Taking cost management as an example, the integration of industry and finance makes it easier for managers to identify value-added businesses, thus providing more accurate business information for cost management. At the same time, after financial personnel know the product information, when the business department formulates the purchase plan, they can sort out the cost of different products and provide data analysis and suggestions for decision-making, which enables managers to make ideal decisions, which will benefit the development of enterprises in the long run.

3.3. Enhance risk response

In order to solve the risks that the financial management system of Yonghui Supermarket was relatively decentralized, the financial institutions of all branches and subsidiaries were different in execution, and the quality of personnel was uneven, which were difficult to predict and control, the financial sharing center was used to centralize the data of all branches and subsidiaries, to strengthen the accuracy of business data of financial control, and to enable managers to understand the business of branches and subsidiaries more conveniently and comprehensively, so as to better manage.

Yonghui Supermarket's ability to cope with risks is mainly reflected in the following three aspects:

1. Standardized financial sharing center and automated operation process help the company to realize the automation of bookkeeping vouchers and reduce the error rate of manual bookkeeping; The budget system realizes intelligent control, avoids human intervention factors and reduces potential risk factors;

2. The sharing system has achieved centralized control of funds, made the flow of funds more transparent and the allocation of funds more reasonable, and greatly reduced the risk of fund management.

3. In the specific implementation process of financial sharing, the budget control link is at the front end of the business application, which requires not only strict audit, but also strict control of the high-risk links in the strategic finance according to the analysis report and puts forward different solutions. The business finance focuses on, monitors in real time, responds to risks in a timely manner and reasonably avoids risks in the business process.

3.4. Opening up Communication Channels

In the process of implementing the integration of industry and finance, the most important thing is information transmission, and the most important element of information transmission is the authenticity and timeliness of data. The powerful information system function of financial sharing provides a strong guarantee for it. For the traditional financial model, accounting is performed separately, and subsidiaries in each region need to be accounted for separately, but this will cause the problem of long instruction transmission time. After the financial sharing center is put into use, especially when cross-regional accounting is completed in the sharing center, information

transmission and instruction issuance can be completed online, which greatly shortens the time and greatly improves the communication and work efficiency of financial and business personnel. At the same time, through the organic integration of financial personnel and business personnel, all business personnel can master some financial knowledge, thus forming financial thinking. It also enables financial personnel to conduct profit assessment on business projects in advance, judge the feasibility and importance of the projects, and then provide corresponding financial support for the implementation of the projects.

4. Summary

4.1. Financial sharing provides advantages for the implementation of financial integration

Through the research on Yonghui Supermarket, this paper finds that the advantages of the unification of financial business process and system, the integration of information, organization and process, and the refinement of financial personnel division of labor have laid the foundation for the development of industry-finance integration. At the same time, most companies with financial management model will give priority to financial sharing during the construction of systems, processes and information systems, because they all need to strengthen the unified control of departmental data, personnel and funds from all aspects of infrastructure and organization and optimize processes and systems, which facilitates the understanding of procurement, sales, after-sales costs and business conditions of the financial department. For example, to strengthen the close cooperation between business finance departments, share data and information, subdivide and sort out business processes, trace back the sources of business data, evaluate and forecast the business based on the analysis of existing data, etc. All these advantages indicate that financial sharing can promote the integration of business and finance to obtain extremely significant implementation effect.

4.2. The implementation of financial integration requires personnel, technology, processes and institutional safeguards

The implementation of the integration of industry and finance needs four guarantees: personnel, technology, process and system.

The implementation of the integration of industry and finance cannot be separated from the implementation of the employees. Therefore, the management level of the company's managers, the decisions of the leaders and the overall quality of the company's employees will have a direct impact on the implementation effect of the integration of industry and finance. Staff security is reflected in the availability of sufficient finance staff and a reasonable division of their functions. For the grass-roots financial personnel, they account for the largest proportion in the integration of industry and finance. They need to have certain professional knowledge, independent problem-solving ability and good communication ability, understand the business development, and guide the business personnel to seek support from finance; For shared finance staff, they are responsible for sharing the more basic part of accounting work, only need to understand the basic financial knowledge and skilled use of computer tools; For strategic accounting, they need to have excellent professional quality, extensive professional knowledge reserve and good financial analysis ability. In addition, for the top-down implementation of financial integration, the management's recognition and support for financial integration are also closely related. The more supportive the management, the more motivated the staff, and the more efficient the financial integration will be.

Since the speed and depth of convergence depend to a large extent on whether business financial information can be effectively communicated, the level of information technology plays a crucial role. The technical level directly affects the effect of system integration. The more advanced and perfect the technical level is, the faster the data in the financial sharing platform will be acquired and the higher the information conversion rate will be, which greatly promotes the implementation of industry-finance integration. If there is no shared system, financial personnel will be required to spend

a lot of energy to deal with these repetitive and low-value financial information, which will also cause problems of low efficiency and high error rate.

Because the speed and depth of integration depend to a large extent on whether the business financial information can be communicated effectively, so the level of information technology plays a crucial role. The technical level directly affects the effect of system integration. The more advanced and perfect the technical level, the faster the data acquisition speed in the financial sharing platform, and the higher the information conversion rate, which greatly promotes the implementation of industrial and financial integration. If there is no shared system, then it will require financial personnel to spend a lot of energy to deal with these repetitive, low-value financial information, which will cause low efficiency and high error rate problems.

The implementation of the integration of industry and finance also requires the protection of systems, ranging from the operation mechanism of the company to the communication system between departments, all of which require the formulation of standardized systems. At the same time, businesses are implemented in accordance with the integration system, ranging from the division of organizational structure to the division of work authority and the transmission of data. This is conducive to the faster and better realization of the unified operation objectives, and thus can speed up the progress of the integration of industry and finance.

To sum up, the integration of industry and finance under the financial sharing model cannot be separated from the implementation of personnel, the support of information technology, the operation of the industry and finance process and the maintenance of the system. However, no matter which one can be completed overnight, especially in the initial stage, there will inevitably be some resistance in the implementation process. Although Yonghui Supermarket studied in this paper has achieved good management and financial results, it also has resistance in the process of development of financial integration, such as poor communication between organization personnel and disconnection between the sharing center and various business departments. Therefore, in the future development of the company, it is necessary to continuously adjust the financial management strategy, select a financial integration method based on the financial sharing center that is appropriate to the company's own business operating characteristics, and continuously penetrate the concept of financial integration in the process of innovation and reform to ensure the smooth progress of financial transformation.

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