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Research on the Management and Control System Construction of the Enterprise of Shanxi Coking Coal's Business and Financial Integration under the Financial Sharing Platform

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Abstract: Along with the booming economic and social development and the advent of information and information construction, further optimization of the enterprise's internal management and control system and the promotion of the integration of business and finance have become the main hotspots of the enterprise's group business. This paper takes the Enterprise of Shanxi Coking Coal as the research object to analyze its basic situation and the defects of its original financial management model, and draws up the basic objectives for the construction of a control system for the integration of business and finance of the enterprise under the financial sharing platform. This paper tries to complete the construction steps of the control system for the integration of business and finance under the premise of optimizing and improving the financial sharing platform, providing a new idea for the financial sharing platform to gradually improve and promote the integration of business and finance. The integration of business and financial control systems under a financial sharing platform can enhance the effectiveness and overall economic value of an enterprise through its special advantages, and it is worthwhile for more companies to study and establish improvements.

Keywords: Financial Transformation; Financial Sharing Platform; Business and Financial Integration; The Enterprise of Shanxi Coking Coal.

1. Introduction

In recent years, with the continuous improvement of accounting informatization, automation and intelligence, the idea of "financial integration" has been paid more and more attention to, and the development of new technology has made it occupy an important position in the business decision-making and management of enterprises. Improving the efficiency and quality of the use of business and finance through the integration of business and finance has become a focus of attention in all sectors of society. As far as the enterprise itself is concerned, the financial accounting in the past mainly put a lot of efforts on the daily collection and arrangement of basic financial information, while neglecting the deeper operation and management, making the problems not easy to detect. However, in today's era of "profit-dependent business", the increasing uncertainty faced by companies, the significant financial costs and the ineffectiveness of internal controls, the absolute separation between corporate accounting information and corporate business information is no longer adequate to meet the needs of corporate development.

Business and financial integration management and control system based on financial sharing platform, with a clear division of functions, a high degree of information technology and powerful management and control, helps enterprises to make business decisions so that finance can help business development. Through close cooperation between business and finance, the level of integration of business and finance can not only reduce the enterprise's financial costs, but also strengthen the enterprise's internal control, making the enterprise's operational efficiency and performance management level improve rapidly.

2. Background and Objectives of the Reform of the Financial Integration Control System of the Enterprise of Shanxi Coking Coal

(1) Basic information on the Enterprise of Shanxi Coking Coal

The Enterprise of Shanxi Coking Coal Group is ranked 48th among the top 500 Chinese enterprises. The enterprise has a coal production capacity of over 100 million tons and has assets of 250 billion yuan. With the advent of the network era, coal mining enterprises are facing increasingly fierce competition, and the Enterprise of Shanxi Coking Coal Group is constantly innovating in technology, organization and management as well as control methods, and has built "ten information management platforms".

One of the most important aspects of building the "Ten Information Management Platforms" is the establishment of a shared financial services center. In 2018, the Enterprise of Shanxi Coking Coal Group hired a research team with the aim of actively promoting the construction of a financial sharing platform; on 27 December 2018, the Enterprise of Shanxi Coking Coal Group officially launched its financial sharing service center, leveraging the financial sharing platform system of the company called Yuannian Technology to complete the "three-stage jump" in financial informatization of a unified accounting system, online centralized accounting and financial sharing, helping to achieve the Group's major strategic objectives.

(2) Analysis of the integration of business and finance under the financial sharing model of the Enterprise of Shanxi Coking Coal

1) the organizational structure is difficult to support the

existing business

The finance departments of each local government in the Enterprise of Shanxi Coking Coal Group Finance Sharing Centre are completely independent and focus only on pure business operations, mainly providing accounting services for business departments, but without financial management functions and actual jurisdiction, it is difficult to give timely and effective leadership and command to business departments.

Nowadays, the Enterprise of Shanxi Coking Coal Group's business covers more than 20 countries and regions, gradually expanding its business scope. In so many countries and regions, there are often many differences in accounting, taxation, legal and fund management, etc. The organizational structure maintained by the Enterprise of Shanxi Coking Coal's Financial Sharing Centre during the initial three years of use since its construction was difficult to support the existing group business plan and had to be adjusted immediately.

2) Information systems need to improve capabilities of collection, process and feedback

In terms of information technology, the Enterprise of Shanxi Coking Coal Group's information technology construction is still weak and the degree of standardization is relatively low. The systems of each branch (subsidiary) are different, and there is an independent relationship between each system. For example, the settlement of funds for each unit in the Enterprise of Shanxi Coking Coal Group is approved offline and the payment of funds is not yet fully completed online. In addition, there are no standardized information templates in the business processes and documentation of accounting and financial management across units, which affects the efficiency of output and increases the error rate.

3) Business processes do not cover production

The Finance Shared Service Centre deals with simple and repetitive financial workflows in a primarily unified manner. Although the business processes of the Enterprise of Shanxi Coking Coal Group's financial shared services platform have been effective, the efficiency of some processes still suffers. For example, in order to strengthen the management and administration of funds for each project unit, additional approval processes or other procedures that require approval from higher levels are created, thus reducing efficiency. Due to the lack of a professional process management body, the progress of process change does not keep pace with the pace of corporate change, problems cannot be solved in time and updates are slow, which seriously hinders the process of corporate change.

(3) Objectives of the reform of the financial integration control system of the Enterprise of Shanxi Coking Coal

1) Optimizing business processes and helping companies create value

The Enterprise of Shanxi Coking Coal Group needed to optimize its business processes and achieve three enhancements to the sharing center's business processes: more standards, more automation and broader coverage to make the business more valuable.

More standardized business processes are the most central and important issue for companies to optimize the business processes of their financial sharing platform. Firstly, it is important to combine the design of the standards with the characteristics of the enterprise, where high applicability will have a positive impact on business production; secondly, these guidelines are more solid and cannot be changed frequently; and thirdly, the standards should be implemented consistently.

More automated business processes are the most difficult problem for companies to solve in order to optimize their business processes. Depending on the existing conditions, the e-Reporting system can be used as a central system for the entire information and consultation platform of the Enterprise of Shanxi Coking Coal Group. The Enterprise of Shanxi Coking Coal Group can take advantage of the progressive improvement of electronic image technology to interconnect the Group's business financial management and other systems.

At this stage, the business processes of the Enterprise of Shanxi Coking Coal Group's Financial Shared Service Centre are mainly: cost accounting, fund clearing, report preparation and procurement payment, etc. The coverage rate of enterprise fund settlement and procurement payment reached 70%; the coverage rate of cost accounting reached 60%; the completion rate of financial statement preparation reached 50%; however, there are still some businesses such as tax declaration that are not covered by the business processes of the Financial Shared Service Center. It is hoped that with "wider business process coverage" as a goal, the financial management system of the Enterprise of Shanxi Coking Coal Group will be gradually improved and the enterprise's asset consolidation and control system will be optimized.

2) Enhancing finance to support business and management decisions

Firstly, the finance staff of the Enterprise of Shanxi Coking Coal Group must enhance their understanding of the business and understand the development environment both internally and externally. The Group should also change the mindset of the finance staff through various means to convert the original management and supervision functions into the support and service functions required for business and finance integration.

Secondly, under the integration of business and finance, the Enterprise of Shanxi Coking Coal Group needs to achieve effective integration of financial management and operation management, which provides effective decision-making information for the Group's business management and budget management and enables the Group's business information to be effectively connected with financial data.

Finally, the Enterprise of Shanxi Coking Coal Group's Financial Shared Service Centre unifies accounting standards to make the financial work of the group more basic and simpler, so that some finance staff can participate in the business while taking care of the financial work, improving the efficiency of the enterprise's financial management, and using relatively low-cost human resources to carry out activities with low added value.

3) Realizing the integration of business and finance and accelerating the construction of an intelligent financial platform

The ultimate goal of Intelligent Finance is to improve the finance and business of an enterprise, making finance better integrated with business, operations and other group things, in order to enhance the operations of the enterprise and to support good leaders in their decision making. The enterprise needed to improve the existing financial sharing platform of Enterprise of Shanxi Coking Coal Group so as to form an integrated management control system for business and finance, thus jointly facilitating the transformation of the enterprise to intelligent finance.

A relatively complete basic framework for a smart finance platform needs to include a financial sharing platform, external transaction control, a big data analysis application platform and other auxiliary platforms for the financial sharing center. Of these, the financial shared services platform is the most basic platform and will indirectly participate in the use of each platform, so its importance cannot be overstated; At the same time, the basic concept of business-led financial supervision of operations is executed through the overall operational process of Smart Finance, where the integration of business and finance involves the analysis, sending and processing of business and financial information and the linking of the various Smart Finance platforms.

3. Study on the Construction of a Control System for the Integration of Business and Finance under the Financial Sharing Platform of the Enterprise of Shanxi Coking Coal

(1) Improvement of the Enterprise of Shanxi Coking Coal's financial sharing platform

1) Financial sharing approval process refinement design

The shared platform must ensure that audit risks are reduced and that processes are continually optimized in line with changes in the business, significantly improving operational efficiency and cutting the operating costs of the business. Based on the previous analysis, the following adjustments to the approval process are required:

A. Pre-approval of operations.

B. Reduce duplication of approvals.

C. Full delegation of approval.

D. Open an electronic image upload port for grassroots personnel.

E. Consolidation of document processing functions from the Finance Shared Centre to Head Office.

F. Transferring the accounting functions delegated by the FSC to its subordinate branches (subsidiaries) to the head office to cut costs and improve efficiency through unified processing

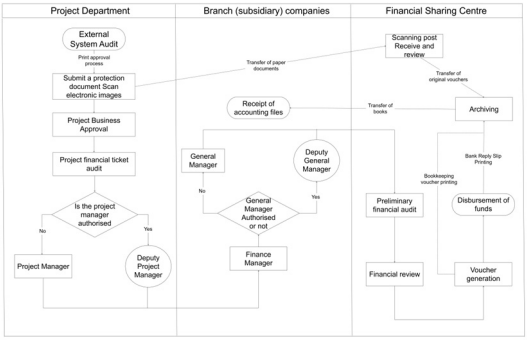


Figure 1. Optimized business approval flow chart

2) Financial sharing support platform refinement design

When improving the financial sharing auxiliary platform, it is necessary to understand the role of each auxiliary platform in the overall planning process and its objectives, and build a complete financial sharing platform system structure based on the existing financial sharing platform, while taking into account the current business model of the Enterprise of Shanxi Coking Coal Group and the development of the coal industry. The specific construction plan is shown in Figure 2.

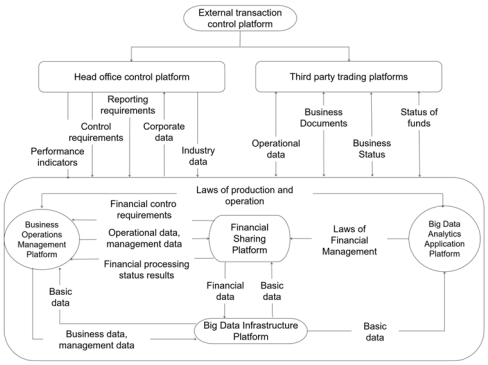


Figure 2. Overall architecture of the financial sharing support platform refinement design

(2) Construction content of the financial integration control system under the financial sharing platform

1) Optimizing the organizational management structure of your business

First, strengthen front-end accounting supervision. When carrying out the construction of the business finance integration control system, the Enterprise of Shanxi Coking Coal Group should strengthen internal controls, communicate various business information to the finance department in a timely manner, strengthen the monitoring and management of the front-end financial and accounting information of the enterprise, and realize the unified management of customers and the supply chain to ensure the authenticity of the enterprise's information.

Secondly, to enhance cross-departmental communication between financial accounting and business departments. Under the financial sharing platform, the financial management function of financial integration will be realized by means of financial sharing, and the financial accounting of all business units of the Enterprise of Shanxi Coking Coal Group will be quickly integrated, so that problems arising in daily operation can be identified and solved in a timely manner.

Third, strengthen the system. The Enterprise of Shanxi Coking Coal Group should develop a scientific financial workflow specification system and a financial accounting management system, and standardize its financial management system and document management plan to provide a high-quality service to the Group's internal business units and customers.

2) Building an integrated information management system

The Enterprise of Shanxi Coking Coal Group must fully consider the current operating conditions and the development needs of the Group, flexibly use the opportunities brought by the information age, abandon the mutually independent information management systems of the finance and business departments that cannot effectively share information and data resources, and build an integrated information management system that integrates data, technology and talents.

A. Large amount of information data

In the context of financial integration, the establishment of an integrated information management system for financial integration requires a large amount of information and data as a basic and prerequisite condition. In the information age, enterprises have a large amount of business data, but the value of their information is not fully lived and used. In order to ensure the smooth running of the financial and business processes, the Group's integrated data, technologies and

human resources information management system for the integration of business and finance must be refined and effectively developed so that it can't only analyze and promote the information value of integrated business data, but also play a greater role in decision-making for the development of the enterprise.

B. State-of-the-art information technology

In the context of financial integration, the establishment of an integrated financial integration information management system requires the support of the most advanced information technology, and the availability of the most advanced information technology and highly efficient system software is an important guarantee for the high quality and efficient use of the information management system. Modern information technology drives the communication and integration of business and finance, enabling finance workers in the Enterprise of Shanxi Coking Coal Group to access business costs, business structures and customer resources in real time for effective data processing.

C. Financial Management Talent Assurance

In the context of financial integration, the establishment of an integrated information management system for financial integration requires sufficient financial management personnel. Companies can take a variety of measures to improve the job competencies and overall quality of their finance staff, ensuring that they have professional financial knowledge and management skills, confirming that they are skilled in advanced information technology applications, and that they must focus on the development of integrated functions such as risk management and control, cost management, data analysis and market forecasting.

3) Achieve full integration of business and financial processes

A. Process Re-engineering

Based on process re-engineering theory, the Enterprise of Shanxi Coking Coal Group's business process level is represented by five segments including "investment - coal mining and construction - maintenance and optimization of coal mining - marketing of products - maintenance of customers". After processing data extraction, the data is analyzed and summarized using management accounting methods with coal mining as the smallest unit to analyze the merits of the application of the unit. Through business process re-engineering, the control system for business and finance progresses more smoothly and the staff in the finance department can gain a deeper understanding of the business, become more actively involved in the Group's business processes and provide the full scope of financial data support. Based on the specific process of financial analysis, finance practitioners in Enterprise of Shanxi Coking Coal Group can further focus on and optimize links and nodes in business processes that do not add value, appropriately exclude parts of business processes that do not add value to the enterprise, and promote deeper integration of the enterprise value and business chains.

B. Assessing the efficiency of coal mine operations

Although the Enterprise of Shanxi Coking Coal Group is an industrial producer, the results of the analysis of the efficiency of the use of costs and benefits for the whole group are simpler to obtain at the level of coal mining because of the individual needs of customers and high price sensitivity, and the clearer propulsion of costs and resources in the process of investments, constructions and sales. From the perspective of coal mine revenues and costs, the Enterprise of Shanxi Coking Coal Group needs to establish a unified recovery system and recovery method based on the integration of industry and finance, construct an accounting model for the revenues and costs of a single coal mine, and decide which coal mine related revenues or costs to classify into which coal mine related revenues or costs, and finally to assess the operational efficiency of individual coal mines and the Group as a whole.

4. The Relationship with the Financial Sharing Platform after the Construction of the Industry-Financial Integration Control System

The financial sharing platform is a platform to further deepen and promote the original financial function, as well as the foundation and implementation platform for the construction of the industry-financial integration control system. The industry and finance integration control system can improve the defects of the separation of business and finance under the traditional management model, and also further deepen the functions of the finance sharing platform, effectively improving the internal control function and reducing the cost of financial operation. Therefore, the financial sharing platform and the business finance integration control system are complementary to each other.

(1) Financial sharing platform builds a basic platform for business finance integration control system

In traditional business operating systems, business processes, financial processes and management processes are fought separately, and there has long been no effective technical means to fully connect them. However, the business finance integration control system organically integrates business processes, financial processes and management processes in the operation of the enterprise, establishes a business-led financial integration information processing process, integrates financial and business information, realizes information sharing, and can control the business situation in real time. Therefore, a perfect financial sharing service platform can provide corresponding data and information support for the industry and finance integration control system, which lays a good foundation for promoting the development of the industry and finance integration control system.

(2) Industry and financial integration control system further deepens the functions of the financial sharing platform

The financial sharing platform plays a fundamental role throughout the Group's operations, but does not form a business system. In order to give full play to the role of sharing, it is necessary to implement the integration of business and finance, establish a management system and set up a control system for the integration of business and finance. This means using information exchange and alignment between business and finance departments, providing process support for business and finance integration through a shared services platform for finance, providing effective information and advisory services to all group departments, making forecasts in advance, and providing input control beforehand and timely feedback afterwards.

Through the initial construction of the financial sharing platform, although the sharing of resources, centralized management and control of the headquarters of the Enterprise of Shanxi Coking Coal Group and the reduction of group risks

were achieved, the financial processes of the branches (subsidiaries) became longer and less efficient in order to cope with the market. With the construction and further improvement of the business finance integration control system, the finance staff function has been emphasized and the scientific nature of decision making in business and management has been improved, as well as the effectiveness of the Group's financial management and control.

(3) The two together help accelerate the building of smart financial platforms

Smart technology is having a widespread impact on all areas today and the creation and improvement of smart financial platforms is an important way to improve financial management and corporate control functions. Although the Enterprise of Shanxi Coking Coal Group has planned to build the "ten information management platforms", i.e., the construction plan of the intelligent financial platform, it has not built a complete one. Therefore, the original financial sharing platform planned to be improved in this paper and the promotion of the control system of financial integration under the financial sharing platform have played a constructive role in the construction of the intelligent financial platform of the Enterprise of Shanxi Coking Coal Group, making the construction of the "ten information management platforms" of the Enterprise of Shanxi Coking Coal Group go further.

5. Conclusion and Outlook

In this paper, the financial sharing platform of the Enterprise of Shanxi Coking Coal Group is designed to improve the process as well as the auxiliary platform, and the specific construction aspects of the industry finance and financing control system are sorted out in detail. By analyzing the development history of the Enterprise of Shanxi Coking Coal Group, there are several important aspects that the Group needs to pay attention to in the process of implementing the construction of a business-financial integration control system under the financial sharing platform:

Firstly, in the current economic environment, the Enterprise of Shanxi Coking Coal Group must break through the traditional decentralized financial management model and realize the transformation and upgrading of its corporate structure based on financial sharing. Secondly, in the process of promoting an integrated management and control system of business and finance, the communication and collaboration mechanism between business and finance of the Enterprise of Shanxi Coking Coal Group will be further strengthened, making its operation more efficient. Thirdly, to establish an integrated management and control system for business and finance based on a financial sharing platform, importance must be attached to process classification, especially the optimization of business processes. Fourth, to further improve the Enterprise of Shanxi Coking Coal Group's financial shared service center and establish a business finance integration control system on its basis. For the enterprise, a financial management and control model that creates value in the direction of management holds great promise for the Group.

Taking the Enterprise of Shanxi Coking Coal Group as an example, this paper hopes to provide reference advice for the group and even the whole industry to use the financial sharing service platform to promote the integration of business and finance of the enterprise, and to establish a business-financial integration control system to help the group optimize financial management and promote the financial transformation of the enterprise.

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