Transformation Path of Enterprise Financial Management Based on Business-Finance Integration

Yuansi Tian

International Business College, Dongbei University of Financial and Economics, 116025, China

739558936@qq.com

Abstract. Against the backdrop of the in-depth development of the digital economy and increasingly fierce market competition, the traditional accounting-oriented financial management model can no longer support enterprises' strategic upgrading and value creation needs. As a core concept to break the barriers between business and financial departments and realize data collaboration and value co-creation, business-finance integration has become an inevitable choice for the transformation of enterprise financial management. Based on the connotation and practical value of business-finance integration, this paper systematically analyzes the main transformation dilemmas faced by enterprises in organizational structure, information systems, talent reserves, data governance and other aspects. Combined with the application trends of digital technologies such as AI and big data, it proposes a systematic and operable transformation path from five dimensions: organizational collaboration, technological empowerment, talent cultivation, process reconstruction, and performance appraisal and incentives. This paper provides theoretical support and practical reference for enterprises to achieve the leap from traditional finance to value-creating finance.

Keywords: Business-Finance Integration, Financial Management, Transformation Path, Digital Technology, Value Creation.

1. Introduction

With the continuous advancement of policies such as the "14th Five-Year Plan for Digital Economy Development" and the "Overall Layout Plan for Digital China Construction", enterprises' digital transformation has entered a deep-water zone. As the data hub and management core of enterprises, the effectiveness of financial management transformation directly affects enterprises' resource allocation efficiency, risk prevention and control capabilities, and the achievement of strategic goals. Under the traditional financial management model, the financial department and business department operate in an "isolated island" manner. Financial work is limited to post-event accounting and compliance supervision, with delayed data transmission and weak decision support, which is difficult to adapt to the dynamically changing market environment and business innovation needs. Business-finance integration emphasizes the in-depth collaboration between finance and business. By breaking departmental boundaries, integrating data resources, and embedding into the entire business process, it promotes the transformation of financial management from "back-end recording" to "front-end empowerment", realizing the in-depth integration of finance and business at the data, process and decision-making levels. At present, some enterprises have carried out business-finance integration practices, but there are still many obstacles in organizational collaboration, technology application, talent adaptation and other aspects [1, 2]. It is urgent to construct a systematic and full-process transformation path to fully release the value creation potential of business-finance integration.

2. Core Value of Business-Finance Integration for Enterprise Financial Management Transformation

By reconstructing the collaborative relationship between finance and business, business-finance integration injects core motivation into the transformation of financial management, and its value is

mainly reflected in four dimensions: decision support, value creation, risk prevention and control, and resource allocation.

At the decision support level, business-finance integration realizes the real-time connection and in-depth integration of financial data and business data, breaking the limitation of traditional financial decision-making relying on historical data and empirical judgment. Financial personnel deeply participate in the entire process of product R&D, procurement, production, sales and other links, and carry out multi-dimensional research and judgment such as cost-benefit analysis, investment risk assessment, and profit prediction in combination with actual business scenarios. For example, in the decision-making of major investment projects, the financial and business departments jointly evaluate technical feasibility, market prospects and financial returns, and simulate the operating results under different scenarios through dynamic models, providing quantitative and accurate decision-making basis for management and effectively reducing the risk of decision-making errors. At the same time, with the help of AI technology, external information such as industry research reports and policy documents is integrated to form a three-dimensional analysis framework covering internal operations and external environments, making the decision-making results more in line with the actual business scenarios of enterprises [3].

At the value creation level, business-finance integration breaks the value barrier between finance and business, forming a joint force for collaborative value creation. With professional cost control and fund operation capabilities, the financial department deeply participates in the whole-process value mining of business: in the product R&D stage, it assists the business department in cost planning, optimizes R&D investment on the premise of ensuring product quality, and improves product cost performance; in supply chain management, it optimizes procurement plans through data analysis, balances procurement costs and inventory occupancy, and reduces capital turnover pressure; in the sales link, it jointly formulates credit policies and pricing strategies to balance sales growth and capital recovery efficiency; in budget management, it combines financial indicators with business goals to realize the tilt of resources to high-value businesses and improve the overall input-output ratio. Through the whole-chain value penetration, business-finance integration promotes enterprises to transform from "scale expansion" to "value improvement", and promotes the preservation and appreciation of state-owned assets and the sustainable development of enterprises.

At the risk prevention and control level, business-finance integration promotes the transformation of risk management and control from "post-event audit" to "pre-event prevention and in-process monitoring", constructing a full-process risk prevention and control system. Through real-time data sharing, financial and business departments jointly identify potential risks such as fluctuations in procurement prices, overdue accounts receivable, changes in market demand, and data tampering. For example, the financial department assists the business department in optimizing procurement plans by combining supplier credit data and market price trends to prevent supplier credit risks and rising procurement costs; by establishing a joint business-finance risk assessment mechanism, it quantifies the risk factors of investment projects and new business models, sets dynamic early warning thresholds, and timely triggers early warnings and formulates response measures. At the same time, with the help of AI technology, an intelligent risk early warning model is constructed to dynamically capture the correlation rules between business data and financial indicators, identify traditional risks and new risks such as data tampering and algorithmic bias, and improve the timeliness and accuracy of risk identification.

At the resource allocation level, business-finance integration constructs a dynamic linkage mechanism of "business demand-financial response", realizing the refinement and efficiency of resource allocation. By integrating business-end production plans, inventory status with financial-end budget items and cost center data, a unified data standard and mapping relationship are established to ensure the semantic alignment between resource allocation and business needs. With the help of real-time data to monitor the efficiency of resource use, dynamically adjust the allocation direction to avoid resource waste and idleness; introduce Monte Carlo simulation, reinforcement learning and other technologies in budget preparation to generate a matrix of budget plans adapted to different

market scenarios, and improve the adaptive capacity of resource allocation to market fluctuations. For example, manufacturing enterprises integrate business data such as production equipment efficiency and channel inventory turnover rate with financial data such as costs and funds through business-finance integration, optimize production scheduling and fund allocation, and improve production capacity utilization and capital use efficiency [4].

3. Main Dilemmas Faced by Financial Management Transformation Based on Business-Finance Integration

(1) Lagging Organizational Structure and Management Concepts

Some enterprises still adopt the traditional functional organizational structure, with clear boundaries between financial and business departments, and lack of normalized collaboration mechanisms and cross-departmental communication channels. Business departments focus on performance expansion and pay insufficient attention to financial control and risk prevention; financial departments focus on accounting compliance and lack in-depth understanding of business processes and market dynamics, resulting in a collaborative barrier of "each sweeping the snow in front of their own door". Management has insufficient understanding of the strategic value of business-finance integration, fails to incorporate it into the overall enterprise development plan, and lacks top-level design and resource support; at the same time, the cultural differences between financial and business departments increase the difficulty of integration. Business departments pursue flexible innovation and rapid response to the market, while financial departments emphasize standardization, rigor and risk avoidance. Without effective communication and coordination, internal conflicts are likely to arise, hindering the advancement of business-finance integration. In addition, the boundary of cross-departmental responsibilities is blurred, and the phenomenon of "tripartite buck-passing" occurs in AI model development, process optimization and other work, leading to delayed demand transmission and unclear responsibility attribution, which affects the implementation efficiency of business-finance integration [5].

(2) Insufficient Information Systems and Digital Technology Application

The imperfect construction of information systems is the core technical obstacle restricting business-finance integration. On the one hand, financial systems and business systems are mostly developed by different manufacturers, with inconsistent data standards and incompatible interface protocols. Real-time business data such as order execution, inventory changes, and production progress are difficult to be directly synchronized to the financial system, and information needs to be transmitted through manual import and export, resulting in data lag and distortion, which affects the timeliness of financial analysis and decision-making. Some enterprises' information systems have single functions, lacking advanced functions such as data integration, intelligent analysis and dynamic modeling, which cannot support the multi-dimensional data processing needs required by business-finance integration. On the other hand, the application depth of digital technology is insufficient. Most enterprises are still in the stage of basic data collection and report generation, and fail to give full play to the value of AI, big data, RPA and other technologies. For example, AI technology is not used to realize the automated processing of basic work such as bill recognition and voucher generation, and big data technology is not used to build a dynamic correlation model between finance and business, resulting in low efficiency and poor effect of business-finance integration. At the same time, the data security protection mechanism is not perfect [6]. With the expansion of the scope of business-finance data sharing, financial data, as sensitive enterprise information, faces risks such as leakage and tampering, which restricts the depth and breadth of data sharing.

(3) Insufficient Reserve of Compound Talents and Inadequate Ability Adaptation

Business-finance integration puts forward compound ability requirements of "finance + business + technology" for practitioners, but the current enterprise talent team is difficult to meet the needs. In terms of financial personnel, most financial personnel have long focused on accounting work, lacking in-depth understanding of business processes and market dynamics, and it is difficult to convert

business needs into financial analysis logic and model parameters, resulting in the disconnection between analysis results and business reality; at the same time, they lack digital technology application capabilities and are difficult to proficiently use AI, big data tools for data mining, risk early warning and decision support. In terms of business personnel, they have weak financial awareness, ignore cost control, risk prevention and control and financial compliance requirements in business activities, and fail to fully consider financial impacts in business decision-making, leading to the disconnection between business activities and financial goals. In addition, enterprises lack targeted talent training systems, and have not established normalized cross-departmental training and rotation mechanisms [7]. The supply of compound talents is insufficient, which has become a key bottleneck restricting the in-depth advancement of business-finance integration.

(4) Imperfect Data Governance and Process Management

High-quality data is the foundation of business-finance integration, but some enterprises have many problems in data governance. Business data comes from scattered sources, distributed in multiple systems such as ERP, CRM, bank interfaces, and internal reimbursement. The data format is heterogeneous, including both structured table data and unstructured contract texts, image documents, etc. Some historical data even remains in paper form, and there are still semantic ambiguity problems after digital conversion; financial and business data lack unified coding rules and field definitions, making it difficult to form effective associations and data chain breaks, resulting in time-consuming and labor-intensive data cleaning and integration, and difficult to guarantee accuracy. In terms of process management, the existing enterprise processes are mostly designed based on departmental functions, with repetitive operations and redundant links, and lack unified standards and norms. In cross-departmental collaboration, it is easy to have unclear responsibilities and buck-passing phenomena. For example, in the project approval process, the business department submits incomplete data, and the financial department has unclear audit standards, leading to repeated communication and delaying the project progress; the financial process is disconnected from the business process, and the financial control nodes are not embedded in the front-end of the business, making it difficult to achieve real-time control and empowerment.

(5) Mismatched Performance Appraisal and Incentive Mechanisms

The traditional performance appraisal system focuses on individual department indicators, and fails to incorporate the effect of business-finance collaboration into the appraisal scope, making it difficult to mobilize employees' enthusiasm to participate in business-finance integration. The assessment of business departments mostly focuses on business indicators such as sales volume and market share, ignoring financial-related indicators such as capital recovery, cost control and risk prevention; the assessment of financial departments focuses on report compliance and accounting accuracy, ignoring collaborative indicators such as the timeliness of business support and the adoption rate of decision-making suggestions. The imperfection of the assessment system leads to the lack of collaborative motivation between financial and business departments, and even conflicts of interest. For example, business departments blindly expand credit limits to pursue sales volume, leading to an increase in the risk of overdue accounts receivable; financial departments excessively reduce business investment to control costs, affecting business expansion. At the same time, there is a lack of incentive mechanisms for business-finance integration, and there is a lack of recognition and rewards for teams and individuals who have performed outstandingly in cross-departmental collaboration, data sharing, process optimization, etc., making it difficult to stimulate the initiative and creativity of all employees to participate in business-finance integration [8].

4. Implementation Path of Enterprise Financial Management Transformation Based on Business-Finance Integration

(1) Optimize Organizational Collaboration Mechanisms to Lay a Solid Foundation for Integration

Organizational collaboration is the premise of business-finance integration, which needs to be promoted from three levels: structure reconstruction, concept promotion, and responsibility

clarification. In terms of organizational structure, break the traditional functional boundaries, establish a business-finance integration coordination group composed of financial, business and IT backbones, coordinate and promote cross-departmental collaboration, and be responsible for the whole-process work such as demand docking, process optimization and problem solving; set up full-time liaisons in financial and business departments to be responsible for daily communication and coordination, forming a multi-level collaborative network of "top-level coordination + departmental linkage + special person docking". In terms of concept promotion, popularize the strategic value of business-finance integration to management and employees through special training, seminars, case sharing and other forms, and change the traditional cognition of "finance only manages accounts and business only manages affairs"; incorporate business-finance integration into the overall enterprise strategic plan, promote management to attach great importance to it and provide resource support, guide financial personnel to transform from "data recorders" to "business partners", and business personnel to establish "financial awareness", forming an integration atmosphere of full participation and collaborative progress. In terms of responsibility clarification, formulate cross-departmental collaboration charters, clarify the responsibility boundaries of financial, business and IT departments in data sharing, demand definition, model development, process optimization and other work. For example, in AI model development, the financial department takes the lead in formulating demand lists, the business department supplements scenario constraints, the IT department evaluates technical feasibility, and the three parties sign a "Demand Confirmation Letter" to ensure traceability of responsibilities; establish a standardized cross-departmental communication mechanism, hold weekly collaborative regular meetings, monthly review meetings, build an online collaboration platform, realize real-time sharing of key information and collective discussion of important decisions, shorten the information transmission chain, and avoid buck-passing [9].

(2) Strengthen Technological Empowerment to Build an Integrated Support Platform

Digital technology is the core support of business-finance integration. It is necessary to construct an integrated business-finance support system through three major measures: system integration, technology application and data governance. In terms of system integration, build an integrated business-finance information platform, integrate existing platforms such as ERP, CRM, financial software and business management systems, unify data standards and interface protocols, and realize seamless connection and real-time sharing of procurement, production, sales, financial and other data. Embed a data verification module in the interface to automatically intercept and feedback abnormal data transmitted from the business end for correction, ensuring the integrity and accuracy of data received by the financial system; promote the organic combination of budget, reimbursement, cost, fund and other modules, build a data information network that horizontally connects business systems and vertically penetrates management levels, breaking "information islands" and "data chimneys". In terms of technology application, give full play to the value of AI, big data, RPA and other technologies: use machine learning to automatically identify bill types and match accounting standards, realize the full-link automated processing from original documents to accounting vouchers, and reduce human error rates; parse unstructured texts such as contracts and reimbursement instructions through natural language processing to extract key information; use RPA technology to process repetitive work such as accounting processing and report generation, freeing up financial personnel's energy to focus on high-level analysis; use graph neural networks, reinforcement learning and other technologies to build dynamic budget models and intelligent risk early warning models, improving the intelligence level of decision-making and risk prevention and control. In terms of data governance, establish a data governance committee composed of financial, business and IT departments, formulate full-process specifications for data collection, storage, use and cleaning, and unify data coding, field definitions and quality standards; establish a dynamically adaptive AI cleaning rule library, and improve the efficiency of heterogeneous data processing through a closed-loop process of manual annotation, model learning and rule iteration; build a real-time data quality monitoring system, set key quality indicator thresholds, automatically trigger early warnings for abnormal data and locate the source of problems, link data quality with departmental performance

appraisal, and ensure data reliability from the source [10]; strengthen data security protection, adopt encryption technology, hierarchical authorization, access log auditing and other measures to protect sensitive financial data, regularly carry out security vulnerability testing and risk assessment, and prevent data leakage and tampering risks.

(3) Cultivate Compound Talent Teams to Improve Adaptation Capabilities

Talent is the core element of business-finance integration. It is necessary to build a compound talent team of "finance + business + technology" through a trinity mechanism of "training + introduction + incentives". In terms of talent training, formulate a systematic business-finance integration training plan: carry out business knowledge training such as marketing, supply chain management and production operations for financial personnel, organize rotations in business frontlines to enable them to deeply understand business processes and operation models; carry out financial knowledge training such as financial statement analysis, budget management, cost control and tax planning for business personnel to improve their financial literacy; strengthen digital technology training, popularize the application skills of AI, big data, RPA and other tools to ensure that employees have data processing and analysis capabilities. In terms of talent introduction, focus on introducing compound talents with financial professional capabilities, business operation experience and digital technology application capabilities through campus recruitment, social recruitment, headhunting and other channels; cooperate with universities to build relevant professional courses such as "business-finance integration" and "big data accounting" to cultivate professional talents that meet enterprise needs [11]. In terms of incentive mechanisms, incorporate the effectiveness of business-finance integration work into individual and departmental performance appraisals, set assessment indicators such as collaboration efficiency, business support effectiveness and decision-making suggestion adoption rate, and give promotions, bonuses and other rewards to outstanding teams and individuals; encourage employees to participate in cross-departmental projects, commend employees who put forward innovative suggestions and achieve good results, and stimulate the initiative and creativity of employees to participate in business-finance integration.

(4) Reconstruct Business and Financial Processes to Realize Full-Process Integration

Process reconstruction is the key carrier of business-finance integration. It is necessary to realize the in-depth integration of finance and business through process combing, optimization and automation. In terms of process combing, comprehensively sort out the existing business processes and financial processes of enterprises, break departmental boundaries, abandon repetitive operations and redundant links, and identify the connection breakpoints between finance and business, such as the collaborative bottlenecks in key processes such as procurement payment, sales collection and project approval. In terms of process optimization, in accordance with the principle of "finance embedding into business", embed financial control nodes into the entire business process, formulate standardized and unified process standards, and clarify the time nodes, operation specifications and responsible subjects of each link. For example, in the procurement process, embed financial audits into procurement application, contract signing, payment approval and other links to realize real-time control of procurement costs and capital occupancy; in the project approval process, specify in detail the list of materials submitted by the business department, the time limit and key points of financial audit, so as to reduce repeated communication costs. In terms of process automation, use RPA technology to realize batch processing of regular and repetitive work such as accounting processing, report generation and invoice verification; introduce AI models to realize dynamic optimization and prediction in budget preparation, cost accounting and other links; build a process monitoring dashboard to real-time grasp the process execution status, automatically warn of abnormal or delayed situations and trace the responsible subjects to ensure efficient process execution. At the same time, establish a continuous process optimization mechanism, regularly collect feedback from business and financial departments in combination with enterprise strategic adjustments and market changes, dynamically optimize process design, and enhance the adaptability and flexibility of processes [12].

(5) Improve Performance Appraisal and Incentive Systems to Strengthen Integration Motivation

The performance appraisal and incentive system is an important guarantee for business-finance integration. It is necessary to construct a "collaboration-oriented" assessment and incentive mechanism to guide financial and business departments to form a joint force. In terms of assessment indicator design, break the limitation of individual department assessment, and incorporate the effect of business-finance collaboration into the assessment scope: for business departments, in addition to assessing business indicators such as sales volume and market share, add financial-related indicators such as capital use efficiency, cost control rate, accounts receivable turnover rate and risk prevention and control effectiveness; for financial departments, on the basis of assessing report compliance and accounting accuracy, add collaborative indicators such as the timeliness of business support, the adoption rate of decision-making suggestions and the contribution of process optimization; set up special cross-departmental collaboration indicators, accounting for 15%~20% of the department's quarterly performance assessment weight, to strengthen the department's collaboration awareness. In terms of assessment implementation, adopt a combination of quantitative and qualitative assessment methods, automatically collect assessment data through the integrated business-finance information platform to ensure objective and fair assessment results; regularly publicize assessment results, establish a feedback mechanism to help employees clarify the direction of improvement. In terms of incentive and restraint, directly link the assessment results with salary and welfare, promotion and development, give recognition and rewards to departments and individuals with outstanding collaborative performance, and hold accountable those who delay work due to buck-passing and poor collaboration; establish a special reward fund for business-finance integration, give additional rewards to teams and individuals who have achieved remarkable results in cross-departmental collaboration, data sharing, process optimization, etc., form a clear orientation of "rewarding the excellent and punishing the inferior", and stimulate the endogenous motivation of all employees to participate in business-finance integration.

5. Conclusion

Business-finance integration is an inevitable trend of enterprise financial management transformation in the digital economy era. By breaking departmental barriers, integrating data resources and embedding into the entire business process, it can promote the transformation of financial management from traditional accounting-oriented to value-creating, providing core support for enterprises to improve decision-making quality, strengthen risk prevention and control, and optimize resource allocation. Faced with dilemmas in organizational collaboration, technical support, talent reserves, process management and other aspects, enterprises need to make overall plans from a strategic height, and systematically promote the in-depth integration of business and finance by optimizing organizational collaboration mechanisms, building an integrated technical platform, cultivating compound talent teams, reconstructing business and financial processes, and improving performance appraisal and incentive systems. In the future, with the continuous evolution of digital technologies such as AI and big data, business-finance integration will develop in a deeper and more intelligent direction. Enterprises need to dynamically adjust their transformation strategies, continuously deepen the collaborative innovation of finance, business and technology, fully release the value creation potential of data elements, and inject lasting motivation into the high-quality development of enterprises.

References

[1] Zhang, R. (2025). The Reshaping of Corporate Financial Management Through Digital Transformation: Models, Pathways, and Performance Impacts. Financial Economics Research, 2 (3), 84-92.

[2] Barreto, A., Gomes, P., Quesado, P., & O'Sullivan, S. (2025). Advancements in management accounting and digital technologies: A systematic literature review. Accounting, Finance & Governance Review, 34.

[3] Goretzki, L., Strauss, E., & Weber, J. (2013). An institutional perspective on the changes in management accountants' professional role. Management accounting research, 24 (1), 41-63.

[4] Appelbaum, D., Kogan, A., Vasarhelyi, M., & Yan, Z. (2017). Impact of business analytics and enterprise systems on managerial accounting. International journal of accounting information systems, 25, 29-44.

[5] Claudio, & Horton, K. E. (2024). Digitalization Tensions in the Management Accounting Profession: Boundary Work Responses and Their Consequences. The British Accounting Review, 101455–101455. https://doi.org/10.1016/j.bar.2024.101455.

[6] Bhimani, A., Cinquini, L., & Malmi, T. (2025). What happens at the interface of digitalisation and accounting? The British Accounting Review, 101742. https://doi.org/10.1016/j.bar.2025.101742.

[7] Arkhipova, D., Montemari, M., Mio, C., & Marasca, S. (2024). Digital technologies and the evolution of the management accounting profession: a grounded theory literature review. Meditari Accountancy Research, 32 (7), 56–85. https://doi.org/10.1108/medar-07-2023-2097.

[8] Malmi, T., & Brown, D. A. (2008). Management control systems as a package—Opportunities, challenges and research directions. Management Accounting Research, 19 (4), 287–300. https://doi.org/10.1016/j.mar.2008.09.003.

[9] Langfield-Smith, K. (1997). Management control systems and strategy: A critical review. Accounting, Organizations and Society, 22 (2), 207–232. https://doi.org/10.1016/s0361-3682(95)00040-2.

[10] Vasarhelyi, M. A., Kogan, A., & Tuttle, B. M. (2015). Big Data in Accounting: An Overview. Accounting Horizons, 29 (2), 381–396. https://doi.org/10.2308/acch-51071.

[11] Dr. Thaer Amjed Ababneh. (2025). THE IMPACT OF DIGITAL TECHNOLOGY ON ACCOUNTING ACTIVITIES: TRANSFORMATION, CHALLENGES, AND STRATEGIC IMPERATIVES. EPRA International Journal of Economic and Business Review, 41–44. https://doi.org/10.36713/epra24075.

[12] van der Aalst, W. (2016). Process Mining: The Missing Link. Process Mining, 25–52. https://doi.org/10.1007/978-3-662-49851-4_2.

[13] Bhimani, A., & Willcocks, L. (2014). Digitisation, “Big Data” and the transformation of accounting information. Accounting and Business Research, 44 (4), 469–490. https://doi.org/10.1080/00014788.2014.910051.