

Research on the Innovation Path of Enterprise Financial Management under the Background of Digital Transformation

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Abstract: In the era of digital economy, data has replaced capital as the core factor of production. The traditional financial management model faces severe challenges in terms of information lag and functional boundaries. The purpose of this paper is to explore the innovative path of enterprise financial management under the background of digital transformation. The research adopts the methods of theoretical deduction and logical framework construction, avoiding specific cases and analyzing the internal logic and mechanism of transformation. Financial management needs to realize the paradigm shift from passive value recording to active value creation, and the functional reconstruction focuses on the deep integration of industry and finance and the upgrading of management accounting. This paper puts forward three implementation strategies: technical empowerment, organizational agility adjustment and risk control system construction. Digital transformation is not only a technological upgrade, but also a revolution in management paradigm. By constructing intelligent financial system and optimizing organizational structure, enterprises can improve decision-making efficiency and risk prevention and control ability. Financial innovation is the key to realize the sustainable development of enterprises. It is necessary to establish a data-driven value remolding mechanism to promote the intelligent and ecological evolution of financial management and achieve the strategic goal of maximizing value.

1. Introduction

Digital economy has become a key force to reorganize global factor resources and reshape the global economic structure. The application of emerging technologies such as big data, cloud computing, artificial intelligence and blockchain has changed the production and operation mode of enterprises, and also posed a severe challenge to the traditional enterprise management theory [1]. Under this macro background, data has replaced capital as the core factor of production. The essence of enterprise competition gradually turns to the ability to acquire, process and apply data resources [2]. As the core component of enterprise management system, financial management bears the important functions of resource allocation, value creation and risk control [3]. Its role orientation and function evolution in the wave of digital transformation are directly related to the

survival and development competitiveness of enterprises.

For a long time, financial work has focused on after-the-fact accounting and static reflection, with strong information lag, and often has an island effect with business activities [4]. The rigidity of traditional financial process makes it difficult for enterprises to respond to market changes quickly. Under the background of data becoming the core factor of production, how to break the traditional financial boundary and realize the role change from accounting to strategy and value creation has become the focus of theoretical and practical circles [5]. The existing research mostly focuses on the technical application level, lacking systematic theoretical discussion on the deep change of management paradigm, and it is difficult to guide enterprises to fundamentally realize the reorganization of financial genes [6]. The purpose of this paper is to explore the innovative path of enterprise financial management under the macro background of digital transformation. This study focuses on the deduction of theoretical logic and the reconstruction of management paradigm, and strives to clarify the internal mechanism of transformation from the theoretical level. Through this study, I hope to enrich the theoretical system of financial management in the digital economy era and make up for the shortcomings of the existing research in the systematic theoretical framework.

2. Transformation logic and theoretical framework

Digital transformation is essentially the fundamental reconstruction of enterprise value creation logic. Digital technology is no longer just an auxiliary tool, but a core endogenous variable that drives the evolution of financial management system [7]. From the perspective of traditional theory, financial management is mainly based on the assumption of capital scarcity, focusing on the accounting and control of physical assets, while the data elements in the digital economy era are characterized by non-competitiveness and diminishing marginal costs. This requires that the financial management theory must be reinterpreted from the perspective of resource base. Data assets replace traditional capital as key resources, which leads to the blurring of enterprise boundaries, and the functional scope of financial management extends from internal organization to ecological synergy.

The digital model has realized the transfer from capital to data in the core driving factors. The traditional model relies on historical data to reflect afterwards, while the digital model uses big data technology to predict beforehand and intervene in the event, which significantly reduces the agency cost caused by information asymmetry [8]. The expansion of management control boundary means that the financial department must break down organizational barriers and realize the value monitoring of the whole process through the integration of industry and finance. The internal logic of digital transformation lies in the co-evolution of technological empowerment and institutional change. Enterprises need to build a comprehensive theoretical framework including technical framework, organizational form and risk mechanism. The framework emphasizes the deep integration of data flow and business flow, aiming at optimizing the efficiency of resource allocation through intelligent algorithms. When promoting financial management innovation, enterprises should deeply understand the above logical differences and reshape the theoretical cornerstone and practical path of financial management from a strategic perspective.

3. Paradigm change and functional reconstruction

Digital transformation promotes fundamental changes in the paradigm of enterprise financial management. Its core lies in the profound transformation of value creation mode. The traditional financial management system mainly focuses on the recording and reflection of historical transaction data, which is essentially a passive value recording behavior [9]. However, in the digital economy environment, data itself has become a key factor of production, and the goal of financial

management must turn to active value creation. Enterprises need to optimize the efficiency of resource allocation by tapping the potential value of data assets, thus driving business growth. Financial managers must use digital technology to gain insight into market trends and turn financial data into strategic intelligence. This process has changed the content of financial work and reshaped the position of finance in the enterprise value chain.

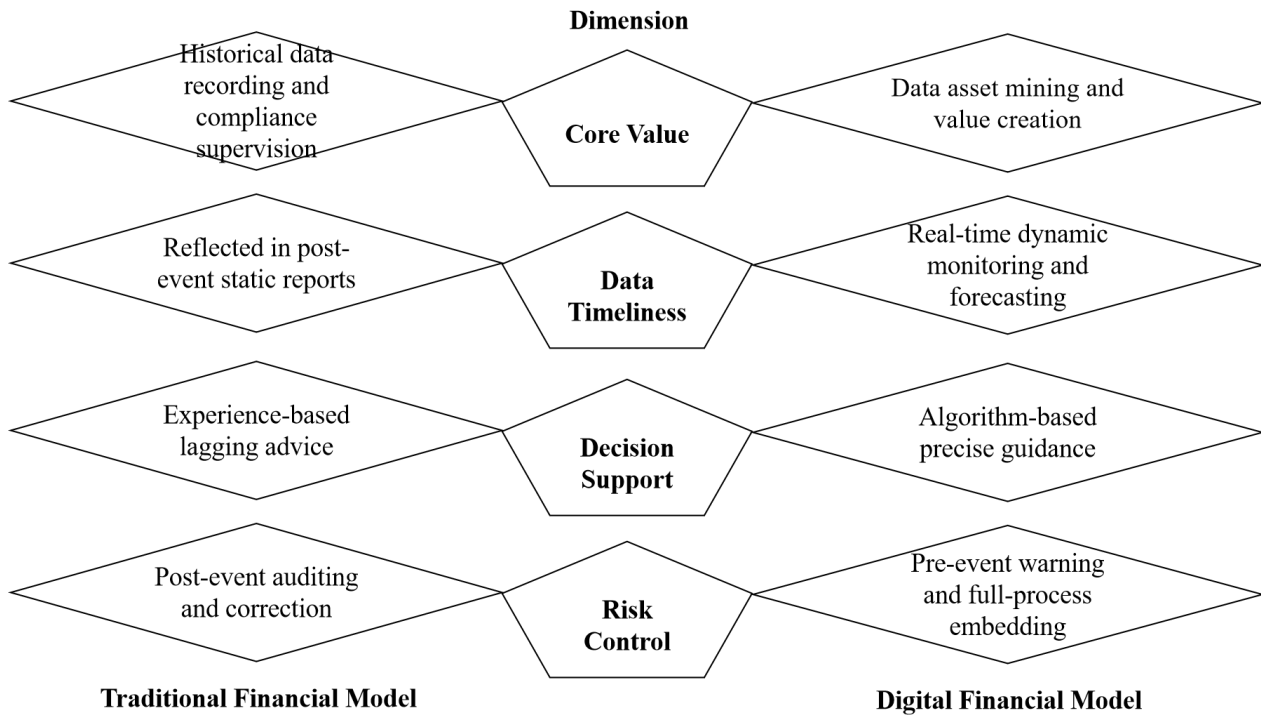


Figure 1 Comparison of Functional Models between Traditional Finance and Digital Finance

See Figure 1 for the comparison framework of traditional financial and digital financial function modes. Digital financial model has obvious advantages in data timeliness and decision support ability. Traditional budget management is often based on historical data to prepare static budget, which is difficult to cope with market fluctuations. Digital technology enables enterprises to implement dynamic rolling budget and adjust resource allocation in real time [10]. The performance evaluation system has also expanded from a single financial indicator to a multi-dimensional non-financial indicator. Enterprises can use big data technology to monitor business processes in real time, and realize pre-prediction and in-process intervention. The upgrading of management accounting function is not only reflected in the innovation of tools, but also in the transformation of management thinking. The financial department needs to establish a data-driven forecasting model to provide accurate decision support for management. Based on the transaction cost theory, digitalization reduces the internal coordination cost and makes the granularity of financial management and control finer.

The deep development of the integration of industry and finance is another key path for the reconstruction of financial functions, and its essence lies in the digitalization of business processes and financial processes. In the traditional mode, business data and financial data often have island effect, which leads to the lag and distortion of information transmission. Digital platform enables enterprises to realize the synchronous integration of business flow, capital flow and information flow. The financial system can directly capture business front-end data and automatically generate financial vouchers, thus greatly reducing labor costs and improving data accuracy. The boundaries of financial services are also expanding. Enterprises can centralize standardized services through the financial sharing center, so that financial personnel can concentrate on high-value strategic

analysis. The financial sharing model based on ecosystem further breaks the organizational boundaries and enables financial management to extend to the upstream and downstream of the supply chain.

4. Innovation path and implementation strategy

Technology empowerment is the primary way to realize financial management innovation. Enterprises should build an intelligent financial system based on cloud computing and artificial intelligence, so as to realize accounting automation and intelligent decision-making. Big data technology can handle massive unstructured data and provide accurate input for financial forecasting, while blockchain technology can ensure the tamper-proof of transaction data and enhance the credibility of financial information. This technical framework improves the processing efficiency, changes the generation logic of financial data, and makes real-time accounting possible. Simple technology introduction is not enough to complete the transformation, and technology application needs agile adjustment of organizational structure as a support. The traditional bureaucratic organization is slow to respond, and it is difficult to adapt to the digital rhythm. Therefore, enterprises need to establish a flat and networked financial organization and set up a cross-functional agile team. This organizational form can promote the rapid flow of information, improve the response speed of finance to business changes, and ensure the effective implementation of strategic objectives. Organizational change needs to break down departmental barriers and establish a collaborative mechanism with value creation as the core, so that financial personnel can go deep into the front end of business. In order to evaluate the implementation effect and clarify the evolution direction, enterprises can refer to the digital capability maturity model. Dimensions and grades are divided as shown in Figure 2.

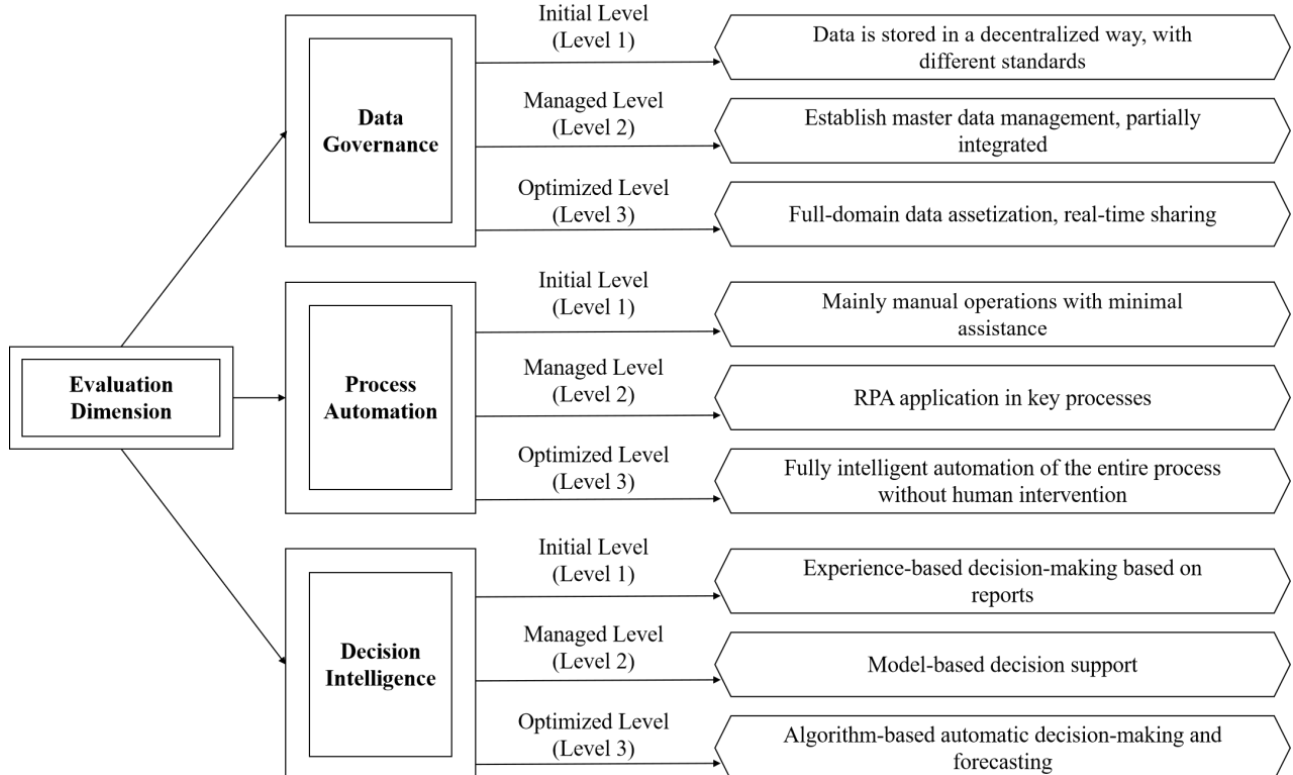


Figure 2 Evaluation Framework for Digital Maturity of Enterprise Financial Management

Figure 2 shows the evolution path from the initial level to the optimization level, which helps

enterprises locate the current state and make improvement plans. In the dimension of data governance, enterprises need to emphasize the unification of data standards and quality control, ensure that data assets are available and consistent, and eliminate data islands. In the dimension of process automation, we should focus on the application depth of RPA technology and intelligent audit, reduce manual intervention and error rate, and realize end-to-end automation. In the dimension of decision intelligence, it focuses on the construction of algorithm model and scene landing, improves the prediction accuracy and strategic relevance, and supports high-level decision-making. By comparing this framework, enterprises can identify shortcomings and invest resources in a targeted manner, avoid blind investment and waste of technology, and ensure the scientific and economic transformation path. The construction of risk control system is indispensable in the process of innovation, and the digital environment brings new risks. Enterprises need to establish a risk early warning mechanism based on data monitoring, embed internal control compliance into business processes, and realize normalization and intelligence of risk management. Technology, organization and risk cooperate to form a complete innovation path, which will push the financial management of enterprises to a higher level and achieve the strategic goal of maximizing value.

5. Conclusions

Digital transformation is the inevitable choice of enterprise financial management. Its core logic lies in the substitution and enhancement of data elements to traditional capital elements. The traditional financial model can no longer meet the needs of high-frequency fluctuation and real-time decision-making in digital economy, so it must be guided by the reconstruction of theoretical framework. The paradigm change of financial management is the key to the transformation, which is manifested in the fundamental shift from value recording to value creation. Functional reconstruction requires breaking the industrial and financial barriers and realizing the upgrading of management accounting and the ecological expansion of financial sharing. This is process optimization, but also the reorganization of tissue genes. The implementation of innovation path needs the coordinated promotion of technology, organization and risk control. The intelligent financial system provides the technical base, the agile organization ensures the response speed, and the new risk control system ensures the safe boundary of the transformation. This study enriches the theoretical system of financial management in the era of digital economy and clarifies the theoretical inevitability of data-driven decision-making. Digital transformation is a dynamic process, and future research can pay more attention to ethical issues and algorithm governance under man-machine collaboration. Enterprises should realize that financial innovation is not only a tool innovation, but also a thinking revolution.

On the theoretical level, this paper expands the application boundary of resource-based view in digital environment and proves the feasibility of data asset management. In the future, with the further maturity of artificial intelligence technology, financial management will tend to be more automatic and intelligent, but people's subjective initiative is still irreplaceable in strategic judgment. Therefore, building a new financial ecology of man-machine collaboration will be an important direction for follow-up research.

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