

# Research on the Application of TCL Financial Shared Service System

Chang CHEN

School of Economics and Management, Jiangsu University of Science and Technology, Zhenjiang, Jiangsu,  
212003, China

2834248095@qq.com

**Keywords:** Financial shared service center, Organizational structure, TCL

**Abstract:** With the tide of digitalization, the global market competition is fierce, and new technologies such as “big data, intelligence, Mobile Internet, cloud computing and Internet of Thing(IoT)” have brought great opportunities and challenges to enterprises at the same time. How to grasp the convenience and opportunities given by the information age has become the top priority for enterprises to explore, and the concept of financial sharing has gradually entered the vision of managers. Taking TCL group as an example with the timeline of its establishment of financial shared system, this paper first introduces the establishment background of its financial shared system, and then presents the organizational structure and implementation effect of TCL financial sharing. Later, the existing problems of TCL Group's financial shared mode are expounded in the paper from the three perspectives of hidden dangers in the safety of the management system, restrictions on the comprehensive development of financial personnel and high construction costs, and countermeasures and suggestions are put forward to improve its financial sharing system.

## 1. Introduction

It has been a popularity for new emerging thinking and technologies, including big data, artificial intelligence, mobile Internet, cloud computing, and the Internet of Things under the background of digitization in this era. Therefore, the starting point for the digitization transformation of enterprises is to establish a financial shared service center. The TCL Group Financial Shared Center has not only tried to establish a financial shared center since 2014, but also expanded the financial shared model from the multimedia module to other industrial modules.

## 2. Overview of TCL Financial Shared Center

### 2.1 Establishment Background

Founded in Huizhou City in 1981, TCL Group has become a large state-owned enterprise integrated with different industries which involve household appliances, information and communications with the development of 40 years. However, as the business scale expands rapidly, the financial management is increasingly to be a more prominent problem. It is more difficult in the management because there are various branches and diversified industries in the development. It is also uneasy to carry out one standard in internal management. Information silo is emerged caused by the separation of businesses fund information with businesses themselves.

### 2.2 Financial Shared Organizational Structure of TCL Group

#### 2.2.1 Financial Shared Service System of TCL Group

The work of finance is divided into three parts, including strategic finance, shared finance and business finance. The strategic finance focuses on decision support and data analysis, the shared finance mainly carries out financial accounting and statement preparation and the business finance is responsible for data support and data collection. The three parts coordinate to improve the financial work efficiency. At the same time, TCL divides the structure of the financial shared center into financial accounting center, statement preparation center, management department and

operation department. We handle domestic and foreign affairs separately to conduct centralized review and process to similar documents, increasing work efficiency.

### **2.2.2 Financial Shared Platform System of TCL Group**

Dependent on E7 shared platform of Yuannian Technology, TCL Group has five systems, involving image management, financial accounting, electronic billing, fund management and file management.

The realization of the whole process standardization from original certificates to proof of charge to an account and to financial statements and file management, on the one hand, these five systems greatly reduce the workload of financial personnel in repetitive work, accelerate the information transmission efficiency, and on the other hand, they can intelligently get corresponding financial statements according to the industries and regions of different subsidiaries, meeting the actual business requirements of different subsidiaries. In addition, the standardized electronic files in the system not only can correspond to the original certificates, but also process them according to the classification.

## **2.3 Effect Analysis on Financial Shared Center System of TCL Group**

### **2.3.1 Save Management Costs**

Financial shared center features more standardized, centralized and scaled than traditional financial work. After the implementation of financial sharing, it is more operable, simplifying the daily tedious and repetitive financial work. After the establishment of the financial shared center, it is easy to assemble the staff, so as to better realize the collective management and work of TCL Group. Subsidiaries are available to enter their own database to take centralizes accounting, approval and payment in the Financial Shared Center, raising their work efficiency and cutting management costs.

### **2.3.2 Unify Standards to Ensure Effective and Standardized Data**

The complicated business processes of TCL Group are more centralized and more easy to sort out from all aspects in the use of the financial shared center. TCL Multimedia carries out and screens 9 major processes, 62 first-level automated processes and 143 second-level automated processes one by one, covering general ledger, receivable, payable, fixed assets, expense reimbursement, funds, taxation, operation and master data, achieving the unification of accounting, language and reporting, increasing production efficiency, preventing and controlling risks and unifying processes to a large extend.

### **2.3.3 Break Up Information Silo to Promote the Integration of Business and Finance**

With the optimization of information sharing services and the increasing of work efficiency, the financial work of TCL takes on an altogether new aspect and realizes the integration of business and finance by breaking up information silo. After the establishment of the financial center, the efficiency of receipt and payment has been improved and the error rate of bill records has been reduced, so that TCL Group has achieved a complete record of bill receipt and payment data. Through the payable module, enterprise managers can accurately and timely know the balance of company and communicate with suppliers and manufacturers in time, so as to bring greater benefits to the company instead of paying passively like before.

## **3. Problems in the Implementation of Financial Sharing of TCL Group**

### **3.1 Incompletely Unification of Goals of Business and Finance, Resulting in Confusion of Duties**

TCL Group has various branches and diversified industries. Although the businesses are transformed into unified and centralized processing due to the establishment of the Financial Shared Center, there are various professional knowledge and ideologies for different departments, and as a

result, it is easy to result in the problem of incorrect operation because of confusion of duties in the process of the operation.

### **3.2 Limitation of Promotion for Financial Personnel**

The implementations of financial shared services have broken the traditional mode of decentralized financial management structure. It is clear for the division of financial accounting and management accounting, in which the former is only in charge of “keeping the accounts” and the latter is only responsible for “analyzing”. They are separate, which is not conducive to the balanced development of financial personnel.

### **3.3 Inefficiency in Coordinating Diversified Business Processes and Sorting out Information**

As a financial shared center with multiple industries and regions, TCL Financial Shared Center neither coordinates well with the business processes with large-scale and diversified industries, nor sorts out massive information efficiently.

## **4. Countermeasures and Suggestions to Improve the Financial Sharing System of TCL Group**

### **4.1 Unify the Business and Financial Objectives, and Clarify the Scope of Responsibilities.**

The main purposes of TCL Group to establish a financial sharing center are to increase the connection between financial and business departments and realize their efficient integration. Therefore, it should pay more attention to the financial sharing center. For example, we can set up a short-term special group among departments, which is jointly led by the personnel of various functional departments to clearly divide the business scope, formulate plans and unified standards.

### **4.2 Strengthen Talent Construction, and Encourage Financial Personnel to Transform and Upgrade.**

On the one hand, it can establish an assessment mechanism and adopt performance salary incentives to form a benign competition mode. On the other hand, the post rotation system can be implemented to examine the competence of financial personnel for each department with giving them greater autonomy.

### **4.3 Carry out Centralized Control and Decentralized Decision-Making.**

On the one hand, all branches and centers of TCL should follow the standardized common governance model. On the other hand, for businesses with special needs, all regions or departments should also have the independence of decentralized decision-making.

## **5. Conclusion**

Currently, the global economy has entered into the era of big data. With the rapid development of economy and technology, enterprises' demands for big data processing are increasing. More and more large-scale enterprises have chosen to invest large funds to build and develop their own financial sharing center, which brings a variety of positive effects that greatly promote the development and benefits of enterprises. This also confirms the necessity of the establishment and development of financial sharing center.

At present, it has become the choice most global top 500 enterprises that establish a financial sharing center. This can look forward to the future, and it is no longer just the choice of large-scale enterprises. Enterprises of all different size can use the financial data of their management and operation enterprises to prevent and avoid risks, providing basis for various economic decision-makings and improving operation efficiency, so as to realize the improvement of value creation of enterprises and even the whole industry.

## **References**

- [1] Lin Ting. "L Construction and Practice of Corporate Financial Shared Center". Finance and Accounting, no.4, pp.39-42, 2022.
- [2] Zhao Xi, Wu Xiaohao. "Research on Financial Sharing Center under the Digital Background---Based on the Comparative Analysis of Haier and TCL". Commercial Accounting, no.4, pp.76-79, 2022.
- [3] Su Long, Yuan Yonglan, Zhang Lanbo. "Financial sharing service and digital transformation of international group enterprises". Communication of Finance and Accounting, no.9, pp.135-139, 2022.
- [4] Wang Wanran. "Construction of financial sharing service center of the Group under the background of big data". Contemporary accounting, no.24, pp.64-65, 2021.