

Integration of Industry and Finance in Manufacturing

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Keywords: industry and finance convergence, manufacturing industry, financial transformation

Abstract: In the new world economic pattern, China's traditional manufacturing industry is facing the challenge of financial transformation, especially steel, textile and other manufacturing enterprises. However, the major transformation and adjustment of China's economic development mode and the transformation and upgrading of the manufacturing industry have new requirements on the business ability of financial personnel in the traditional manufacturing industry, namely "integration of industry and finance". This paper expounds the limitations of the development of China's traditional manufacturing industry under the change of economic development environment, focuses on the specific performance of financial transformation based on the concept of industry and finance integration in China's traditional manufacturing industry and the problems encountered, and then puts forward solutions.

1. Background and Related Concepts

1.1 The Background of the Transformation

With the rapid development of the Internet, accounting theories and practices have also been innovated, and the business of the company has continued to expand. As the collectors and analysts of the business activities, the demand for business data is more urgent. However, in actual work, the business department will delay the provision of relevant data for various reasons, resulting in insufficient timeliness of the data obtained by the finance department. The analysis of the data is more limited, and therefore has a limited effect on the decision-making plan of the senior management.

The status of the manufacturing industry is particularly important in China's industrial structure. Building a manufacturing-oriented enterprise with strong competitiveness is the only way for China to enhance its overall national strength, safeguard national security, and build a world power. However, in recent years, the status of manufacturing enterprises is not optimistic, and China's manufacturing industry is facing multiple challenges while it is booming. Accelerating the integration of industry and finance in the manufacturing industry will help implement the strategic deployment of "Made in China 2025", accelerate "Internet + manufacturing", reduce enterprise costs, help enterprises to participate more deeply in global value chain competition, and enhance the international voice of China's manufacturing industry and international competitiveness [1].

In reality, the "industry" and "financial" have never been separated. The separation is the information on both sides. The finance is to do the account once a month. However, in the information age where the Internet technology is developed and the information communication is extremely rapid, the finance is one month behind. The information is enough to have a great impact on a manufacturing company. Therefore, the "integration of business" needs to "melt" the information of both the business and the finance, and to prevent the information distortion of the ERP system to the utmost extent. The Internet industry has promoted industrial transformation and upgrading. The focus of different industries and Internet is different, while the manufacturing

industry is more important and difficult. The emergence of “intelligent” has laid the technical foundation for business and financial integration.

1.2 Related Conception

Business integration refers to the integration of business and finance, that is, timely feedback to finance when the business occurs, and then generate real-time information flow of financial and business information, which combines financial data and business data. Together, so that the financial statement data can reflect the financial status of the company in a timely and accurate manner. Under the concept of financial integration, the finance department needs to strengthen the coordination of business and finance, eliminate the obstacles between business and finance, and realize the effective connection between the two departments. Business integration is the reconstruction and adjustment of the value chain that extends the financial reach to the front end of the business. Since then, the industry has referred to the “organic integration of financial and business activities” as “integration of business and finance”.

“Financial Sharing Center” is a new application of the centralized management mode of the group company in the financial field. Its purpose is to adopt an effective sharing mode. The traditional financial accounting model is fully and effectively integrated with network sharing technologies such as “Internet +” and “cloud computing” to solve the problems of low efficiency of financial operations and repeated resource allocation of the group companies.

2. Transformation of Manufacturing Enterprises

2.1 The First Step in the Integration of Nangang Industry and Finance

With the supply side reform and market changes in the steel industry, the increase in customer experience requirements and customer experience is an important means for Nanjing Iron and Steel Company Limited. (referred to as “Nangang”) to enhance its core competitiveness. The construction of Nangang Intelligent Factory takes the individualization as the main direction, with the integration of high-tech and steel manufacturing and financial management and control as the main line, enhancing the financial management and control capabilities of the company and continuously improving the profitability.

Nangang has built an overall information system based on ERP, EMS, collaborative office, C2M cloud platform, cost-effective system, data auditing system and cost intelligent auditing system. In order to better support the process of financial integration, the company also independently developed a full-process visual management system, tracking and guiding the whole process of order entry tracking, process tracking, process tracking and warehouse management, and tracking the whole process through the financial system and benefit forecasting, continuous optimization guidance for the production process.

2.2 Jiangsu Dasheng Group -- Six Events

The pain point of Dasheng Group's traditional financial management is the separation of finance and transaction, and the degree of automation is low; the management accounting information relies on ERP generation, and the timeliness is poor, and the caliber cannot meet the management requirements.

In order to achieve financial integration, Dasheng Group has made six decisions on the financial management system: financial development strategy, asset and capital control, centralized fund management, pricing of main products, unified financial and accounting policies, financial officers and Accountants are heavily managed. In particular, the centralized management of funds has concentrated on 55 bank accounts, with an annual average of 850 million yuan. It also applies advanced technologies such as cluster fault tolerance, host auditing, MAC binding, virtual subnets, digital certificates and sensitive digital encryption. Real-time monitoring of the fund status of subsidiaries, when the funds are scarce, formulate the lowest cost financing plan, preferred bank bill settlement, saving financial expenses more than 29 million yuan. In the financial management

process, 21 types of business process are integrated into a 6-category online review process to solidify the financial management information system.

Dasheng Group has also cooperated with a number of legal persons to build an integrated budget management and control platform. It has integrated all 12 legal entities of the parent company into the overall budget system. With the help of information management methods, the budget implementation is divided quarterly, and the corrective measures are studied on site. Scientifically regulate the management of logistics, capital flow and information flow.

3. Problems Existing in the Integration of Industry and Finance

3.1 Lack of Industrial and Financial Integration of Innovative Consciousness

Most of the manufacturing enterprise finance belongs to the accounting of the after-the-fact accounting feedback, and the financial integration is based on the value chain of the entire business activity of the enterprise. The whole process tracks the various fields of the enterprise, even if a simple cargo transfer process can add value to any operation. Need to be considered. It is necessary to let the finance go deep into every business unit of the enterprise, and to play a role in leading and strengthening the awareness of cost management. [2]

3.2 The Construction of Financial Sharing Platform is Insufficient

In the information age of rapid global economic development, new things are constantly emerging. Although most manufacturing companies have undergone financial transformation, there are still many problems in the "integration" process in their actual operations. For example, in the system construction theory, there is no mature software system technology in the business process, and the business process cannot be timely feedback to the finance department, thus affecting the coherence of business linkage. In the "gradual theory", the financial department cannot change the traditional accounting method, the accounting accuracy is low, and the financial information provided for the business department is unreliable and cannot meet the demand for lowering the operating cost. [3]

3.3 Limitations of Industry Vision

The decision-making program provided by the finance department mainly analyzes and predicts data from the perspective of cost and profit. Depending on the quantitative analysis of financial data formation, the impact of the external market environment on the strategic development of the enterprise is also not taken into account, so it is difficult to manage accounting. Expand. It is limited to data in a certain field, and it lacks a comprehensive perspective to provide a more scientific and comprehensive decision-making plan for senior managers.

4. Solutions

4.1 Cultivate the Consciousness of Industrial Finance Integration

The financial transformation of industrial and financial integration is ultimately the transformation of human consciousness. Training financial personnel in accounting theory and related financial and business operations, optimizing internal coordination mechanisms, and financial participation in production and operation process management will enable financial personnel to understand the business in depth and make more scientific data analysis. At the same time, enterprises can strengthen the concept of promoting the integration of business and finance further activates the enthusiasm of employees and realizes a new model of financial for everyone.

4.2 Strengthening the Construction of Enterprise Information System

Financial information system is an important part of the enterprise, but financial information often becomes an information island that cannot be connected to the business side. To realize the integration of industry and finance, it is one of the effective ways to construct the information systemization of financial integration. The main reason is that the integrated information system can

store the whole life cycle data of the operation and can process the data accurately and quickly, eliminating the possibility of manual transmission of information. Delays or mistakes will occur, and financial integration will be integrated into all aspects of the business process to achieve effective integration of business.

5. Summary

To sum up, in the face of the new situation of economic development, the manufacturing industry in the integration of industry and financial integration, strengthening the cultivation of corporate financial management talents and building a professional talent team for industry and finance is the primary issue. The degree of emphasis of management will directly affect the construction of the financial integration system. Management should apply more management accounting methods in decision-making, and combine management, strategy, business and finance to make more scientific and effective decisions. At the same time, we should rely on the construction of enterprise information systems, build information bridges for the integration of business and wealth, and comprehensively sort out and optimize existing business and financial systems, open up barriers between business and wealth, and keep abreast of the actual situation of business operations. And find relevant solutions for the problems of processing and analysis, give full play to the utility of industry and financial integration, and promote the scientific and healthy development of enterprises in the manufacturing industry in the new situation, and maximize the economic benefits of enterprises.

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