

# *On the Transformation of Financial Accounting to Management Accounting under the Background of Big Data*

**Ma Yan**

*Xi'an Peihua University, Shaanxi Xi'an, China, 710125*

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**Abstract:** Today, with the rapid development of science and technology, modern technology has been widely used in various industries, and financial accounting work will also be affected by modern technology. At this stage, the traditional financial accounting work method can no longer meet the needs of social development. Enterprises need to actively adopt the management accounting model for accounting work, improve the efficiency of accounting work and the quality of work. This paper analyzes the impact of big data technology on financial accounting work, studies the reasons for the transition of financial accounting to management accounting, and explores the ways of financial accounting to management accounting transformation.

## **1. Introduction**

Big data technology has an important impact on the accuracy and rationality of enterprise decision-making. In short: the use of big data technology can ensure the correctness of enterprise decision-making and improve the competitiveness of enterprises. In the context of big data, the traditional financial accounting work mode cannot fully play its due role. Therefore, in order to ensure the accuracy of enterprise decision-making, it is necessary to promote the development of financial accounting towards management accounting and improve the efficiency and quality of corporate financial data processing.

## **2. The impact of big data technology on financial accounting work**

### **2.1. Diverse data collection methods**

It can be found from the actual work that in the traditional financial accounting mode, the types of accounting data are small, and the data collection is relatively simple, so that the financial data is mostly structural data. In the era of big data, there are many types of financial data, and data collection needs to be done using Internet technology.

### **2.2. Data storage security**

With the rapid development of big data technology, the types of financial data are gradually

increasing. Therefore, in order to save these data information, it is necessary to establish a database, and at the same time, it is necessary to ensure that the data information is not leaked. At this stage, many enterprises use distributed storage to store data information in the data, which plays an important role in ensuring that financial management can proceed smoothly.

### **2.3. Diverse data processing methods**

The database needs to preprocess the financial data, and store the processed data information in the database, and the user can reprocess the data information to obtain more valuable data information. The data reprocessing process belongs to “data mining”, and regression analysis and trend analysis are needed in this link.

## **3. The connotation, similarities and differences between financial accounting and management accounting**

### **3.1. Basic concepts**

Most of the enterprises prepare external reports based on financial accounting. They use monetary measurement methods to determine, measure, and report on completed transactions or events, thus forming a complete financial statement. The external investment personnel and creditors of the enterprise may analyze the financial situation and economic benefit level of the enterprise through financial accounting statements. The main purpose of financial accounting work is to analyze the company's profitability, accounting and prepare financial reports, so it can meet the needs of external decision-making.

Management accounting can re-process the financial data and data collected by the finance department in various ways, and prepare it into financial reports, which is of great significance to the scientific and rational preparation of development plans and the determination of economic control methods. Management accounting can provide accurate and comprehensive data for enterprise management, which is of great significance to ensure the rationality and correctness of enterprise decision-making and development planning.

### **3.2. Similarities and differences between financial accounting and management accounting**

Financial accounting and management accounting belong to different branches of corporate accounting, and the two influence each other and complement each other. Financial accounting and management accounting have formed a complete and perfect enterprise accounting system.

The similarities between financial accounting and management accounting:

First of all, from the analysis of work services, financial accounting and management accounting have the same goal. The main purpose is to provide economic management records, accounting, and financial information for enterprises to provide complete and accurate financial data information for enterprise management. Ensure the rationality of corporate decision-making.

Secondly, financial accounting and management accounting are the same (for business management activities), there are cross-overs in accounting, such as: financial accounting needs to calculate the economic benefits of the enterprise based on cost information; management accounting needs to control the operating costs of the enterprise based on cost information.

Finally, financial accounting is similar to data sources for management accounting. Financial work exists in all aspects of the company's operations, accounting and analysis of the company's economic situation, and estimating the company's development in the future.

Differences between financial accounting and management accounting:

First, financial accounting and management accounting have different service targets. Financial accounting provides financial statements for external stakeholders; management accounting provides financial statements for internal stakeholders.

Second, financial accounting and management accounting work have different roles. Financial accounting mainly analyzes the completed transactions and matters of the enterprise, which can clarify the previous management level and management level of the enterprise; management accounting can predict the development of the company in the future, and adopt the method of changing management content and management matters to provide basis for enterprise decision-making.

Third, financial accounting and management accounting management implementation standards are different. Financial accounting adopts the accounting system and standards and regulations that are being implemented; management accounting does not need to be carried out according to these systems and standards, and its main purpose is to improve the management level of enterprises.

Finally, enterprises have higher requirements for financial accounting management. Therefore, enterprises need to establish a sound accounting results model. The difference is that management accounting is more flexible. It is necessary to adjust management accounting procedures according to the actual development of the enterprise and market development.

#### **4. The reason for the transformation of financial accounting to management accounting**

##### **4.1. Traditional financial accounting cannot meet the development needs of enterprises**

Traditional financial accounting work pays more attention to the causal relationship between data information, so it pays more attention to the accuracy of data information when dealing with corporate financial information. However, big data technology pays more attention to data processing efficiency and data correlation. We can divide big data into structured data and unstructured data. Structured data refers to data that can be stored in a database and can be represented by a two-dimensional table structure. Unstructured data refers to images, documents, and other information in different formats formed by different users at different times and locations. Different from structured data, unstructured data is more random and contains a lot of valuable and worthless information. Traditional financial accounting methods cannot quickly obtain valuable information in such information, so it cannot be used for enterprises. Provide more accurate data support.

##### **4.2. Management accounting thinking mode is consistent with big data concept**

The adoption of management accounting mode can enable financial workers to participate in enterprise management, which can effectively improve the management ability of financial workers, improve the management level of enterprises, and improve the competitiveness of enterprises. The main responsibility of management accounting is organization, forecasting, decision-making, etc. It is of great significance for enterprise science to formulate development planning and development strategies. Through the implementation of the management accounting model, the future development direction of the enterprise and the market development trend can be scientifically estimated. In addition, big data technology has many functions such as predictive analysis and decision analysis. It can be seen that the management accounting thinking mode is consistent with the big data concept. Therefore, when promoting the management accounting model in enterprises, it is necessary to actively apply big data technology.

### **4.3. Management accounting meets the needs of enterprise development**

At the same time of China's rapid economic development, the economic and political cooperation between China and other countries has gradually increased. In order to enhance the international competitiveness of Chinese enterprises, it is necessary to optimize the financial work model. Therefore, in order to promote the stable and sustainable development of Chinese enterprises, it is necessary to reform the financial work model to ensure that financial management personnel participate in the development of enterprises. It can be seen that corporate financial accounting needs to gradually shift to management accounting. The survey found that the ratio of management accountants to financial accountants in US companies is 9:1. The ratio of management accountants to financial accountants in China is 1:9. This shows that the number of traditional financial accountants in China is large. The company has not yet undergone a transformation of the accounting work model. In response to this problem, China has clearly stated that enterprises should establish a management accounting mechanism consistent with the development of enterprises and markets based on the actual development of the enterprise. The change of enterprise financial accounting to management accounting is not only the requirement of relevant mechanism, but also the requirement of market development. Enterprises need to actively adopt the management accounting work mode in order to achieve refined management objectives.

## **5. The way of financial accounting to management accounting**

### **5.1. Strengthen the analysis of management accounting theory**

Management accounting is a branch of accounting. Although management accounting has always existed, enterprises have not adopted such an accounting model, nor have they strengthened research on management accounting theory. With the continuous development of the market economy, the competition among enterprises has become increasingly fierce. In order to ensure the correctness of the development strategy of enterprises, some enterprises have adopted the management accounting model. Enterprises can provide accurate and comprehensive data support for enterprise development by establishing a sound management accounting mechanism to ensure the correctness of enterprise development strategy and development planning.

The management and financial personnel of the enterprise have not fully studied and understood the theoretical knowledge related to management accounting, which is also an important factor affecting the transformation of financial accounting towards management accounting. The analysis and research of accounting theory knowledge has an important impact on the application of accounting models. Therefore, in order to ensure the smooth implementation of the management accounting model, it is necessary to strengthen the research on management accounting theory. First of all, China needs to actively learn and introduce the management accounting theories and methods of other countries. According to the management methods and characteristics of Chinese enterprises, it analyzes the management accounting theory in detail, and at the same time actively establishes a management accounting mechanism with characteristics of China and sounds management accounting duties, to ensure the smooth transition of corporate financial accounting to management accounting; Secondly, the perfection and optimization of any theory are closely related to the research and analysis of research structure. Therefore, in order to improve management accounting theory, China needs to establish a management accounting industry management organization. And strengthen the research and analysis of management accounting theory, and develop relevant guidelines. Enterprises need to apply management accounting according to the actual development of the enterprise. In addition, the management accounting industry management organization needs to strengthen the training of enterprise management accounting, so as to ensure the smooth

transition of corporate financial accounting to management accounting, which is of great significance to promote China's social and economic development.

### **5.2. Improve the professionalism of financial staff**

The transformation of corporate financial accounting to management accounting under the perspective of big data requires the participation of financial personnel. Therefore, in order to ensure the smooth transition of the financial model of enterprises, it is necessary to improve the professional quality of financial personnel. Different from traditional financial accounting, management accounting has higher requirements for the professional level of financial personnel. Financial personnel not only need to fully grasp accounting knowledge, accounting skills, and business processing capabilities, but also need to use advanced technologies such as big data technology and cloud computing technology to analyze data information. Financial personnel not only need to master the relevant theoretical knowledge of management accounting, but also have the ability to apply the knowledge of management accounting theory flexibly. It can be seen that in order to ensure that the enterprise can successfully complete the transformation of the financial work mode, the enterprise needs to pay attention to the professional skills level and professional knowledge level of the financial personnel. Enterprises need to regularly organize financial personnel to participate in relevant training, improve the level of knowledge and professional competence of financial personnel management accounting, and ensure that financial personnel can be qualified for management accounting. At the same time, financial personnel also need to continue to learn to enhance their professional capabilities, accumulate relevant work experience, and thus become a comprehensive financial talent. Financial personnel also need to change their own ideas, actively and actively learn accounting knowledge, information technology, and master big data technology, thereby improving their accounting information processing capabilities, and providing accurate and comprehensive financial data for enterprises.

### **5.3. Change the work of the finance department**

As corporate financial accounting shifts toward management accounting, the corporate finance department's job responsibilities and roles have changed, and its work content has also changed. Management accounting needs to provide accurate and comprehensive financial data for the corporate leadership, which is of great significance for the scientific development of corporate development strategies and development plans. When the enterprise adopts the traditional financial accounting model, the main responsibility of the finance department is to calculate the financial information. However, when the enterprise adopts the management accounting model, the main responsibility of the finance department is to analyze the previous development of the enterprise, control the current operating cost of the enterprise, and plan the future development strategy of the enterprise. Financial department and the other departments of the enterprise are also more closely linked, financial personnel are important participants in the management accounting work, they need to learn, master management accounting responsibilities and work content, estimate enterprise development planning, scientific development Enterprise economic development indicators, control of business operations, and strengthen fundraising. In addition, financial personnel need to have the ability to use big data technology, cloud computing technology to process financial data information, and expand the financial department's work content (such as: planning, forecasting, research and development, and many other aspects). Financial personnel need to collect, organize, and analyze financial data information, and obtain valuable information from these data information, so that enterprise managers can fully understand the problems existing in the development process of the enterprise, the risks that the enterprise may encounter, the development trend of the enterprise, etc. .

In addition, enterprises need to use information technology to establish an information management platform and a big data management center. This can strengthen the links between various departments of the enterprise, so that the positive role of management accounting can be fully exerted and the management level of enterprises can be improved.

#### 5.4. Improve the level of enterprise information

As the accounting model shifts toward management accounting, the financial staff's job function and work content have also changed, but the most fundamental job of financial personnel is to obtain the financial information of the company. In the traditional financial work mode, financial personnel obtain manual financial information, which is less efficient and less accurate. This mode of work does not meet the requirements of management accounting work, although some enterprises use robots to replace financial personnel to complete the basic work. However, management accounting requires a large amount of data information, so it is necessary to use information technology platform to obtain relevant data information by using big data technology and cloud computing technology. On this basis, first of all, enterprises need to actively establish an information platform, and use the information platform to strengthen the communication and sharing of data between the finance department and other departments, which is of great significance for the financial personnel to successfully complete the data analysis and estimation work. After the establishment of the information technology platform, it is necessary to strengthen the maintenance and upgrade of this platform, so as to meet the development needs of enterprises; secondly, strengthen the cultivation of comprehensive talents. Enterprises need to strengthen the training of financial personnel, and encourage financial personnel to participate in continuing education, so that financial personnel can master management accounting duties and work content, and master the necessary information technology, so as to ensure that financial personnel are qualified for management accounting.

## 6. Conclusion

In summary, management accounting has evolved from traditional accounting, so its development is closely related to accounting knowledge. At the same time, it is necessary to actively cite big data technology in accounting work, so as to enhance the ability of enterprises to predict market development trends and ensure the rationality and scientificity of enterprise development strategies, thus promoting stable and sustainable development of enterprises.

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