

## Research On the Construction of Financial Sharing Center of BETTER Life Group

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**Abstract:** With the advent of the era of big data and cloud computing, as well as the impact of relevant policies and economic background, many domestic enterprises have gradually embarked on the road of financial sharing. Retail companies have an important impact on the daily lives of residents. With the increase in market competition, my country's retail industry has begun to expand its business and scale in order to achieve better development. However, problems have also followed, with increased costs and departmental settings. Excessive, untimely management and other issues. In order to reduce operating costs, companies urgently need to transform from a traditional inefficient financial management model to an efficient shared financial management model. The purpose of the financial sharing service is to realize the centralized management of the entire financial business through resource integration and process reengineering, and to deal with some of the drawbacks of the enterprise during the expansion process. With the advent of the era of big data and cloud computing, as well as the impact of relevant policies and economic background, many domestic enterprises have gradually embarked on the road of financial sharing. Retail companies have an important impact on the daily lives of residents. With the increase in market competition, my country's retail industry has begun to expand its business and scale in order to achieve better development. However, problems have also followed, with increased costs and departmental settings. Excessive, untimely management and other issues. In order to reduce operating costs, companies urgently need to transform from a traditional inefficient financial management model to an efficient shared financial management model. The purpose of the financial sharing service is to realize the centralized management of the entire financial business through resource integration and process reengineering, and to deal with some of the drawbacks of the enterprise during the expansion process. This article takes the BBK Group as an example, starting from the group's construction goals and process, analyzes its construction factors, implements the remarkable results of financial sharing, and the problems encountered in the construction process, and proposes corresponding countermeasures

### 1. Introduction

With the rapid development of Internet technology, competition among enterprises has become increasingly fierce. If enterprises want to develop rapidly, they must expand their business and scale. As a retail industry, with its business and scale spread all over the country, the traditional financial management model has been unable to adapt to the rapid development of corporate management needs. At present, as a scientific financial management model, the financial sharing center was born mainly for the fact that there are many subordinate units and individuals in the group, and the financial management is difficult to manage in a unified way. This article takes BBK Group as an example, analyzes and studies the driving factors, construction goals and process of the group's establishment

of a financial sharing center, and provides strong support for the development of other retail enterprises.

## **2. The process of building a shared center by the group**

### **2.1 Group profile**

BBK Group was established in Xiangtan, Hunan in 1995. After more than 20 years of development, BBK Group has developed into one of China's top 100 chain stores, China's top 10 FMCG chains, and China's top 500 enterprises. The BBK Group has a variety of development models and spreads across many provinces to provide consumers with retail services. In April 2014, the group officially launched the financial shared service center project. After many on-site inspections and discussions, the group finally independently developed a financial shared service center in line with the development of the group, laying the foundation for the development of the enterprise.

### **2.2 Construction goals of the financial sharing center**

#### **(1) Reduce costs**

When the group did not realize financial sharing, the positions of financial staff were mainly focused on accounting, and were mainly based on expense reimbursement and supplier settlement. In 2014, the settlement efficiency was 170 million per person. Since the establishment of the financial service sharing center, the group's financial data process has been simplified and the data processed efficiently. By 2015, the settlement efficiency has increased to 320 million per person, effectively saving labor costs and improving work efficiency. The establishment of the financial shared service center has made the company's accounting system centralized and integrated, reducing workload, improving operating efficiency, and reducing operating costs.

#### **(2) Realize groupization**

With the continuous expansion of the business scale of the BBK Group, the problems caused by the independence of the management system and the business system have become more obvious, making the management of the group more difficult. The group urgently needs to carry out system integration and transformation to change the current independent status of the system. The construction of the financial sharing center can achieve groupization, and standardize the problems in the groupization process, which is conducive to the future development of the group.

#### **(3) Improve the quality of accounting information**

BBK Group covers a variety of stores such as supermarkets, department stores, and convenience stores. The stores are located in many provinces. The stores cannot be managed in a centralized manner. There is no unified financial management process, which leads to non-compliance with accounting standards and regulations, which greatly reduces the accuracy of accounting information. Affect the overall management and control of the group. One of the goals of the Financial Shared Service Center is to ensure the quality of accounting information. Each subsidiary and stored information will be transmitted to the financial sharing center, and professionals will process the data in accordance with uniform standards to improve the accuracy and reliability of the information.

### **2.3 The establishment of the financial sharing center**

The construction process of BBK Group's new model is extremely difficult and complicated. First of all, a standardized and unified financial system is required to handle business, scientifically manage process reengineering, centralize management of accounting personnel, make service data more accurate, and convert manual vouchers into electronic vouchers. Due to the difficulty in connecting accounting work with other departments, Multiple systems need to be used during the build process.

BBK Group started in 2013 and sent people to the typical case company of the financial sharing center to investigate and learn the advanced experience of creation and implementation. In February 2014, the financial sharing center project was prepared, and the financial sharing red heart project was officially launched in April until the expense module in December 2014. The pilot project in Xiangtan area and the launch of the Hyperion budget system at the end of the year marked that BBK Group has

moved closer to the goal of "standardized operation and management", and at the same time started the cloud era of BBK Group's internal operation and management. In March 2015, the sharing center began to conduct revenue audits and expanded the scope of the SSOA docking system to the business system. In June 2015, the Financial Sharing Center began to integrate miscellaneous pairs into the SSOA system. In 2018, BBK launched its own WeChat mini program. The realization of financial sharing brings great convenience to the financial processing of the group.

The SSOA expense operation platform is an important system in the construction of the new model. When reimbursing expenses, employees only need to log in to the platform to choose according to the type of expense, fill in the expenditure items and specific amounts according to the corresponding content, and submit the documents, and then the review process is automatically reviewed. The system built by the new model forms a set of standard processes for previously dispersed businesses, which strengthens the quality of accounting and improves timeliness and standardization.

### **3. The group builds shared central drivers**

#### **3.1 External factors**

##### **(1) Policy requirements**

In order to promote enterprises to strengthen management accounting work, improve internal management level, and promote economic transformation and upgrading, the state has issued a number of policies that require qualified enterprises to implement centralized financial services and gradually establish financial shared service centers. The notice issued by the State-owned Assets Supervision and Administration Commission in 2011 and the plan issued by the Ministry of Finance in 2013 both mentioned that for subordinate companies, enterprises with many units, and enterprises with a wide range of business, they should conform to the information technology era and use information technology to gradually establish companies. Financial shared service center.

##### **(2) The promotion of the information age**

With the continuous development of science and technology, big data and cloud computing are widely used, providing strong support and guarantee for the establishment and development of the financial sharing center. In today's development of Internet information technology, the advancement of science and technology has continuously broken the boundaries of finance, and the financial management model of group enterprises is also constantly innovating, and the financial sharing model is a new management model in the new era. And more and more groups and enterprises believe that the construction and implementation of financial shared service centers are beneficial to their development.

#### **3.2 Internal factors**

##### **(1) Strategic development needs**

BBK Group is a leader in the retail industry and has a strategic goal of centralized store opening, multiple businesses, and cross-regional development. In 2015, it launched a global strategy to integrate global supply chain resources. With the company's cross-regional development and expansion of the level of involvement, the company has a multi-format, multi-organization, and multi-regional business model, and the management system and business system are both Respective independences has led to increased difficulty in group supervision, insufficient financial management transparency, and increased management and financial risks. While accelerating scale expansion, it has also brought about the continuous expansion of financial organization and personnel. The labor cost and management cost continue to increase, and the complexity and difficulty of financial management and control have increased. The traditional decentralized financial management model has been unable to meet the needs of the company's strategic development. . In order to better support the overall development strategy of the group and solve the management and control risks brought about by the rapid development of the company, BBK Group combines its own development needs and uses modern financial management and control models to make timely adjustments to the financial management system. In 2014, the company began to prepare for the financial sharing center project to

establish an "office automation system (OA)" for internal and external networks, so that the company's internal personnel can easily and quickly share information and work together efficiently.

## **(2) Financial transformation needs**

The retail industry to which the BBK Group belongs is characterized by low unit prices and high frequency. The financial department needs to record every transaction of consumers, which results in a very heavy workload for financial staff. With the development of group companies, the increase in the number of stores and the emergence of business expansion, the financial data processed by the finance department has also increased, and the scattered geographic area, independent rules and personalized information system have made the work of the financial department difficult. Greatly improved, the financial data provided are inconsistent in caliber, which seriously affects the accuracy and timeliness of the information. Through the financial sharing center, the current situation of systems as islands can be changed, information sharing can be effectively realized, and the management can be provided with more accurate information, so that the group can develop effectively.

## **4. The effect of implementing financial sharing center**

### **4.1 Cost reduction and efficiency increase are effective**

After the establishment of the sharing center, the original accounting personnel were cancelled, and only financial management personnel and accounting personnel were retained, which greatly reduced the number of employees in the NC payment group and reduced labor costs. Secondly, when expanding the market, only business departments need to be set up, and there is no need to add financial personnel and financial accounting personnel, thereby reducing related operating costs. Finally, the data of various regions and stores are uploaded to the sharing center in time, which reduces the workload of accountants and obtains the data in the shortest time, which reduces the workload of employees and improves work efficiency.

### **4.2 Significant improvement in business processing efficiency**

Through the reengineering of business processes, unnecessary processes are reduced, business processing time is reduced, and work efficiency is improved. The establishment of the financial sharing center integrates the central financial activities and resources owned by BBK originally scattered at various operating points, and centralizes processing of data through sharing, simplifies business processing procedures, improves store personnel efficiency, floor efficiency, and reduces expense ratios. Improved the core competitiveness of the group.

### **4.3 Improve the quality of financial information**

Better Life Financial Sharing Center uses Yonyou NC and SSOA financial management systems to realize the connection between financial system and business system, and unify the approval and reimbursement process of the whole group. For example, when an enterprise employee applies for a budget, the expense reimbursement link in the system will be automatically reviewed online, and the approved funds will be frozen in advance, and will be directly deducted after the occurrence. Yes, it greatly improves the accuracy of financial information and improves the quality of financial information.

### **4.4 Strengthening of decision-making analysis capabilities**

The financial sharing center uses the same accounting method to determine consistent accounting subjects, and uses the same accounting method to conduct related business accounting and accounting systems, so that the business caliber of each store and business network is consistent, which is conducive to the analysis of accounting data, Provide data support for company decision-making.

## **5. Problems and suggestions in the establishment of BBK Group Financial Sharing Center**

### **5.1 Problems in the construction of the group financial sharing center**

#### **(1) Lack of internal evaluation system**

Although BBK Group has a customer service team in the Financial Sharing Service Center to receive and respond to various financial questions and suggestions from internal or external customers, it cannot completely replace the Financial Sharing Center's assessment of customer satisfaction. Customer satisfaction is a measure of the financial service center, but its lack of independence and objectivity as an internal organization hinders the realization of excellent customer management and is not conducive to the improvement of the business level of the financial sharing responsibility center.

#### **(2) Low integration of business and finance**

The division of labor in the financial sharing center is too detailed, and employees may only be responsible for a small part of the entire financial process, and cannot fully understand every business link of the entire group. It is easy to weaken the enthusiasm of the financial staff. The reduction in the authenticity, fairness and sensitivity of personnel to economic affairs is not conducive to the internal control of the enterprise.

#### **(3) The process system needs to be improved**

The financial business and data processing of the financial shared service center relies too much on the information system, which causes great risks for the enterprise. If a certain part of the enterprise system has a loophole, it will affect the data processing of the entire enterprise, and the reliability of the quality of accounting information is open to question; if the system suddenly paralyzes or collapses, it will cause irreversible losses to the enterprise.

### **5.2 Suggestions on financial sharing of BBK Group**

#### **(1) Establish an internal evaluation system**

Taking customer satisfaction as the standard, formulate a specific internal evaluation system to continuously improve the cyclic mechanism of service level. For different customers, formulate different service standards, allocate internal resources reasonably, and improve service levels accordingly. Use the SSOA system to conduct regular surveys on customer satisfaction, analyze the survey results, and summarize the results by professionals, and feed them back to each department, and each department will formulate corresponding measures based on the problem.

#### **(2) Strengthen personnel management and training**

Formulate personnel management rules and regulations, provide more promotion opportunities through performance appraisal and training of personnel, and mobilize the enthusiasm and initiative of employees through the incentive mechanism to retain talents. At the same time, customize relevant training courses for employees to improve their abilities in all aspects, formulate reasonable work goals, and regularly conduct skill assessments; form a corporate culture that is in line with the company's development, so that employees can have a sense of belonging in the group and make it easier for employees to realize themselves value.

#### **(3) Improving the construction of the process system**

For different branches and stores, formulate a system that conforms to the development, taking into account the overall operating goals of the group, share business data and financial data through the financial sharing center, formulate a unified standardized process, complete the upload of data in time, and ensure financial Real-time settlement.

## **6. Conclusion**

The construction of the BBK Group's financial sharing center is very successful, which is worth learning for other retail industries. According to the company's own development requirements, building a financial sharing center that meets the company's strategic goals will greatly improve the company's operations. efficient. But the financial shared service center is an in-depth change of the modern management model, and there are few mature financial shared service centers. Different

groups have different corporate cultures, different information technologies and different business process standards. According to their own actual conditions, they are constantly exploring to maximize corporate value.

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