

# Application and Problem Research of Financial Sharing Service Center—Take Haier Group as an Example

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**Abstract:** *With the rapid development of economy and the progress of science and technology, big data, cloud computing, blockchain and other technologies have gone deep into various fields, among which the financial sharing service center is a new model emerging in recent years, and has been developed rapidly. For enterprises, the generation and application of financial sharing service centers are conducive to improving efficiency, reducing operating costs, improving market competitiveness and expanding market share. Therefore, taking Haier Group as an example, this paper is of great significance to analyze the application of the current financial sharing service center and the problems facing, and put forward effective suggestions for the construction of financial sharing service center for enterprises.*

**Keywords:** *financial sharing service center; application analysis; problem research*

## 1. Introduction

In recent years, with the development of the Internet economy and economic globalization, the of enterprises continues to expand, and branches and subsidiaries have been established around the In order to facilitate enterprise management, save costs, and improve competitiveness, more and more enterprises choose to establish financial sharing service centers. This article takes Haier Group as an example to study the development status of financial sharing service centers, point out the existing problems in the development, and provide constructive suggestions.

## 2. The concept of a financial sharing service center

With the continuous development of Internet technology, the sharing economy has also developed, such as shared bikes, shared charging banks, etc., which have brought great convenience to people's The financial sharing service center is a new mode of recent development. Many enterprises actively up financial sharing service centers to manage the financial work of enterprises, and effectively the management level of enterprises.

Financial sharing is the owner of scarce financial resources in order to more fully exert the value of the financial resources, transfer part of the rights to other users, or with other users to use the scarce financial resources, in order to improve the utilization of resources, maximize the value of resources, save enterprise production costs. Financial sharing service center is along with the expansion of enterprise scale and a new management mode, under the background of modern information, financial sharing service center centralized processing between enterprise headquarters and branch, subsidiary of financial information, high repetitive, homogeneity of business operation, in order to improve the efficiency of enterprise management, and create value for the enterprise, promote the transformation upgrading of enterprises.

## 3. The development status of the financial sharing service center

With the rapid development of information technology and the deepening of economic more and more enterprises are using the new mode of financial sharing service center. In the 1980s, China began to cite the financial sharing model, and in 2005, ZTE became the first enterprise in China establish a financial sharing cente<sup>[1]</sup>. According to the survey, more than 58% of Chinese enterprises in

the fortune 500 have established or are building financial sharing services<sup>[2]</sup>, and maintain a steady growth trend.

#### 4. Case study—Take Haier Group as an example

##### 4.1 Construction background of the Financial Sharing Service Center of Haier Group

Was founded in 1984, Haier Group specializes in home appliances and is the fourth largest white goods manufacturer in the world. It has 10 research and development centers, 71 research institutes, 33 industrial parks, 133 manufacturing centers and 230,000 sales networks around the world.

With the deepening of globalization, the expansion of Haier group, established many subsidiaries at home and abroad, and each subsidiary has an independent financial department, including financial analysis, financial management, cashier, accounting, tax, etc., scattered financial information increased the workload of enterprise financial personnel, is not conducive to the unified management, but also increased the management cost of enterprise management. Therefore, Haier Group proposed to establish financial sharing service center in 2005; at the end of 2006, Haier Group implemented financial reform and divided the original financial unit into three parts: accounting, cost and operation; in 2007, Haier Finance Department cooperated with the process reengineering and started the road of financial transformation, formally established financial sharing, concentrating the repetitive and homogeneous business. The construction of financial sharing has realized the sharing of financial resources within the group, reduces the management cost of the enterprise, improves the competitiveness of products, and is conducive to the development of the group's global brand strategy.

##### 4.2 Application Achievements of the Financial Sharing Service Center of Haier Group

Haier Group will centrally process the financial information of its subsidiaries, and carry out unified management and operation. According to the development strategy of the group, Haier Group divides the financial sharing center into two parts: accounting and capital platform. The accounting platform mainly handles accounting for transaction business, and the capital platform is mainly responsible for the control of funds. Among them, the financial sharing service is subdivided into 12 sectors, including receipt and payment service, general ledger statement, tax declaration, capital operation, and financial risk. Haier Group's financial sharing has gone through three stages: domestic sharing, global sharing and outsourcing services, and financial sharing has gradually developed<sup>[3]</sup>. In addition, Haier Group provides paid financial services for other enterprises, expanding revenue sources and increasing enterprise income. After the construction of financial sharing service, Haier Group won the "2012 Best Financial Sharing Service Center Award" issued by CIMA in 2012, which shows the achievements of Haier Group's financial sharing service.

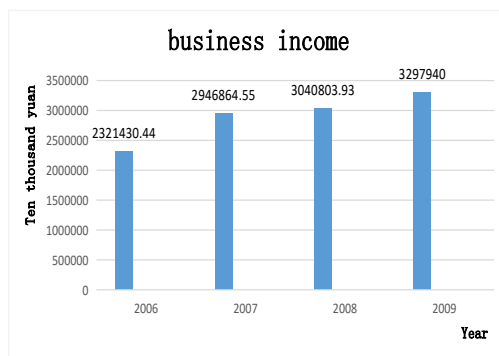


Figure 1: Business income

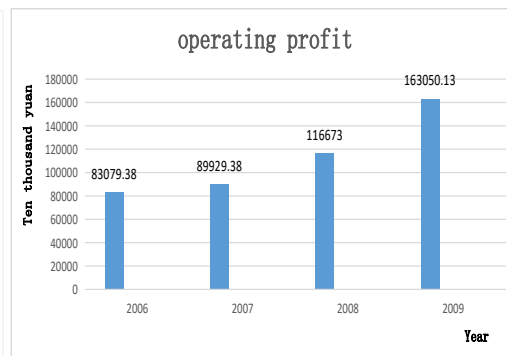


Figure 2: Operating profit

In 2007, Haier Group began to build a financial sharing service center through organization and process reengineering, realizing Haier's management transformation. Study and analyzing the annual financial report data of Haier Group (Figure 1, Figure 2 ). After the construction of financial sharing service center, the operating income of enterprises maintained the growth trend. The operating income in 2009 increased by 8.46% compared with 2008. Although the early growth rate was small, the growth rate was obvious in the later period of operation; and the operating profit also increased steadily, with the growth in 2009 and 2009 increased by 39.75% compared with 2008. Although there may be

endogenous factors, to some extent, it can also reflect the results of the establishment of financial sharing services<sup>[4]</sup>.

Haier Group implements financial sharing services, establishes a unified management system in each subsidiary, centrally deals with homogenized business, and reduces the scale of financial personnel. Haier Group used to have up to 1200 financial personnel, but the current financial sharing center only has only more than 220 employees. The construction of financial sharing has greatly saved the cost of financial personnel of the enterprise. At the same time, Haier group adopts the "single" industry<sup>[5]</sup> goods integration mode, the financial "three points": business finance, professional financial, financial, the enterprise financial personnel transformation, according to different business provide financial advice, forecast project future cash flow and cost, to evaluate the feasibility of the project, this to a certain extent, can improve the enterprise's performance level, reduce enterprise operating costs.

## **5. Problems facing the financial sharing service center**

### ***5.1 Depend on information technology and has high technical requirements***

With the development of information technology, the financial sharing service center came into being. Although the financial sharing center is the integration of financial resources, with the development of global integration and the continuous expansion of enterprise business scale, it has put forward higher requirements for the development of the financial sharing service center. In the mode of financial sharing, the corporate headquarters and its branches and subsidiaries are more dependent on information technology and have high technical requirements. Haier Group began to establish SAP and ECC systems in 2005, but the system cannot adapt to the development of the group's financial sharing, and cannot fit with the implementation process of financial sharing<sup>[6]</sup>.

Research and development ability is the key factor for enterprises to maintain their competitive advantage. In order to meet the development needs of enterprises, enterprises need to increase investment in science and technology, improve their innovation ability, and form their own competitive advantages. If the enterprise lacks research and development ability and a comprehensive understanding of emerging things, it will be in a passive position, which is not conducive to the development and transformation and upgrading of the enterprise.

If the technical level of the employees is inconsistent with the job requirements, there will be many problems in the work, which will seriously affect the work speed and efficiency. Moreover, the unskilled skills and operation mistakes may lead to loopholes in the enterprise financial sharing service center, resulting in the disclosure of enterprise financial information. Competitors will take this as a breakthrough to suppress the enterprise and affect the development prospects of the enterprise. Therefore, in order to maintain the stability of enterprise development, it is necessary to continuously improve the research and development and innovation ability of enterprises, cultivate technical talents, and maintain a certain reserve of technical talents.

### ***5.2 The employee incentive mechanism is not perfect, and the work enthusiasm is not high***

The operation of enterprise financial sharing service center requires professionals, but at present, there are few professionals with solid financial knowledge and skilled operation of financial software in China.

Haier Group only provides salary based on positions, and lacks the corresponding performance appraisal method, so employees will think that the possibility of promotion and salary increase is small, and there will be problems such as laziness and negative treatment at work, and even leave office, resulting in staff loss. This can not only not effectively mobilize the enthusiasm of the staff of the financial sharing service center, but also may further affect the operation efficiency of the financial sharing service center, which is not conducive to the long-term development of enterprises. This problem is related to the development of financial sharing service center in China. It was introduced for a short time, and the existing employee performance appraisal method and incentive mechanism are not perfect, and play little role. Therefore, enterprises should, according to their own characteristics and development strategy, formulate the employee incentive mechanism in line with the actual situation of the enterprise, and mobilize the enthusiasm of employees.

### ***5.3 Risk prevention and control problems, there are potential safety risks***

On the one hand, the application of information technology has brought a positive impact to enterprises, realizing the internal financial information sharing, reducing management costs, and creating more economic value. At the same time, it will also have a negative impact. The construction of enterprise financial sharing service center is not perfect in risk prevention and control, and there are some security risks.

For enterprises, financial data belongs to the confidential information of enterprises, which is related to the future development of enterprises. However, the construction of enterprise financial sharing service center is not perfect, and the processing of financial data is simple and not comprehensive enough. At the same time, because the information system is highly unstable, when the financial data is enough, it will affect the normal operation of the system, causing potential data confusion and leakage risks. According to the audit report of Haier Group, the management needs to judge the risks according to their own experience and professional knowledge, which has certain requirements for professional ability and has great subjectivity, so there are certain risks. Therefore, managers should keep pace with The Times, upgrade and adjust the system according to the changes of information technology, improve the construction of enterprise financial sharing service center, so that it can constantly adapt to the development needs of enterprises.

## **6. Optimization suggestions for the Financial Sharing Service Center**

### ***6.1 We will increase investment in science and technology and improve our innovation capacity***

Financial sharing service center relies on advanced information technology, which is a crucial means of support, and also an important guarantee to improve efficiency, reduce production costs and improve the core competitiveness of enterprises. Therefore, enterprises should, according to the changes in the economic environment and their own development strategy, increase the investment in science and technology, constantly carry out technological innovation, establish their own research and development team, master the core technology of products, and form their own competitive advantages.

At the same time, enterprises can also learn from the successful construction experience of other enterprises' financial sharing service centers, summarize and reflect on the experience of failure, and update and transform on the basis of the current actual situation of enterprises, constantly improve the enterprise information technology platform, and strengthen the construction of financial informatization of enterprises.

### ***6.2 Improve the staff management mechanism and optimize the performance appraisal system***

The operation of the financial sharing service center requires a certain amount of labor cost. Therefore, enterprises should carry out regular vocational training for employees before entering or during the work process. The training content includes learning accounting knowledge, operating financial software, and studying and analyzing previous cases, etc., so as to cultivate the professional competence of employees and make them meet the job requirements. Enterprises should also establish the corresponding assessment system. After the training, the one-to-one communication or real-time operation can be adopted to accept the training results, and the relevant rewards and punishment measures can be formed according to the assessment results. Employees through continuous training and learning to improve their professional quality and professional ability, and provide more professional talents for enterprises.

At the same time, the enterprise should improve the corresponding employee management mechanism, and conduct appropriate management and guidance to the employees. Enterprise management should actively communicate with employees and provide help to employees who encounter problems in practical work. The management should also point out the development prospects for employees, optimize the employee incentive mechanism on the basis of performance management, link performance with employee salary, stimulate their work enthusiasm, and make employees devote themselves to their work.

Employees, of course, also want to change ideas, advancing with The Times, understand the financial sharing service center mode and the traditional financial management mode, clear in the process of operation may face difficulties and challenges, employees to timely adjust themselves, with

a positive attitude to deal with challenges, don't escape in the work. Scientific and effective staff management mechanism and performance appraisal system can improve the business ability and work enthusiasm of employees, save labor costs, and enhance the cohesion of the enterprise.

### **6.3 We will strengthen oversight of corporate financial risks**

In the process of applying the financial sharing service center, enterprises can establish a special regulatory department, each department and members supervise each other, and improve the enterprise financial risk supervision system. Enterprises can also establish an internal control and supervision mechanism on the basis of the ERP management system. With the help of ERP system, it integrates the financial information and business management of enterprises, and centrally handles the homogeneous business, which helps enterprises to reasonably manage the work of the head office, branches and subsidiaries.

Due to the financial sharing work throughout the enterprise production and operation of the global, so enterprise employees and managers to maintain professional sensitivity and caution, to predict or timely and effectively identify the problems in the process of financial sharing service center operation, and according to the professional ability, make corresponding measures to prevent. For example, in the financial information management work, set up computer firewall, install security protection system, etc., timely find and solve the risks in the operation, ensure the security and integrity of enterprise financial information, ensure the stability of the operation of the financial sharing service center.

When hiring senior management personnel, the enterprise may also sign a confidentiality agreement with the employees, requiring them to keep confidential the information involved in the enterprise secrets in their work. If they violate the agreement, they shall bear the corresponding legal liabilities and compensate for the economic losses caused to the enterprise. Strengthening the financial risk supervision of enterprises is conducive to ensuring the integrity and security of enterprise financial information, reducing information leakage and other problems, so as to improve the risk prevention and control ability of enterprises.

## **7. Summary**

With the development of economic globalization, enterprises have set up many branches or subsidiaries at home and abroad, with the problems of financial information redundancy, inconvenient management and high cost. The development of modern information technology has provided convenience for the construction of financial sharing service center. Therefore, enterprises should conform to the development trend of The Times, fully consider the development strategy of enterprises, and actively promote financial sharing service, which is conducive to improving the operating efficiency of enterprises, reducing production costs and improving market competitiveness. Therefore, enterprises should constantly optimize the information system, build the financial sharing service center, provide a guarantee for the transformation and upgrading of enterprises, and promote the high-quality development of enterprises.

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