Based the Deliberation on the Problems of Construction of Efficient
Financial Shared Service Center

Rui-Min WANG*, Chang-He CHEN
Beijing Junyou Education Management Consulting Co.Ltd
*wangruimin523@163.com

Keywords: Financial Shared Services; Establish; Problem Thinking.

Abstract. The core value of finance is to provide "services" which is provide decision-making
information to middle and senior leaders of the company, provide financial support and business
management to business departments, provide specified statements to government regulators and
provide financial reports to stakeholders, etc. Therefore, improving service quality, service
efficiency and service satisfaction are the core elements of establishing financial Shared service
center. This paper expounds the core idea and several construction modes of Financial Shared
Service Center (FSSC), and analyzes and studies the problems, additional values and existing
difficulties of FSSC.

Introduction

Recently years, with the continuous development and improvement of the concept of financial
sharing, more and more companies have established FSSC. However, not all financial Shared
service centers create value for the enterprise, and more of them become "chicken ribs", which even
reduces the efficiency of financial services and hinders the development of the company. So how to
establish an efficient FSSC (e-FSSC) ?

The core value of finance is to provide "services" which is provide decision-making information
to middle and senior leaders of the company, provide financial support and business management to
business departments, provide specified statements to government regulators and provide financial
reports to stakeholders, etc. Therefore, improving service quality, service efficiency and service
satisfaction are the core elements of establishing financial Shared service center. This paper
expounds the core idea and several construction modes of Financial Shared Service Center (FSSC),
and analyzes and studies the problems, additional values and existing difficulties of FSSC.

The Core Idea of Constructing on FSSC

The core idea of building financial sharing service center is: standardized operation unit of scale,
standardized operation process and operation object. The marginal cost can be reduced and the
marginal dividend can be obtained through scale operation. Standardized operations can be
implemented to streamline operations, reduce operational requirements, and achieve unit cost
appreciation.

(1) Why the core idea is not simple homework unit and process, but standardized homework
unit and process?
Only, the reason is that by adopting standardized operations can streamline operations be
implemented. So standardization and standardization is the necessary condition of sharing
construction.

(2) Why the information system and the image equipment are not core concepts?
Information system is only a supporting tool, which aims at improving operation efficiency and
quality. It is a necessary condition for sharing construction, not a construction concept.

(3) There is always personalized demand in enterprise operation. How to make standardization
and personalization compatible?
Personalization is nothing more than standardization of smaller granularity. Therefore, one is to execute the operation process with smaller granularity; The second is to reserve personalized requirement channel.

(4) The differential of financial sharing service operation concept compared with traditional financial accounting concept?

Document review, certification, and voucher review to information verification and inspection.

Several Construction Modes of FSSC

Financial sharing service construction pattern includes: big sharing and small sharing. Big sharing refers to providing services for other units besides the unit itself. Small sharing refers to the sharing center built by the enterprise itself, which only provides services to the unit.

(1) The connection and difference between different modes?

Big sharing is actually the further development of small sharing, is the future development trend.

(2) Why is big sharing the trend of future development?

Firstly, small sharing only provides services for enterprises. When business volume is not large enough, streamlining operation process cannot be carried out effectively, and service efficiency is not necessarily higher than traditional accounting. Take Qing Hai electric Power Company of state grid as an example, the sales volume of expense report is larger than other businesses, but still cannot satisfy each reimbursement accountant to be responsible for only one kind of reimbursement business. However, there is no business volume limit for large sharing, which can make full use of the high efficiency brought by sharing. Secondly, with the continuous development of big sharing, service efficiency and quality have been further improved. If the business is entrusted to the big sharing center for professional services, higher efficiency and quality can be achieved, but only at lower cost.

Key Points of FSSC

Financial Sharing Service System Construction

The construction system of financial sharing service can be divided into: process setting, post division (that is, organizational structure mode).

(1) Process setting: work flow is adopted to set the process according to the work object. The setting philosophy is to adopt the flow-stream operation mode, refine the work object as much as possible, and realize standardized and mechanized operation.

Take expenses reimbursement as an example:

- Start - initiate reimbursement application - submit reimbursement documents - review reimbursement documents (business audit, financial audit, leadership audit, etc.) - preparation of vouchers - review of vouchers - payment of reimbursement - end

(2) Job placement (i.e., organizational structure model)

Model 1: Set by business object

- According to the division of professional business group, according to their respective business processes to provide professional services
  - Each group of personnel directly to its customers
  - Each business group is equipped with a head, responsible for the processing business

Model 2: Set by business category

Model 3: Set up according to business links

Model 4: Strengthening Shared organizations for services and internal management

Business Type Analysis of Shared Service Center

The business types of financial Shared service center can be divided into: self-operation, outsourcing, self-operation + outsourcing, self-operation+ Cooperation contract, and Contract
with each other. (1) Self-operation refers to all internal employees. (2) Outsourcing refers to the delegation of business to external units, that is, all external employees are adopted, but employees are relatively fixed. (3) Self-operation + outsourcing: first, outsourcing some independent businesses, such as reimbursement of travel expenses; The second is to outsource part of the operation process, such as the consistency audit of the application documents in the reimbursement of travel expenses and the information of original documents. (4) self-operation + Cooperation contract : Cooperation contract refers to that people with certain qualifications can provide certain operation services to the sharing center according to the registration level after registration and get remuneration according to the volume of services). The second is to outsource part of the operation process, such as the consistency audit of the application documents in the reimbursement of travel expenses and the information of original documents. (5) Cooperation contract: the Shared service center does not have its own employees, and all operations are handled in Cooperation contract mode.

With the gradual expansion of the construction of financial sharing services, the rapid development of information technology, the enhancement of electronic support function, and the large-scale sharing gradually become the mainstream of Shared services. In addition, with the gradual refinement of job objects and the simpler flow of job functions, proprietary + Cooperation contract mode will become possible.

**Information Technology Supports Demand**

It is necessary to build a financial sharing service center, and its core information technology support includes: (1) electronic requirements of original vouchers: high-speed scanner, original voucher information acquisition system, image system, two-dimensional code identification generator (between original vouchers and electronic vouchers), etc.; (2) requirements for the audit of electronic certificates step by step: corresponding financial software (such as financial control) or OA system.

**Transfer and Save of Original Vouchers**

Financial sharing service is bound to cause the space distance between sharing center and service unit. Therefore, the original document is recommended to be kept in the business unit, whose authenticity and integrity shall be taken care of by the business unit, and the Shared center shall check and take inventory or hand over regularly.

**Added Value of FSSC**

The core value of finance to corporate operation is to provide effective information support for business decision-making. The financial sharing center focuses on massive data in enterprise operation. Therefore, it carries out in-depth mining and analysis of this part of data to provide information support for the company's management and operation decisions. Such as:

(1) Financial analysis: financial statements (balance sheet, income statement, cash flow statement, detailed statement, ratio statement).

(2) Industry analysis: compare and analyze the standard data with the industry.

(3) Special analysis: carry out special business analysis, such as project progress analysis and project cost analysis.

(4) Market analysis: such as market sales ratio, sales ratio of each product, etc.

Investment analysis: such as the profit rate of each module.

**Analysis of Difficulties in the Construction of FSSC**

The main difficulties hindering the construction of financial Shared services are as follows:

(1) The suspension or non-support of the middle and high-level leadership under pressure

(2) The underclass employees' willfulness and insubordination and various obstacles;
Middle-level executive leaders are risk-averse and refuse to make substantial changes. If the process reengineering and position division are not in place;

(4) Financial staff transformation;

(5) Information system support is not in place;

(6) The existing equipment functions cannot meet the needs.

References

[1] BRYANB. Harmer. Essentials of Shared Service [M]. New York: Wiley, 1999; 61-67

[2] Derven. Advancing the Shared Services Journey Through Training [J]. Strategic Finance, 2011, 4(9); 58-64.

[3] Chen Jian, Mei Zhen. Construction of Financial Shared Service Center [M]. Tsinghua University press, 2017.

[4] Chen Hu, Sun Yan cong. Financial Shared Service [M]. China Liberation Economic Publishing House. 2013.

[5] Zhang Rui rui. Research on the construction path of financial sharing center [J]. Accounting Research. 2018, p. 249.