

# The Transformation Path from Financial Accounting to Management Accounting under the Background of Integration of Business and Finance

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## Abstract

Based on the reality, this paper studies the transformation from financial accounting to management accounting under the background of the integration of business and finance. Firstly, this paper discusses the connotation of business integration, financial accounting and management accounting, and then discusses the significance of the transformation from financial accounting to management accounting. On this basis, it makes a comprehensive exploration of the direction and key points of the transformation from financial accounting to management accounting, hoping that this paper can provide some reference for workers in related fields.

## Keywords

**Background of Integration of Business and Finance; Financial Accounting; Management Accounting; Transformation Path.**

## 1. Introduction

With the continuous development and improvement of China's socialist economy, the accounting work of enterprises has gradually changed from financial accounting to management accounting, and the work of financial managers has gradually shifted from ex post accounting and supervision to pre-decision and in-process control, so as to strengthen risk management and control, do a good job in all aspects of management and control, provide support for the strategic development of enterprises, realize the optimal allocation of resources, and lay the foundation for the long-term development of enterprises. Through the transformation and application of development strategy, the refinement level of enterprises has been continuously improved, and financial management will be carried out more smoothly, bringing higher benefits to enterprises.

## 2. Analysis of the Concept of Integration of Business and Finance

### 2.1. The Concept of Integration of Business and Finance

At present, China's enterprises have started to build the integration of business and finance in an all-round way, and the business and financial management of enterprises are effectively integrated[1]. By using financial analysis and research, various business activities are ensured to be implemented smoothly, so that all work is effectively managed, thus reflecting the information management system, ensuring the smooth implementation of financial management, realizing enterprise sharing and application, and improving the utilization rate of resources[2]. Through the comprehensive and systematic development and application of resources, potential risks can be found in time, well controlled and managed, and risk factors can be avoided, so that the data of internal management of enterprises can be handled in a balanced way, and the economic activities of enterprises can be fully supervised and managed, and the supervision and management of funds can be done well, so that comments can be made

reasonably after the incident. Through the integrated mode of business and finance, we can master various control parameters, and do a good job in cost control of enterprise value chain, ensure that the cost is within a reasonable range, and promote the economic benefits of enterprises[3]. Under the integration of business and finance, the mode of thinking and management will change, and enterprises need to ensure that internal financial management plays its due role. In addition, enterprise management must also abide by the standards of national laws and regulations, so as to promote the transformation of enterprise financial management and provide impetus for the healthy development of enterprises[4].

## **2.2. Financial Accounting and Management Accounting Analysis**

At present, many enterprises in our country have simple economic activities, clear benefits and low technical requirements. If we still adopt the traditional accounting management model, we will have higher requirements for fund monitoring and management[5]. Moreover, the accounting of financial data information is mainly based on post-event accounting management, which rarely plays the role of accident control and cannot be reformed and improved in depth. The application of management accounting, based on the traditional financial management, has been reformed and improved, which summarizes the financial data information generated in the long-term business development of enterprises, understands the capital operation information, resource information and non-capital information of enterprises, investigates and analyzes the market environment, and understands various influencing factors, thus ensuring that the strategic decisions made by enterprises are more scientific and reasonable, and ensuring that the strategic planning of enterprises meets the development needs of enterprises. By using the integration and application of financial data, we can understand all aspects of business, control many non-capital businesses, ensure the integration and application of financial data, understand the whole process of business, manage all aspects, do a good job in cost control, promote the improvement of comprehensive benefits, pay more attention to pre-decision and in-process control, and bring higher economic benefits to enterprises[6].

## **3. The Important Value of Financial Accounting Transformation Management Accounting**

### **3.1. Management Accounting for Enterprise Decision-Making and Implementation of Power**

In the practice of enterprise's survival and development, only when the strategic decision-making meets the scientific requirements can the enterprise's development be promoted. If an enterprise makes mistakes in strategic decision-making and makes directional mistakes, even if it tries hard, it will be difficult to achieve development and even bring adverse effects to the development of the enterprise. In the past, in the development of enterprises, there was a lack of experience in making strategic decisions, and the market environment was not fully investigated and analyzed, so strategic decisions were prone to mistakes. In modern society, with the wide application of big data technology, people get all kinds of information through data, such as funds, profits, losses, liabilities, etc., and greatly promote the development of management accounting, so that it can have a comprehensive understanding of the use of enterprise resources, which can ensure the smooth operation of various businesses, thus improving the value of resource utilization, mastering all data information, summarizing and discovering the laws and logic of its data in time, and then conducting market research to provide strong data support[7].

### **3.2. Management Accounting to Promote the Improvement of Resource Utilization**

When management accounting is applied to practice, it can ensure smoother resource management, grasp all kinds of information, consider the logic of business development law and the specific situation of enterprise development, formulate feasible economic development plans and programs, ensure the full utilization of resources, analyze and understand all links of economic activities, promote the improvement of resource utilization rate, and try to avoid collision problems. Therefore, the economic activities of enterprises can become smoother and the level of economic development will continue to improve[8].

### **3.3. Management Accounting to Strengthen the Management of Things**

In the previous enterprise management, the business department and the financial department were often scattered, and these departments had nothing to do with each other. The communication and exchange between the staff were poor, so many jobs could not be carried out smoothly, and the economic activities of the enterprise lacked timeliness[9]. With the application of the concept of integration of business and finance, financial accounting has gradually changed, the level of management accounting has been continuously improved, and the effective combination of business departments and financial departments can make the data of each part transparent, and also make management accounting work involve every part of the enterprise, understand the various processes of enterprise operation and development, analyze and understand the unreasonable situation of the enterprise according to the specific situation, and judge whether the business operation is within a reasonable range through financial big data. If the cost exceeds the specified requirements in the business process, you can analyze the reasons for exceeding the standard.

## **4. The Main Way of Financial Accounting to Management Accounting**

### **4.1. The Transformation of Organizational Structure**

In order to ensure the effective implementation of the integration mode of business and finance and promote the transformation of enterprise financial accounting into management accounting, it is necessary to plan and design the organizational structure of enterprises reasonably, and ensure the improvement of management accounting work effect through the transformation of enterprise organizational structure. Reasonable planning and design of organizational structure can prevent the existence of one person with multiple functions, empty posts and so on, rationally streamline institutions and personnel, make the construction of accounting department more perfect, and meet the needs of enterprise management and development. It should be noted that financial accounting is not directly transformed into management accounting, but both exist at the same time, and the management of financial data is repetitive in many cases, and it must be transformed to achieve all-round development[10].

### **4.2. Transformation of Working Thinking**

The core content of financial accounting work is the collection of data and information related to finance, while management accounting pays more attention to the collection and analysis of financial data, understands the business problems in time, makes the development of enterprises smoother, improves the management level of enterprises, ensures that all data can be mastered and used reasonably, and provides necessary guidance for the development of enterprise economic activities. Enterprises should not only set up management accounting posts, but also realize functional transformation, innovate working concepts, change development strategies, and attach importance to the application of new knowledge and new ideas[11].

### 4.3. Work Transformation

#### (1) accounting process transformation

In order to make the enterprise's financial accounting smoothly transform into management accounting, the enterprise should not only constantly improve the integration concept of business and finance, but also further optimize the operation process to ensure the smooth progress of the work. Enterprises must innovate their working ideas, improve the thinking of accounting work and make management accounting work go smoothly. First, innovate information collection mode and transmission mode to shorten working hours. Secondly, understand the actual situation of events, collect accurate data, clarify the way of accounting treatment and work, analyze and understand data information, improve the level of accounting treatment, and sort out and process data in time to better ensure the smooth implementation of accounting work and accounting treatment will be smoother. Finally, to change the traditional financial accounting methods, we should not only pay attention to the preparation of statements, but also pay attention to the analysis and utilization of data, find out the problems of enterprise management and development, sum up practical countermeasures, and improve the development ability and level of enterprises[12].

#### (2) Pay attention to the application in budget management.

Management accounting not only passively reviews, but also actively participates in the reality of budget management. In order to ensure that all the work can be carried out smoothly, the work can be carried out in an orderly manner, and each post can do its own work well, management accounting in modern society should make clear the budget preparation, master all the data information of business development, strengthen tracking and control, and record all the information of business development in detail, so as to accurately record the income and expenditure data, change from passive to active, and ensure that every data review can be carried out smoothly and compared with the budget data. The financial process is set by information technology, and each work can be effectively managed, integrating management business, ensuring the smooth implementation of management work, improving the management level of enterprises and laying the foundation for the implementation of enterprise strategies. If management accounting is only carried out through human resources, the above contents will be difficult to carry out effectively.

#### (3) Application in value chain management

Every enterprise has its own fixed value chain, which can be supplemented by business activities outside the enterprise in order to play the value of the enterprise. At present, many enterprises will attach importance to marketing and after-sales work, ensure the effective operation of the value chain, promote the promotion of overall value, and also carry out external procurement, project cooperation, technical research, human resources provision, etc., so that enterprises can have sufficient talent support, realize resource supply, and improve the soft power and hard power of enterprises. Only by paying attention to the reform of the development business model and summing up and upgrading experience can we realize the integration of business and finance, help enterprises maintain a high development vitality, make all business activities smoothly implemented, and the value obtained by enterprises will be higher, and the value chain level will be continuously improved. Only by integrating and utilizing various resources can we improve the internal management value and the external competitiveness of enterprises. The concept of integration of business and finance is deeply implemented in all aspects of enterprise management and development, which plays a better role in business development. The smooth implementation of management accounting will become an innovation in the development and reform of enterprises, inject new vitality into enterprises and continuously improve their comprehensive competitiveness. In short, management accounting should be aware of the characteristics of enterprises, solve the difficult

problems in enterprise management through the integration of business and finance, improve the management level of enterprises, and maintain the momentum in enterprise development.

(4) the use of management in the matter

Collect and master all kinds of financial data comprehensively, make a feasible work plan before the business starts, and effectively integrate it with the cost budget, so as to understand the specific situation of the enterprise's business development, use management accounting to obtain enough data, and use big data technology to better realize business management, ensure the smooth implementation of management work, and improve the capital utilization rate of enterprises. Accordingly, in the management accounting work, we should clarify the work authority, obtain enough business data and understand the business environment of the enterprise, so as to better maintain the cooperative relationship and strengthen communication and exchange.

## **5. Strategies to Promote the Transformation from Financial Accounting to Management Accounting**

### **5.1. Enhance the Degree of Attention**

Managers of enterprises must change their ideas, ensure that the concept of business and financial integration can be effectively implemented, understand national laws, regulations and institutional systems, implement the concept of enterprise management and development, and take management as the guidance, so that every employee can understand the importance of his work and be willing to participate in the development of enterprises. Based on the actual situation of enterprise management and development, we should build a perfect management mechanism, select high-level staff, and ensure that both business departments and financial departments can actively participate in the work. The distribution of post responsibilities must meet the needs of enterprise development, achieve scientific and rational requirements, attach importance to coordination and cooperation between departments, and promote the implementation and implementation of the strategy.

### **5.2. Strengthen Internal Information Construction**

Apply information technology to strengthen the construction and application of information system. Every staff member should have a full understanding of the information system introduced by the enterprise, and the enterprise should also establish a perfect financial sharing center and strengthen organizational construction and management. Based on the analysis of the actual business situation, we can fully understand each module of the information management system and adjust the work content reasonably to meet the needs of enterprise management and development, so as to improve the intensity of departmental integration and ensure the smooth implementation of the work. Building a perfect information management system has obvious advantages: on the one hand, it can make information more transparent and true, promote resource sharing and improvement, eliminate information islands and improve the utilization rate of departmental integration; On the other hand, it can improve the efficiency of management, release and transmit relevant information in time, everyone can transmit information and create information at the same time, and the business department and the financial department cooperate with each other to ensure the smooth implementation of economic activities. Only by strengthening the application of information technology and building a high-level information system can we improve the standardization of work, greatly change the working mode, rationally apply the financial sharing mode, promote the standardization of data and promote the efficient operation of enterprises.



### 5.3. Improve the Management System

First of all, release the relevant budget management system. Enterprises should implement the relevant national legal systems and normative measures, analyze their business development, so as to implement various management tasks. At the same time, they should also analyze the development of enterprises based on their development strategies, ensure the accuracy of budget data, reflect the specific situation of enterprise development, analyze them, put forward development goals, summarize reasonable budget preparation methods, promote the effective implementation of internal supervision systems, master and understand the specific situation of enterprises, and change the working mode through management and control. Secondly, improve the cost management system. Only by strengthening cost management can enterprises improve their economic benefits. Therefore, cost management must be implemented to eliminate all factors that may exceed costs and ensure effective management of enterprises. Finally, improve the risk early warning mechanism. Strengthen enterprise risk management and control, organize personnel to learn advanced theoretical knowledge, promote the overall improvement of risk management and control level, build a perfect early warning mechanism, introduce advanced information technology, do a good job in early warning analysis and judgment, and do a good job in comprehensive management, so as to improve the level of risk management and prevention and control.

### 5.4. Improve the Talent Pool

Enterprises issue relevant talent introduction systems to provide enterprises with more high-quality talents, improve talent supply capacity and promote the improvement of enterprise work team level; Regularly maintain and manage the information system and update it in time; Organize regular personnel training and study, pay attention to the improvement of comprehensive quality, and master the information operating system; Let the business department and the financial department maintain good communication and contact, attach importance to the collaborative work, and improve the work effect.

### 5.5. Accountants to Strengthen Learning

Financial managers must learn advanced knowledge, realize the importance of the integration of business and finance, and realize the inevitability of the transformation from financial accounting to management accounting, take enterprise development as the foundation and foundation, not be eliminated by the times, cater to the trend of social development, actively participate in training and learning, learn more advanced knowledge and ideas, and change the working mode, so as to conform to the development of the times, give play to the advanced advantages of computer and Internet technology, and then maintain development in the market competition and promote the overall development of enterprises.

## 6. Conclusion

The integration of business and finance is an important mode of enterprise development at present. Enterprises need to keep a full understanding of all the work of enterprises, understand the similarities and differences between financial accounting and management accounting, change their ideas, pay attention to self-reform and upgrading, and master enough technology, so as to better realize the transformation and progress of enterprise development strategy, improve their competitiveness, maintain steady and healthy development in market competition, and make contributions to social stability.

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