

Transformation and Innovation of Enterprise Financial Management Mode under the Background of Digital Economy

Zhipeng Wu

Daegu University, 38453, Gyeongsan, Korea

Keywords: Digital Economy; Enterprise Financial Management Mode; Transformation; Innovate

Abstract: At present, the digital economy is developing rapidly, and the traditional enterprise financial management model has encountered many difficulties. Under this background, this article is committed to finding out the effective ways to transform and innovate the financial management model of enterprises. This article focuses on the changes of enterprise financial management mode under the background of digital economy. Firstly, this article combs the theoretical basis of digital economy and enterprise financial management, and then deeply analyzes the necessity of the transformation of enterprise financial management model, as well as various challenges faced in the process of transformation, such as how to adapt to market competition and deal with technical application problems. Through research, it is found that the innovation of ideas, processes and organizational structure plays a key role in the transformation of enterprise financial management model. Specifically, enterprises should establish the concepts of digitalization, intelligence and integration of industry and finance, innovate the processes of budget preparation and fund management, build a flat organizational structure, and build a compound talent team. These strategies can help enterprises better integrate into the data-driven economy era, improve the level of financial management, and thus achieve sustainable development.

1. Introduction

The rapid development of digital technology is pushing the global economy into the era of digital economy. Under the background of this era, the business environment of enterprises has undergone earth-shaking changes, and the digital economy has penetrated into all aspects of enterprise operation with unprecedented depth and breadth [1]. As the core content of enterprise management, financial management is facing great transformation pressure and innovation demand under the impact of digital economy [2]. The traditional enterprise financial management mode is mainly based on the relatively stable market environment and limited information processing ability [3]. In the era of digital economy, data has become a key factor of production, the speed of information dissemination has increased exponentially, and business models have been constantly innovated. These changes make the traditional financial management model difficult to meet the needs of

enterprise development [4].

It is of great significance for enterprises to realize the transformation and innovation of financial management mode. From the perspective of enterprise internal management, this is helpful to improve the efficiency of enterprise resource allocation. With the help of digital means, we can analyze the costs and benefits of various businesses more accurately, and then optimize the allocation of resources and enhance the core competitiveness of enterprises [5-6]. Considering the external competitive environment, it can enable enterprises to better adapt to the rapidly changing market demand, adjust their financial strategies in time, seize the new opportunities brought by the digital economy, and meet the challenges of competitors.

At present, the academic research on enterprise financial management mode under the background of digital economy is gradually increasing, but most of them focus on specific technology application or local process optimization, lacking systematic research on the transformation and innovation of overall financial management mode [7]. Part of the research focuses on practical case analysis, and the in-depth discussion at the theoretical level is relatively insufficient [8]. Therefore, it is of great significance to study the transformation and innovation of enterprise financial management mode under the background of digital economy, fill the theoretical gap and provide comprehensive and systematic theoretical guidance for enterprise practice. This article aims to deeply analyze the influence of digital economy on enterprise financial management mode, discuss the necessity and challenges of transformation, and put forward practical innovation strategies.

2. Digital economy and enterprise financial management mode

Digital economy has the characteristics of high innovation, strong permeability and wide coverage, which has changed the operation mode of traditional economy [9]. Enterprise financial management mode is an economic management activity for enterprises to organize financial activities and deal with financial relations under certain strategic objectives. According to the traditional theory, financial management aims at maximizing enterprise value, and follows the principles of cost-effectiveness, risk and income balance, covering fund-raising management, investment management, working capital management and profit distribution management.

In the era of digital economy, these theoretical foundations have been impacted. The rapid change of digital economy makes enterprises face greater uncertainty, and the traditional financial management theory based on the assumption of stable environment is difficult to adapt [10]. The addition of data elements has changed the composition of enterprise resources, and has an impact on enterprise value evaluation, cost accounting and other theories. Therefore, re-examining and updating the relevant theoretical basis is the key to realize the transformation and innovation of enterprise financial management mode under the background of digital economy.

3. Necessity and challenge of enterprise financial management mode transformation under the background of digital economy

3.1 The necessity of transformation

(1) Adapt to changes in the market competition environment

In the era of digital economy, the market competition is increasingly fierce and changing rapidly. Consumer demand is more diversified and personalized, and the upgrading of products and services is accelerated. If enterprises want to emerge in such a competitive environment, they must have the ability to respond quickly to market changes. Under the traditional financial management mode, the speed of information acquisition and processing is slow, which can not provide strong support for

enterprise decision-making in time. Digital financial management mode can collect market data in real time, predict the market prospect of products through data analysis, help enterprises make decisions quickly and seize market opportunities.

(2) Improve the efficiency of enterprise decision-making.



Figure 1 Digital economy

The digital economy has produced a huge amount of data, which contains rich information (figure 1). It is difficult for traditional financial management mode to effectively mine and analyze these data, which leads to the lack of sufficient data support for enterprise decision-making. With the help of big data and other technologies, the transformed financial management model can conduct in-depth analysis of market trends, customer needs and other data, provide accurate and comprehensive information for enterprise decision-making, and improve the efficiency and success rate of decision-making.

(3) Achieve the goal of maximizing enterprise value

The traditional financial management mode focuses on the reflection of the past financial situation of enterprises, and there are some limitations in value creation. Under the background of digital economy, the value creation mode of enterprises has changed, and innovation ability and data assets have become important value drivers. The transformed financial management model can take these new value drivers into consideration, and better realize the maximization of enterprise value through rational allocation of resources and risk management.

3.2 Challenges faced

(1) Technology application challenges

In the era of digital economy, financial management needs to use advanced technologies such as big data, cloud computing and blockchain. However, the application of these technologies is not easy for enterprises. First of all, the introduction of technology requires a lot of capital investment, including hardware equipment procurement, software system development and maintenance. Secondly, the application of technology requires financial personnel to have the corresponding technical ability, and at present, there is a relative shortage of compound talents who know both finance and technology in enterprises. Taking the application of big data technology in financial analysis as an example, enterprises need to build a big data analysis platform to integrate financial

and business data. This not only involves technical problems, but also faces data security and privacy protection issues.

(2) The challenge of management concept transformation

The traditional financial management concept pays attention to compliance and stability, while the data-driven economy era requires financial management to pay more attention to innovation and flexibility. Enterprise management and financial personnel need to change their concepts, from traditional post-event accounting and supervision to pre-event prediction and in-event control. However, in practice, it is difficult to change the long-established management concept quickly, which leads to the obstruction of the implementation of the new financial management model.

(3) Organizational restructuring challenges

Under the background of digital economy, enterprises need to establish a more flat and flexible organizational structure to adapt to the rapidly changing market environment. The traditional financial management organization structure has many levels, and the information transmission is not smooth, so it is difficult to meet the needs of digital financial management. When adjusting the organizational structure, enterprises may face problems such as conflicts of interests among departments and changes of personnel positions.

4. Innovation strategy of enterprise financial management mode

4.1 Financial management concept innovation

(1) Establish the concept of digitalization and intelligence.

Table 1: Comparative Table of Conceptual Transformations in the Digitalization and Intelligence of Enterprise Financial Management

Comparative Dimension	Pre-transformation Concept and Performance	Post-transformation Concept and Performance
Decision-making Orientation	Experience-driven, relying on historical data and subjective judgment	Data-driven, utilizing big data and intelligent algorithms for decision-making
Process Execution	Manual operations are cumbersome, inefficient, and prone to errors	Automated processes are efficient, precise, and save labor
Risk Assessment	Focuses on qualitative analysis with general risk control	Combines qualitative and quantitative analysis for real-time dynamic risk monitoring
Data Utilization	Data is isolated, only using financial data	Data is integrated, combining multi-source data for in-depth mining
Management Perspective	Limited to the financial scope, focusing on short-term goals	Expanded to the entire business chain, considering long-term strategies

In the era of digital economy, data has become a core asset. Enterprises need to fully integrate digital thinking into financial management and deeply understand the key significance of data mining and analysis to financial decision-making. At the same time, enterprises should actively introduce intelligent technologies to promote the automation and intelligence of financial processes. Enterprises must abandon the traditional concept of relying on experience and manual operation and actively embrace the changes brought about by new technologies. Table 1 shows the differences before and after the change of the concept of digitalization and intelligence of enterprise financial management.

(2) Strengthen the concept of financial integration

Traditional financial management is often out of touch with business. Under the background of digital economy, enterprises must strengthen the awareness of integration of industry and finance. The financial department should be deeply involved in the business process and provide financial support and risk assessment from the initial stage of business planning. By establishing an efficient communication mechanism, we can achieve real-time sharing of financial and business data and create value for enterprises together.

4.2 Financial management process innovation

The traditional budgeting method has a long cycle and poor flexibility, and it is difficult to keep up with the rapid pace of digital economy. Enterprises should adopt the combination of rolling budget and zero-based budget. Rolling budget adjusts the budget in time according to market dynamics to maintain the dynamic adaptability of the budget; Zero-based budget is not bound by previous budget arrangements, and the necessity and resource demand of various businesses are reassessed. Table 2 below shows the respective characteristics of traditional budgeting and innovative budgeting methods. Real-time monitoring and optimal allocation of funds are realized with the help of digital technology. Enterprises can build a centralized fund management platform, integrate internal and external fund information, and improve the efficiency of fund use.

Table 2: Comparative Table of Characteristics between Traditional Budgeting and Innovative Budgeting Methods

Comparative Item	Traditional Budgeting Method	Innovative Budgeting Method (Combination of Rolling Budget and Zero-Based Budgeting)
Budgeting Cycle	Fixed annual cycle with long adjustment periods	Rolling adjustments, flexible changes by quarter/month
Budgeting Basis	Based on past budgets and historical experience	Based on current business and real-time market dynamics
Resource Allocation	Continues previous allocation patterns, lacking flexibility	Assessed on demand for more reasonable resource allocation
Flexibility	Difficult to adjust and hard to adapt to changes	Quick response, flexible in dealing with market changes
Budgeting Focus	Emphasizes compliance and cost control	Balances strategic goals and value creation

4.3 Innovation of financial management organizational structure

The traditional pyramid financial management organization structure is complicated and the information transmission is slow. Enterprises should build a flat organizational structure, cut down intermediate levels, and make information transfer between management and grassroots quickly and accurately. This helps to improve the efficiency of decision-making and enhance the response speed of enterprises to market changes. The era of digital economy needs compound talents who are proficient in both financial knowledge and digital technology. Enterprises should strengthen the training and introduction of talents, on the one hand, carry out digital skills training for existing financial personnel; On the other hand, it is also necessary to introduce professional talents with information technology backgrounds to enrich the financial team. By establishing a reasonable incentive mechanism, financial personnel are encouraged to continuously learn and innovate, and the overall quality of the team is improved.

5. Conclusions

With the vigorous development of digital economy, it is urgent to transform and innovate the financial management mode of enterprises. The traditional financial management model has been difficult to meet the needs of the new economic environment, and transformation is an inevitable choice for enterprises to adapt to the development of the times and enhance their competitiveness. In terms of concept, establishing the concept of digitalization and intelligence and strengthening the concept of business and financial integration can lay an ideological foundation for the innovation of financial management mode. The concept of digitalization and intelligence can promote enterprises to use advanced technology to tap the value in data, so that enterprises can make more scientific decisions; The concept of integration of business and finance can break the barrier between finance and business and let them work together to create value. In terms of process innovation, when budgeting, rolling budget and zero-based budget are combined, which can make the budget more flexible and adaptable. With the help of digital technology, fund management can realize real-time monitoring and optimal allocation, and improve the efficiency and safety of fund use. As for organizational structure innovation, enterprises should build a flat structure, shorten the path of information transmission and make decision-making more efficient; Cultivating a compound team of financial talents will bring new vitality to financial management and meet the demand for talents in the data-driven economy era.

When implementing these innovative strategies, enterprises need to be fully aware of the possible challenges, such as the cost of technology application and the difficulty of changing management concepts. Enterprises should actively respond, make reasonable plans, and gradually promote the transformation and innovation of financial management mode. Through the collaborative innovation of ideas, processes and organizational structure, enterprises can effectively improve their financial management level, advance steadily in the wave of digital economy, achieve the long-term goal of sustainable development, and open up new paths for their own and industry development.

References

- [1] Han Jing. *Research on Innovation of Financial Management in Agricultural Enterprises under Market Economy Conditions*[J]. *Journal of Agrotechnical Economics*, 2023(1): 145-145.
- [2] Wu Wenzhao. *Analysis of the Impact of New Accounting Standards on Corporate Financial Management*[J]. *Economics*, 2020, 3(4): 27-28.
- [3] Ma Xiaohui. *Research on Refined Management in Financial Management of Construction Enterprises*[J]. *Economics*, 2022, 5(5): 49-51.
- [4] Feng Qian, Liu Panlong, Zheng Qizhi. *Financial Digital Transformation of CDB Leasing Under a Sharing Model*[J]. *Finance and Accounting*, 2020(19): 21-25.
- [5] Zou Youxin. *A Brief Analysis of Digital Transformation in Corporate Financial Management*[J]. *Finance and Accounting*, 2021(23): 80-81.
- [6] Xuanyuan Shiang. *Thoughts on Building a World-Class Financial Management System in Central Enterprises Under Digital Transformation*[J]. *Finance and Accounting*, 2022(22): 75-76.
- [7] Cheng Huijie, Liu Hui, Li Nan. *Research on the Digital Transformation Path of Enterprise Comprehensive Budget Management*[J]. *The Chinese Certified Public Accountant*, 2024(3): 102-105.
- [8] Liu Yuanxun. *A New "Dual-Core" Driven Financial Management Model Integrating Treasury and Financial Shared Service Centers*[J]. *Finance and Accounting*, 2024(7): 62-64.
- [9] Shu Jianwei, Han Jingti. *Digital Transformation of Enterprise Tax Management: Research and Practice Based on the Value Chain Model*[J]. *The Chinese Certified Public Accountant*, 2023(2): 95-99.
- [10] Xie Yongmei. *Analysis of Digital and Intelligent Transformation in Financial Management of Modern Seed Enterprises*[J]. *Molecular Plant Breeding*, 2023, 21(11): 3819-3823.