

Digital Transformation for the Company Group

Wu huaping, Tang lewen

(Accounting information, School of accounting / Chongqing University of technology, China)

Abstract: *Under the background of enterprise digitization transformation, the enterprise intelligent management accounting reform and the enterprise digitization transformation has been further promoted by the deep integration of business scene and technology demand. Based on the review of relevant literature, in this paper, the functional requirements of intelligent management accounting system of A Automobile Manufacturing Company is considered. The functional requirement of its intelligent management accounting system and the decision framework for the digital transformation of enterprises are explored. Finally, the suggestions are put forward for transformation.*

Key Words: *Digital Transformation; Automobile Industry; Intelligent Management Accounting System; Functional Requirements*

Date of Submission: 12-05-2020

Date of Acceptance: 24-05-2020

I. Introduction

Under the background of today's era, with the rapid development of big data technology, how to make full use of digital technology to optimize and enhance the strength of enterprises and achieve the digital transformation of enterprises is considered as the main problem faced by enterprises today. Many scholars have conducted relevant research on digital transformation. Berman (2011) believe that the transformation of enterprise operation mode of digital transformation enterprises, the use of digital technology to reshape the operation mode, promote the traditional manufacturing enterprises value creation and business model changes, enhance the competitiveness of enterprises themselves¹. Chen Y Y K. et al.(2016) studied the influencing factors of enterprise transformation, and thought that Internet technology such as cloud computing B2B, improve enterprise performance to a certain extent, and then promote enterprise transformation².

Therefore, an enterprise should be made a digital transformation plan with the characteristics of its industry, so as to help speed up the digital transformation of the enterprise. Based on this, the way of digital transformation through intelligent management system is explored from the perspective of management accounting.

II. The Demand Analysis of Intelligent Management Accounting Function for Group

The enterprise A intelligent management accounting system is analyzed its functional requirements, explored the relationship between the functional requirements of the management accounting system, summarized the key links the A enterprises in the process of realizing the intelligent management of enterprise industry chain data, and then understood the way of the A enterprise digital transformation.

Overall functional requirements

In the era of big data, most enterprises are being faced the pressure of digital transformation. The enterprise is hoped to realize the whole process intelligent integration of internal and external business information data, cost management, information collection and analysis, budget management, performance management and decision-making management based on the construction of intelligent management accounting system, so as to effectively control and manage data cost, reduce the pressure from enterprise management and innovation productivity, ensure the effective use of data and information, and comprehensively promote the enterprise goal of digital transformation of the enterprise.

Based on the characteristics of business requirements of the enterprise A, its intelligent management accounting system is composed of several subsystems: cost management system, information management system, budget management system, performance management system and decision management system. So, the functional requirements of its subsystem can be further analyzed.

1. Information management system

Figure no.1 shows the operation process of the information management system. The main function of the information management system is to collect, store and process the relevant data inside and outside the enterprise. The A enterprise is improved the data processing ability of the system by introducing big data

technology, so that the information management system can be provided multi-dimensional data analysis, so that the A enterprise can be managed multi angle enterprises. At the same time, the information management system is provided relevant information in real time and effectively to realize data sharing between data.

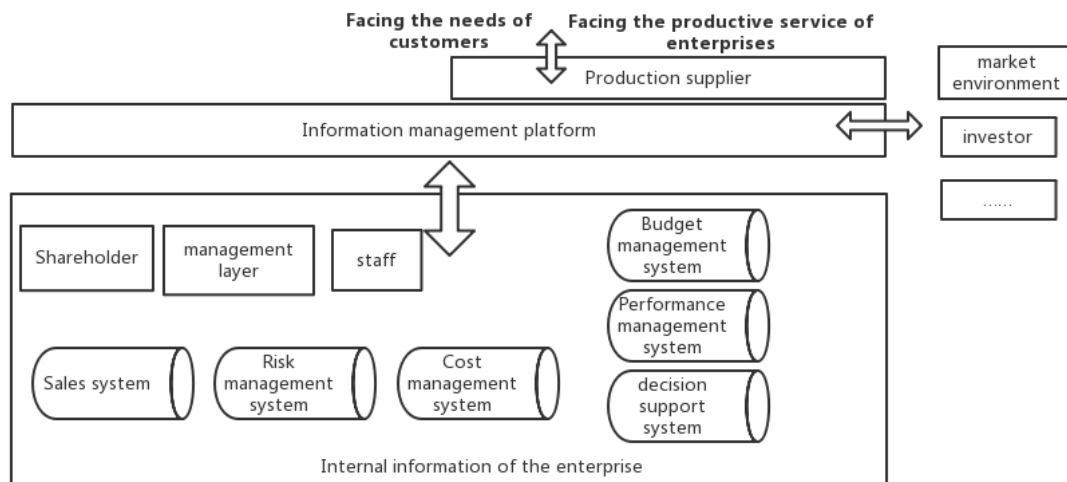


Figure no.1 Management Information System

2. Cost management system

Figure no.2 shows the composition of the cost management system. As an automobile manufacturing industry, the cost management system of enterprise A is closely related to the digital transformation of the manufacturing industry. Based on the characteristics of the automobile industry of enterprise A, the functional requirements of its cost management system is lay in its cost collection, expense distribution, operation activity-based costing, and so on. the A enterprise is mainly adopted the intelligent manufacturing system to ensure the quality and personalization of the automobile. On this basis, the enterprise is passed the management system can be reasonably planned the enterprise resources, further reduced the relevant business costs, and enhanced the company efficiency of the enterprise A. Based on the industrial characteristics of manufacturing industry, the enterprise is applied the activity-based costing to its cost processing, and took the cost driver as the standard of cost allocation, and then used the system to analyze the composition of product cost and the proportion of each part with the help of big data technology, so as to more accurately identify the reasonable cost driver of the enterprise, and build an appropriate activity-based costing pool based on this. the enterprise is adopted ERP technology in financial accounting, which is strengthened the close communication between financial accounting system and cost management system, reduced the distortion of enterprise information, and sped up the work efficiency. The intelligent cost management system is reduced the information distortion of the enterprise through big data technology, and further processed and intelligently analyzed the original information, taking low cost as one of the industry competitiveness of the A enterprise.

3. Performance management information system

Figure no.3 introduces the information transmission way of Performance management information system. The A enterprise management is set effective performance goals for each employee through the performance management information system, connecting the enterprise strategy with each employee. The core of the performance management information system is the application of big data technology in the performance management method system such as balanced scorecard. Through big data technology, managers can quickly and effectively obtain and analyze key performance evaluation indicators such as finance, sales, customers and so on, and understand the performance management of enterprises in real time. Big data technology can be made that the system has the functions of monitoring, analysis, visualization and so on, and then compatible with different enterprise systems, and met the needs of the organization by sharing the key performance indicators of different departments. Performance management is achieved operation consistent with the vision of the enterprise through prior control and artificial control.

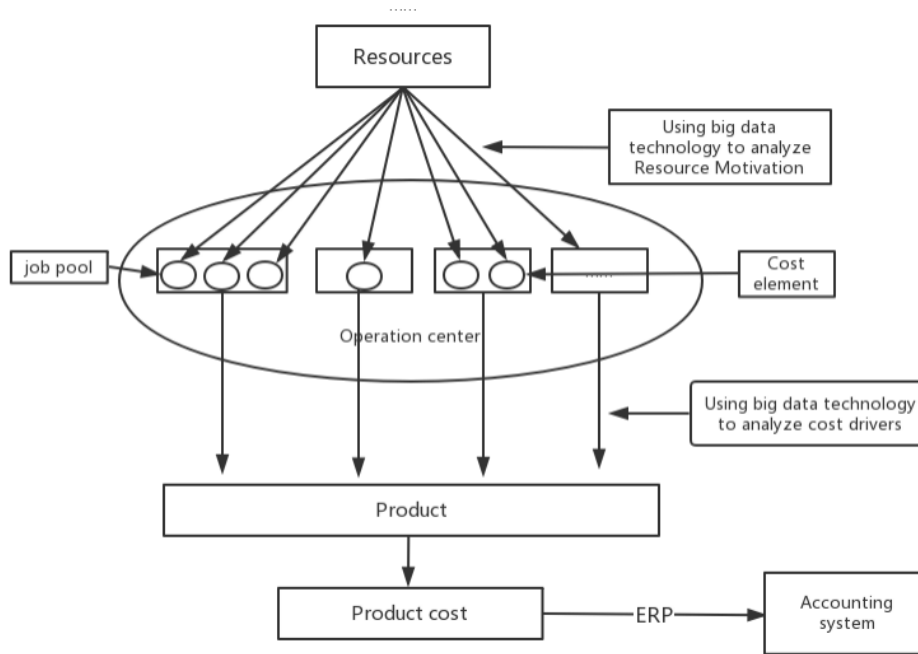


Figure no.2 Cost management system

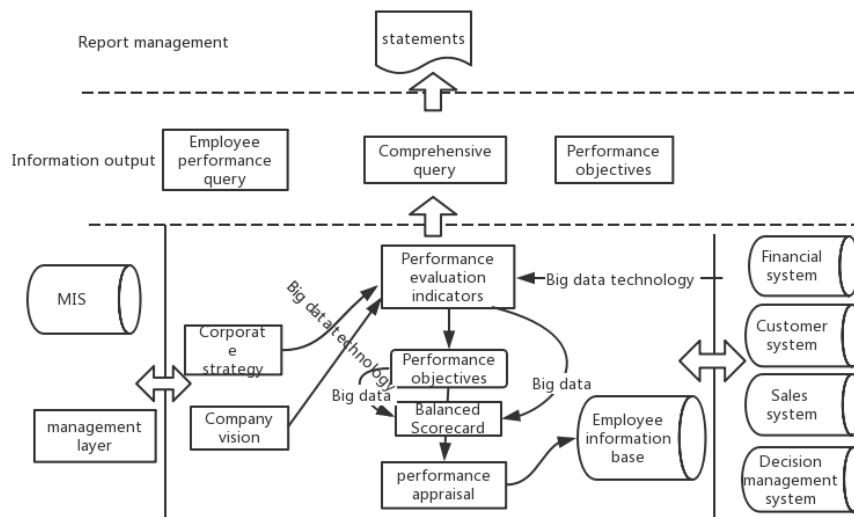


Figure no.3 Performance management information system

4. Budget management system

Figure no.4 describes the relevant parts of the budget management system. Budget management has been the core link in management accounting. The budget management system of the A enterprise is used to assist in planning and carrying out various work businesses with the enterprise, and provided evaluation basis for related businesses according to the budget results, so as to help the enterprise improve performance and grasp the speed and direction of the overall development of the enterprise. Its intelligent budget management is more been able to help the enterprise's changeable market environment. According to the characteristics of the manufacturing industry, the system is analyzed the market environment and supplied chain links of the enterprise, including the supply and demand relationship between upstream auto parts suppliers and downstream auto customers, and various information obtained by the Internet of vehicles, and formed budget information according to the relevant data of the enterprise, and then reversed it Feed to all departments of the company to avoid risks in advance.

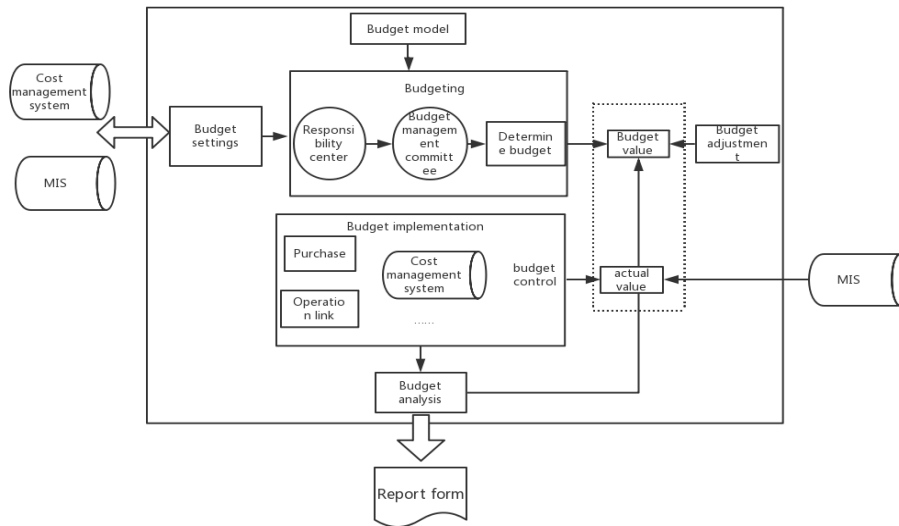


Figure no.4 Budget management system

5. Decision Management System

Figure no.5 shows the structure of the decision management system. The decision support system of A enterprise is mainly based on the analysis of the internal and external historical data of the enterprise by the information management system, so as to get the report form with auxiliary decision, so that the decision maker of the enterprise can be made the judgment and decision quickly and accurately, and finally reduced the cost of the A enterprise and improve the operation efficiency.

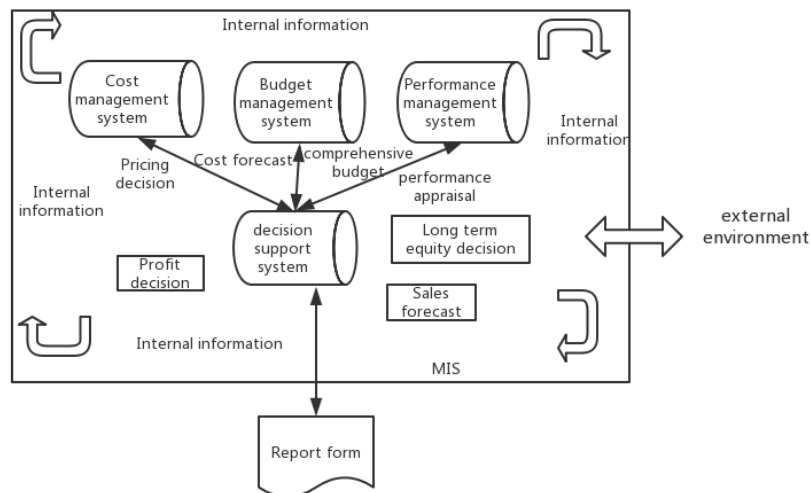


Figure no. 5 Decision Management System

Interrelationship between functional requirements

The relationship between the subsystems is shown in figure no.6, the major subsystems of the intelligent management accounting system of the A enterprise are also closely connected. Each system is worked together to make its internal efficient operation, thus speeding up the pace of digital transformation of the enterprise. Each subsystem is obtained information through information management system and completed information exchange. Through the implementation of activity-based costing, the cost management system can be saved the cost of the enterprise to a certain extent, and the cost information can be fed back to the budget management system in time to provide the basis for the next stage of budget; meanwhile, the budget management system will also be fed back to the relevant cost budget of the cost management system, which is provided the scope definition for the operation of the cost management system. Budget management system and performance management system are helped each other. Budget can be helped enterprises improve performance. Performance level is also been the one of the reference indicators of budget management system. Performance management system is participated in performance evaluation and assessment of each system. The information

of each subsystem is collected to form a decision support system, and then the decision data of the A company is obtained, which is conducive to decision-making of managers. Therefore, the whole intelligent management accounting system is considered as the basis of a company's digital transformation.

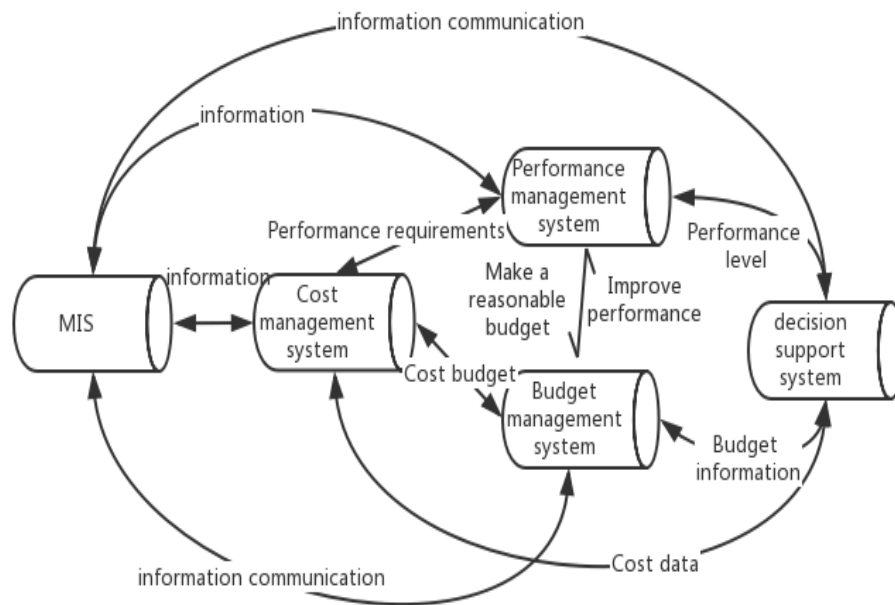


Figure no.6 Diagram of each subsystem

Impact of functions on overall decision-making

Through its intelligent management accounting system, the A enterprise is made its internal modules connect in series, strengthened the information circulation, and made the company's decision more accurate. The A enterprise's cost management system is generated various indicators and ratios of cost information by processing its original cost information, providing decision-making basis for managers. The information management system is collected the internal and external information of the enterprise, and connected the information exchange among various internal systems, so as to obtain diversified information for the company's decision-making. By analyzing the market environment and other factors, the budget management system can be planed the development direction in advance, avoid risks, quickly form budget information, and guided the direction of a company's decision-making. The performance management system is analyzed the performance level of enterprise a rapidly, which not only improved the efficiency of the company, but also provided supervision and control for the managers to make decisions. Decision support system is provided managers with intuitive decision data by integrating the information of each subsystem.

III. Summary

The breakthrough point of the company's digital transformation based on the intelligent management accounting system is briefly analyzed and studied from the perspective of management accounting. Due to the limited research resources, it is only made a preliminary analysis on the functional requirements of the management accounting system of the company. some shortcomings is needed to be further explored Research and learning.

Digital transformation will be brought efficient productivity and accurate data to enterprises, injected new vitality into enterprises, enriched and improved decision support. In the era of great wisdom and cloud computing, intelligent technology is provided strong technical support for enterprise digital transformation, and intelligent management accounting is also been an important breakthrough for enterprise digital transformation.

Conflicts of Interest

The authors declare that they have no conflicts of interest.

Acknowledgments

This work is Supported by planning project of humanities and social sciences research program of Chongqing Education Commission of China. (No18SKGH103)

References

- [1]. Berman S J. Digital transformation: opportunities to create new business models[J]. *Strategy&Leadership*,2012,40(2):16-24.
- [2]. Chen Y Y K. Jaw Y L, Wu B L. Effect of digital transformation on organizational performance of SMEs[J]. *Internet Research Electronic Networking Applications&Policy*,2016,26(1):186-212.
- [3]. Derneval V, Vilela J Bittencourt I et al. Applications of ontologies in requirements engineering: a systematic review of the literature[J]. *Requirements Engineering*,2016,21(4):405-437.
- [4]. Gemini C. Digital transformation: Aroadmap for billion[M]. MIT Sloan Management.2011
- [5]. Rogers, D. The Digital Transformation Playbook: Rethink Your Business for the Digital Age[M].Columbia University Press.2016

Wu huaping, et. al "Digital Transformation for the Company Group." *IOSR Journal of Business and Management (IOSR-JBM)*, 22(5), 2020, pp. 25-30.