

Analysis on the Financial Management Transformation of Private Enterprises under the Sharing Economy Model

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Abstract: People's minds are deeply entrenched in the sharing economy due to the Internet's popularity. Against the backdrop of the sharing economy, in order to achieve the increase in economic benefits, a number of private companies are beginning to prioritise the transformation of financial management in order to optimise their operating condition. As an integral part of our economic market, private enterprises must adapt to the needs of The Times and consider ways to restructure their financial management under the sharing economy model in order to increase their competitiveness. Using the literature review method and the case analysis method, this paper explains the significance of the sharing economy model to the financial management of private enterprises, analyses the existing problems in the financial management of private enterprises, and offers pertinent recommendations.

Keywords: sharing economy; private enterprises; financial management; transformation

1. Introduction

Sharing economy focuses on the full use of resources so that users can enjoy the convenience of sharing while incurring fewer costs and compensation. In the era of rapid Internet development, the sharing economy model is not only conducive to promoting the financial management transformation of private enterprises and improving their financial management system, but can also expand the financial management business of private enterprises, improve the efficiency of financial management and reduce the cost of financial management, and promote the healthy and sustainable development of private enterprises.

As a result of the intensifying market competition, the profitability of private companies are declining, and transformation and upgrading have become the only viable option for their long-term success. Nonetheless, the majority of private companies lack a comprehensive understanding of the notion of sharing, as well as a well-defined transformation objective, a solid management structure, and a talented workforce [1]. Thus, private firms should give full play to initiative and innovation, actively consider the transformation strategy of financial management of private enterprises under the mode of the sharing economy, highlight the benefits of private enterprises, and enhance their competitiveness.

Under the current model of the sharing economy, the research of financial management transformation of private firms focuses mostly on the exploration of Chinese financial sharing services and the analysis of the significance of sharing economy-based financial management of

private enterprises. On this approach, it analyses the specific challenges that exist in the financial management of private businesses within the context of the sharing economy and proposes solutions.

This paper elaborates on the significance of the sharing economy model to the financial management of private firms, evaluates the existing challenges of private enterprise financial management with examples, and offers specific recommendations. This study enhances the research process in the area of financial management transformation of private corporations operating in the sharing economy and aims to provide relevant reference suggestions for related companies and organizations.

2. Problems Existing in the Financial Management of Private Enterprises under the Sharing Economy Model

2.1. Unclear Goals of Financial Management Transformation under the Sharing Economy Model

Since reform and opening up, China's economy has grown quickly, the market has become more open and accessible to everyone, and private businesses have sprung up everywhere. In the context of the sharing economy, private companies have adopted financial sharing as a new approach to financial management. Yet, private companies currently lack strategic and forward-looking management objectives. They have a tendency to rush for success and prioritize immediate interests, which has a negative impact on the effectiveness of financial management and heightens the operational and financial risks of private businesses. Due to the personnel and scale limitations of some private enterprises, as well as the one-sided view of the goal of financial management transformation under the sharing economy mode as only improving the strength of financial management, private enterprises are unable to realize the connection between financial management and enterprise management, strategic development, and external resource integration, resulting in a lack of clarity regarding the financial management transformation objective. It is precisely the lack of goal definition in private companies that inhibits the effectiveness of financial actions.

2.2. Backward Financial Management System under the Sharing Economy Model Is Backward

Currently, there is a shortage of innovation in the financial management systems of many private businesses, and the systems are quite dated. As an interactive business model, the sharing economy model necessitates the financial management transformation of private firms to adapt to its development requirements and incorporate the sharing economy idea into the system and process based on its own characteristics [2].

According to a vast number of surveys, the majority of private companies lack internal communication and have poor company cohesion. Thus, there is an island phenomena in the integration and integration of financial information, making it difficult to transfer and share financial data and information. Simultaneously, in the process of private firm development, enterprises focus on market development and performance improvement and pay less attention to financial management, resulting in insufficient management of energy and support for financial management. On the basis of this circumstance, private firms should enhance their financial management system in a timely manner so that their financial management can quickly respond to the needs of industry development [3].

2.3. Lack of Financial Risk Management Ability under the Sharing Economy Model

Under the model of the sharing economy, artificial intelligence (AI) technology, cloud computing, and other information technologies have advanced rapidly, ushering in the era of big data information services. Although this method improves the speed of information transfer, the open Internet platform poses a danger of loss and disclosure for sensitive financial data. For instance, when criminals maliciously attack the financial system of private enterprises, there will be a major crisis in the business departments and operating departments as well as the overall strategic decision-making, which will result in the failure of financing projects and investment projects, and even the paralysis of private enterprises. Due to Huawei's deficient financial risk management capabilities, its debt operational risk is in a manageable state, but there are issues such as a high asset-liability ratio, a slow profit growth rate, and a lack of debt-paying capacity [4]. This may result in a deterioration in the company's capacity for capital turnover, a deficit of cash flow, and other financial hazards. This necessitates that private companies improve their financial risk management capabilities and devise suitable risk control methods.

2.4. Low Business Level of Financial Managers under the Sharing Economy Model

As a result of changes to and improvements in the style of financial management, the professional standards placed on financial employees are continually being raised to increasingly stringent levels. Several privately held businesses may not prioritise the skill training of their financial staff, and as a result, they are unable to bring their employees' professional knowledge up to date in a timely manner. Therefore, in the process of transformation, private enterprises should attach importance to the construction of talent teams, introduce professional financial management talents, and focus on improving the professional quality and professional level of financial personnel in order to lay a good foundation for the financial management transformation of private enterprises in the mode of sharing economies. This will ensure that private enterprises can effectively transform their financial management in order to accommodate the sharing economy.

2.5. Limited Scope of Financial Management under the Sharing Economy Model

The size of our country's population and the rate at which the economy is growing show that the shared economy model has the potential to reach a big market and has good prospects. We need to have a strong understanding of the fact that the business scope of financial management transformation does not have to be limited to the core business in order to provide important support for it. There are still many private businesses that only have a grasp of the sharing economy on the level of receivables and payables and expense reimbursement, and these businesses do not successfully integrate the financial link of private enterprises with other links [5]. In order to carry out financial analysis and financial decision-making, expand the business scope of financial management of private enterprises, and strengthen the effective communication between various departments of private enterprises, the financial management business of private enterprises operating under the mode of a sharing economy should make full use of the data platform and combine its own characteristics. This is necessary to fulfill the requirements of the sharing economy.

3. Suggestions on the Financial Management Transformation of Private Enterprises under the Sharing Economy Model

3.1. Clarifying the Goal of Financial Management Transformation under the Sharing Economy Model

The purpose of the model of the sharing economy, which is based on Internet big data, is to use resources efficiently. When private firms implement financial transformation under the sharing economy model, they must define the transformation objective, place a premium on the strategic development of financial management, and include financial transformation into private enterprise management. Coupled with the "Internet Plus" financial management concept, resources are integrated efficiently to facilitate the sharing and transmission of firms' internal financial information. On the basis of the principle of sharing, a personal financial management system is built [6].

To realise the transformation of financial management objectives of private businesses, we must first change the concept of financial management from the consciousness, reform the traditional financial management methods, clarify the new understanding of financial sharing mode, and increase the publicity and guidance of financial sharing mode. Thus, the financial staff of private enterprises can comprehend the concept of financial sharing and the significant role that the financial sharing mode can play in the daily financial management work, and actively promote the breakthrough and transformation of the private enterprises' financial management mode. In this process, it is vital for all private enterprise people to maintain a sense of innovation and enterprise ownership against the backdrop of the sharing economy in order to create a positive internal atmosphere. For instance, financial personnel are provided with tailored training opportunities and platforms to better their comprehension, expertise, and application of financial management reform. Moreover, in order to expedite the implementation of transformation goals, we can add mature professional financial management talent in this area to increase counselling and assistance for the financial management of private businesses.

3.2. Optimizing the Financial Management System under the Sharing Economy Model

To maximise the financial management system under the mode of the sharing economy, private companies must first develop a management process based on informational methods to assure the sharing of financial management [7]. For instance, to develop a software platform that complies with the gathering of fundamental information by all business and financial departments and meets the requirements of the financial sharing centre for the processing of comprehensive data. Simultaneously, it can create a shared financial database for private businesses, which can not only facilitate the management of financial data but also store it. Second, clearly separate the responsibilities of financial employees and enhance the transitional procedures for financial management. Lastly, bolster oversight and evaluation, and utilise the monitoring mechanism of the management platform to ensure the sustainable development of financial management under the paradigm of the sharing economy.

3.3. Strengthening Standardized Management of Enterprise Risks

As a new business model, the sharing economy should prioritise information security protection, prevent financial risks, and encourage the healthy and sustainable growth of businesses. Financial information relates to the operation of private businesses as a whole and contains a great number of trade secrets. Thus, when supporting the financial management transformation of private companies, it is vital to strengthen information security protection and enhance the effectiveness of financial data. Private firms must, for instance, hire competent and technical personnel within the authorised extent

of the financial sharing centre, build an information security protection team, thoroughly check and correct system flaws, and be accountable for the center's stable operation. In addition, the establishment of a financial risk early warning mechanism enables the sending of an early warning and the activation of a predetermined emergency plan in the event of a malicious intrusion by criminals into the financial systems of private businesses, thereby reducing the massive economic losses caused by the leakage of sensitive financial information. When accessing, logging in, and browsing the financial sharing centre system, the operation authority should be strictly set according to the functional posts of the financial staff, so as to prevent the leap-level access, logging in, browsing, and unauthorised modification, movement, and dissemination of financial data, so as to reduce the financial risks of the enterprise at the source, establish and improve the financial control and evaluation mechanism, and realise tamper-resistant financial data management.

Improving the Business Level of Financial Managers under the Sharing Economy Model

Due to the quick updating of financial management knowledge under the sharing economy model, the key to the success of financial management transformation is to improve the quality of financial staff. For the financial management staff, timely and effective training should be provided, operational skills should be continuously honed, and accumulated problems in the actual operation should be resolved in a targeted manner, so as to further ensure the efficiency and quality of financial management, increase the financial management staff happiness index, and achieve self-worth in their daily work.

The enterprise can transfer financial personnel to the business department to participate in business development and decision-making, or pick exceptional personnel from the business department to join the specialised team integrating industry and finance to acquire financial expertise [8]. The employment of composite talents with both commercial and financial expertise facilitates the development of a new financial management paradigm.

3.4. Optimizing the Financial Management Business Scope under the Sharing Economy Model

Under the model of the sharing economy, the financial management business of private enterprises should not be limited to the basic business of payment, reimbursement, audit, and tax; rather, it should establish a global thinking and extend the business scope of financial management to cover all aspects of private enterprises. Making full use of the advantages of data platforms, adopting the method of big data cloud computing, collecting and analysing the operation information of private enterprises, and expanding the financial management business scope under the sharing economy mode are all things that private enterprises participating in the sharing economy mode should do. These things include taking full account of the upstream and downstream industrial chain, the business docking of government and administrative organs, social resources, talent supply, and other businesses [9].

4. Conclusion

Being an integral component of our socialist market economy, private businesses play a beneficial role in the growth of the sharing economy. To promote the transformation of private enterprises, however, they are confronted with problems such as the understanding of the financial transformation objectives under the sharing economy mode, the construction of the financial management system, the risk control of financial management, and the professional level of the financial management personnel, which fully test the will and determination of private enterprise transformation. A successful private firm undergoing transition must improve and innovate through a process of ongoing exploration and failure, ultimately completing the change and fostering the healthy growth of the sharing economy model.

This study discusses a limited number of private companies, and the research data is insufficiently complete. Future research will focus on the financial management issues of private firms operating under the concept of the sharing economy, as well as the transformation and upgrading of financial management.

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