ISSN 2959-6130

A New Probe into the Financial Management Reform of Listed Companies under the Background of Integration of Industry and Finance

Jinyang Lu

Abstract:

Under the blessing of the development of modern information technology, the integration of industry and finance has become the mainstream development trend of enterprise financial management. The internal financial management mode of the enterprise also needs continuous reform and innovation. Based on this, the paper studies the reform and innovation of financial management model under the background of industry-finance integration. This paper discusses the specific role of financial management innovation in maintaining capital safety and promoting the steady development of enterprises under the background of financial integration, and analyzes the three principles of process, integrity and risk control that financial management innovation should follow under the background of financial integration. Finally, the article combines the financial management reform under the integration of industry and finance with the practical and difficult problems in budget management control and data analysis, and puts forward specific countermeasures to effectively prevent financial risks, innovate budget management and establish information system under the guidance of the concept of integration of industry and finance.

Keywords: financial management, financial performance and financial integration

1. The main contents of the integration of industry and finance

The essence of industry-finance integration is a brand-new management model that focuses on the business activity system and realizes data sharing between business and finance through integration. With the blessing of new technologies such as big data, cloud computing and block chain, and with the continuous adjustment and reshaping of the internal organizational structure and business processes, the role of enterprise financial management has gradually changed from pure value creation to business-driven, strategic decision-making and financial management. The integration of industry and finance has become a new management method for enterprise production and operation management. Financial management has gradually changed from the previous accounting to value management under the blessing of information technology, which means that only through innovation can the traditional financial management model meet the development needs of today's society. This paper studies and analyzes the specific countermeasures of financial management reform and innovation under the background of financial integration, and provides reference for financial management model to adapt to economic and social development.

The main content of the integration of industry and finance includes five parts: the integration of organization, cognition, process, information and management. As shown in the figure:

2. Financial management

Financial management should follow the following principles: comprehensiveness principle, objectivity principle, sustainable development principle, appropriate simplification principle and financial integration principle.

2.1 Classification of evaluation indicators and specific indicators

The analysis and evaluation of financial performance is through the calculation of the profitability, asset quality, liability risk, operating growth and other related indicators of the company in a certain period, so as to judge the current operating conditions of the enterprise through com-

parative analysis. According to the functions of each indicator, the financial performance quantitative evaluation indicators are divided into eight basic indicators and six modified indicators, which are specifically set as follows:
1. Profitability: the profitability of an enterprise is assessed by two basic indicators, namely, the return on net assets, the operating index and a modified indicator, namely, the operating profit margin, so as to reflect the input-output level and profit quality of the company in a specific operating cycle.
2. Asset quality: based on the inventory turnover rate and accounts receivable turnover rate as the basic indicators, the proportion of "two funds" and the total assets turnover rate as the modified indicators for evaluation, so as to reflect the efficiency of the use of economic resources occupied by the enterprise, the level of asset management and the level of asset safety.
3. Debt risk: the basic indicator is set as asset-liability ratio and quick-acting ratio, and the revised indicator is a multiple of interest earned to reflect the debt burden level, solvency and debt risk faced by the company.
4. Operation growth: two basic indicators and two revised indicators are respectively set, the basic indicators are the growth rate of the main business and the growth rate of the labor productivity of the whole staff, and the revised indicators are the intensity of research and development funding and the rate of capital preservation and appreciation, so as to reflect the company's operation growth level, capital appreciation status and development potential.

2.2 Evaluation criteria and evaluation methods

2.2.1 Evaluation criteria

Financial performance evaluation criteria include domestic and foreign benchmarking enterprises in the same industry (the top three in the industry), assessment indicators issued by higher authorities, and the average value over the past three years.
1 domestic and foreign industry benchmark enterprise standards. Each subsidiary shall select and determine the benchmark enterprise according to the industry and scale of the unit (the listed companies and other enterprises with readily available data shall be selected first). On this basis, based on the benchmark company's annual financial and operation management information, it is estimated by using mathematical statistics method. While adopting domestic standards for evaluation, it should actively adopt international standards for evaluation and carry out international advanced level benchmarking activities.
2. The superior issued assessment criteria. The superior unit decomposes and implements the indicators to the company according to the assessment indicators issued by the superior.
3. Average standard in recent three years. For enterprises that are unable to obtain domestic and foreign benchmark data of the same industry, and the superior fails to issue the assessment index standard, the average value of the company in the past three years shall be taken as the standard.

2.2.2 Evaluation Methods

The weight of financial performance evaluation indicators of an enterprise is based on a percentage system. The weight of each indicator is determined based on its importance to the company. The financial performance quantitative evaluation score is based on the true value of the enterprise evaluation index, compared with the industry and scale standards, and measured quantitatively by using the preset scoring model. The calculation formula is:
Financial performance evaluation score = profitability score+asset quality score+debt risk score+operating growth score+adjustment score
All aspects of the score = basic index total score * index weight+modified index total score * index weight
The indicator scoring for the quantitative assessment of financial performance is to compare the actual value of the assessment indicator with the benchmark value and calculate according to the scoring formula.
Calculate the score of each indicator, and the calculation formula is: total score of basic (modified) indicators = ∑ basic (modified) of individual items
Indicator score
Positive indicator: score of single basic (modified) indicator = actual value of indicator/standard value × indicator weight
Negative indicator: single basic (modified) indicator score = indicator standard value/actual value × indicator weight
For enterprises whose development speed is obviously higher than the benchmark and whose economic benefits have increased significantly, certain bonus points should be given. Only in this way can the enterprise's efforts and difficulties in development be fully reflected, and the sustained and healthy development of the enterprise be promoted. If the assessed enterprise has serious asset loss and adverse impact events during its assessment period (year),

points shall be deducted.

2.3 Enterprise Financial Performance Evaluation Indicator Table and Indicator Calculation Formula

Based on the above principles and indicator methods, the Company's comprehensive performance evaluation indicator table is set out as follows:

The calculation formula of some indicators in Table 1 is as follows:

Operating index = net cash flows/(net profit+depreciation and amortisation) arising from operating activities

Operating profit margin = total profit/operating income * 100%

Inventory turnover rate (time) = operating cost/average inventory

Turnover rate of accounts receivable (time) = operating income/average accounts receivable

Proportion of Two Funds = [(Accounts Receivable+Other Receivables+Prepaid) Average+Average Inventory]/Operating Income ×100%

Total assets turnover rate = operating income/average total assets * 100%

Gearing ratio = total liabilities/total assets * 100%

Quick ratio = quick assets/current liabilities

Interest earned multiple = (total profit+interest expense)/interest expense

Total labour productivity = annual gross labour product/average number of employees per year

Research and development funding intensity = research and development funding this year/total operating income of this year * 100%

Among them, research and development expenditure refers to "total science and technology expenditure of the year" in the financial final accounts report of audit fees, and is the total expenditure actually incurred for the implementation of scientific research and experimental development.

Table 1 Enterprise Financial Performance Evaluation Indicators

Evaluation content	resourcefulness	Financial performance (100)			
		Basic indicators (60)	resourcefulness	Revised indicator (40)	resourcefulness
profitability situation	30	Rate of Return on Common Stockholders' Equity	15	Operating profit margin	30
		Operating index	15		
Asset quality situation	twenty	Inventory turnover	10	Percentage of two gold medals	twenty
		receivable turnover ratio	10	turnover of total assets	15
Debt risk situation	twenty	Asset-liability ratio	10	Multiple of interest earned	10
		quick ratio	10		
Operating growth situation	30	Main business growth	15	Research and development funding intensity	15
		Total labor productivity growth rate	15	Capital appreciation rate	10

2.4 The quantitative evaluation process of each dimension of financial performance indicators

1. See Table 2 for the quantitative evaluation process of profitability status dimension indicators

(1) The return on net assets of the Company was 20.49%, 3.87 percentage points lower than that of the benchmark enterprise;

(2) The operating index company completed 0.98%, 2.15 percentage points lower than that of the benchmark company. The net operating cash flow within the scope of the 2023 statement was RMB61.2 million, which was mainly due to a decrease of RMB89.77 million due to the change in payment collection method of the company's major

customers from wire transfer to acceptance; A large customer group delayed payment collection for two months, and the due settlement decreased by RMB58.61 million;
(3) If the operating profit margin of the Company is 5.06%, which is 10.78 percentage points lower than that of the benchmark enterprise, 8.02 points will be deducted for this.

Table 2 Quantitative evaluation table of profitability status dimension indicators

profitability latitude	surveyor's pole Enterprise value	Company value	discrepancy	score	score	discrepancy
Income from net assetsRate (%)	24.36	20.49	-3.87	12.00	11.54	0.54
Operating index(%)	1.17	-0.98	—2.15	8.00	1.00	7.00
Operating profit margin(%)	15.84	5.06	-10.78	11.00	2.98	8.02
subtotal	/	/	/	31.00	30.52	0.48

2. See Table 3 for the quantitative evaluation process of the dimensional indicators of asset quality status
(1) The inventory turnover rate of the company completed 5.28 times, which was 1.96 times higher than that of the benchmark company. Full marks were given for this;
(2) the accounts receivable turnover rate of the company completed 4.02 times, 0.63 times lower than the benchmark enterprise, the deduction of 0.30 points;
(3) The two funds accounted for 40.35% of the completion of the Company, which was 1.73 percentage points higher than that of the benchmark enterprise, and deducted 0.13 points for this;
(4) the total assets turnover rate of the company completed 1.05 times, 0.05 times higher than the benchmark enterprise, the score.

Table 3 Quantitative Evaluation Table for Dimension Indicators of Asset Quality Status

Asset quality latitude	Benchmarking enterprise Industry value	company value	discrepancy	score	score	discrepancy
Inventory turnover rate (time)	3.32	5.28	1.96	7.00	7.00	0.00
receivable turnover ratio (times)	4.65	4.02	-0.63	7.00	6.70	0.30
Percentage of Two Funds (%)	38.92	40.35	1.73	6.00	5.87	0.13
Total assets turnover rate (time)	1.00	1.05	0.05	6.00	6.00	0.00
subtotal	/	/	/	26.00	25.57	0.43

3. See Table 4 for the quantitative evaluation process of debt risk status dimension indicators.
(1) 70.28% of the companies with asset-liability ratio completed, 29.76 percentage points higher than that of the benchmark companies, and 2.82 points will be deducted for this
(2) the quick ratio company completed 1.02%, 0.13 points lower than the benchmark enterprise, the deduction of 0.33 points;
(3) If the company that has obtained the multiple of interest has completed 30.05, which is far lower than the benchmark company (without loan), 5.88 points will be deducted for this.

Table 4 Quantitative Evaluation Table of Dimension Indicators of Debt Risk Status

Asset quality latitude	Benchmarking enterprise Industry value	company value	discrepancy	score	score	discrepancy
Asset-liability ratio (%)	40.52	70.28	29.76	6.00	3.18	2.82
Quick ratio (%)	1.15	1.02	-0.13	3.00	2.67	0.33
Multiple of interest earned	8796	30.05	-8765.95	6.00	0.12	5.88
subtotal	/	/	/	15.00	5.97	9.03

4. See Table 5 for the quantitative evaluation process of the dimensional indicators of operating growth status

(1) The growth rate of the main business completed by the company was 14.23%, which was 0.87 percentage points higher than that of the benchmark enterprise. Full marks were given for this.

(2) The total labor productivity growth rate of the Company was 4.69%, which was 3.64 percentage points higher than that of the benchmark enterprise. Full marks were given for this;

(3) R&D funding intensity: 8.77% completed by the company, 0.31 percentage points higher than that of the benchmark enterprise, and full marks will be given for this item;

(4) The capital preservation and appreciation rate of the Company was 115.31%, which was 3.28 percentage points lower than that of the benchmark enterprise, and 0.32 point was deducted for this.

Table 5 Quantitative Evaluation Table of Dimension Indicators of Operation Growth Status

Operating growth latitude	Benchmarking enterprise value	Company value	discrepancy	score	score	discrepancy
Main business growth rate (%)	13.36	14.23	0.87	9.00	9.00	0.00
Total Labor Productivity Growth Rate (%)	1.05	4.69	3.64	6.00	4.00	2.00
Research and development funding intensity (%)	8.46	8.77	0.31	6.00	6.00	0.00
Capital appreciation rate (%)	118.59	115.31	-3.28	4.00	3.68	0.32
subtotal	/	/	/	25.00	22.68	2.32

3. Reform and innovation principles of financial management model under the background of financial integration

3.1 Process Principles

The reform and innovation of the financial management model under the background of financial integration is not overnight, but needs to ensure that key information such as funds and data can be summarized and analyzed in an all-round way under the comprehensive application of modern information technology and information system, and constantly adjust the operation process to ensure the coordinated development of various departments. From this, it is not difficult to find that the financial management reform and innovation under the background of financial integration is a long-term work, which requires the relevant units to ensure that the business department and the financial department can

It is effective and coordinated enough to promote the coordination of each department's work, so as to carry out systematic supervision on the business and financial management work process, and closely analyze and control different work details.

3.2 Integrity Principles

The innovation of enterprise financial management model under the background of financial integration requires relevant personnel to always follow the principle of integrity, to ensure that information can be communicated and shared between business and financial departments, to analyze and process information, funds and related data in an all-round way from the overall level of enterprise development, and to classify and store information. The financial department can objectively analyze the future development of the enterprise based on the available data and information, so as to provide necessary funds and information support for the business operation. The management can also understand and forecast the current business development and future development trend of the enterprise from the macro level of the enterprise, and continuously optimize the financial management mode of the enterprise in combination with the existing strategic objectives of enterprise development to ensure that the objectives of financial management are consistent with the overall strategic objectives of enterprise development.

3.3 Risk Control Principles

Under the background of integration of industry and finance, the reform and innovation of financial management model cannot ignore the important content of risk management, and risk control should be implemented in the whole process of business activities. Relevant personnel should strengthen the whole-process risk control of business and financial activities, identify various risk factors in an all-round way, and put forward targeted solutions to ensure that enterprises can continuously improve their ability to cope with risks. Under the guidance of risk control principles, the management should continuously adjust and improve the financial risk management system under the background of financial integration, ensure that the risk management concept can be effectively integrated into the whole process of financial management, always aim at maximizing the development value of the enterprise, comprehensively utilize the achievements of modern information technology, and establish collaborative business processes and information systems. According to the analysis and change of the data, the management can conduct all-round investigation and research on the business development and capital flow of the enterprise to solve various problems.

4. Problems to be solved in the reform of financial management model under the background of financial integration

4.1 Enterprises are facing diversified risks and are difficult to control

Under the background of the continuous development and improvement of the market environment in our country, each enterprise subject will face risk events including market, credit and policies in the long-term business operation and development process, which will have obvious negative impact on the business operation and financial management of the enterprise. For the daily work of the financial department of an enterprise, it is highly sensitive to changes in market information and policies. Once there is a change, but the financial management department fails to adjust the relevant work plan in time, which may lead to the problem of poor capital flow or even broken capital chain of the enterprise. In the process of implementing the reform of financial management model based on the background of integration of industry and finance, relevant personnel are also required to focus their work on each key link, and comprehensive pre-planning is required in advance

Management work, and always to strengthen the analysis of each cost input and accounting, timely solve the existing problems. Afterwards, it is necessary to review and analyze the financial work in an all-round way to optimize the defects in the work. The real situation is that in order to maximize the value, some business departments have insufficient control over financial activities, which makes financial activities more prone to in-process and after-the-fact control, and the occurrence probability of financial risks has increased significantly.

4.2 Budget management is not perfect

Under the background of integration of industry and finance, budget management is also the core content of financial management, which is closely related to the optimization of limited development funds and resource allocation within the enterprise, and requires the enterprise to establish a perfect budget control system based on various functional departments. Integration of industry and finance requires the establishment of close ties between the business and finance departments to share and exchange various data in an all-round way. However, in the process of specific practice, the business department must achieve the profit target of the enterprise and focus its work on expanding the business scope and content. The communication and exchange with the financial department are inadequate. The existing budget management system is always flawed. The communication and sharing of information between the business department and the financial department will also be problematic. Comprehensive and accurate information cannot be collected in the budget management process, and the final results of the budget preparation will also be affected. In the daily business operation process of an enterprise, a large amount of business transaction information is usually generated, but the internal financial budget and accounting system is not perfect enough to help finance personnel to classify and manage business differences, which will also affect the value of budget management.

4.3 The convergence of industry and financial data is not smooth

In the context of financial integration, the reform and innovation of corporate financial management model requires relevant personnel to have a correct understanding of the important value of business and financial data. At present, some enterprises have made innovations in financial management model based on the background of information development and the integration of various modern information technology achievements. However, on the whole, some enterprises lack the thinking of integrating industry with financial management, and the level of internal information construction is relatively low, which makes the connection between business and financial data unsmooth and unable to achieve the goal of unified planning and management. The enterprise completes the preparation of corresponding statements after the end of production and operation activities on a monthly basis and shares relevant data with the financial department in a timely manner. However, the financial department does not track and manage the relevant information of the business operation, which means that it does not have a deep understanding of the actual situation of the business operation. These data are usually affected by various subjective factors and human bias in sorting out, which will ultimately affect the accuracy of the analysis results and the scientific nature of the management decisions will be significantly reduced.

5. Reform strategy of financial management model under the background of financial integration

5.1 Effective Prevention of Financial Risk Events Based on the Concept of Financial Integration

Any enterprise or institution cannot evade the market risk in the development process. In the context of financial integration, the reform and innovation of financial management model requires enterprises to effectively integrate financial and business indicators in the process of business selection, and consider the current and future long-term performance development goals.

In addition to the major business systems with very mature internal development, before an enterprise decides to open up a new business system, it needs to organize a review meeting to ensure that enterprise leaders, financial personnel, business managers and social experts can conduct an all-round evaluation of the feasibility of the business, estimate the risks existing therein and put forward targeted solutions. In the process of enterprise development, customer management also needs to change from previous focus on contract management to focus on customer management under the background of integration of industry and finance. It should not only clarify the rights and obligations of both parties in the contract terms, but also track and evaluate the specific operating conditions and credit ratings of customers to ensure that risk events can be controlled from the source. In the marketing process of enterprises, targeted marketing strategies should be formulated based on the differences in customers' operating conditions and credit ratings to continuously improve the marketing level. In the process of business management optimization, it is necessary to use the big data analysis model formed under the background of business finance integration to conduct objective investigation and analysis on the risk factors existing in the business operation process, to ensure that the business finance integration information platform can be effectively integrated with the budget management, and to establish a sound financial risk early warning mechanism.

5.2 Continuous Innovation of Budget Management

In the process of promoting the innovation of financial management model based on the background of financial integration, enterprises should start from the importance of budget management, form a correct understanding of its important value, and promote the all-round integration and analysis of data and information resources between departments. Financial personnel should, in the daily work process, based on the overall development of the enterprise, formulate sound operating strategies and set budget management objectives in advance. On the premise of adhering to the concept of integration of industry and finance, they should adjust and compress the internal management workflow to avoid budget management risks caused by management defects. At the same time, during the budget execution period, the enterprise should promote the construction and improvement of the budget management system based on its actual development situation, comprehensively consider the actual needs of the integration of industry and finance and the development requirements of various departments, select the incremental budget law and the rolling budget law to prepare the budget, and form a perfect budget management plan according to the actual situation of the enterprise, so as to ensure that the limited development resources of the enterprise can be reasonably allocated.

5.3 Improve the information system and promote convergence of industry and financial data

The reform and innovation of enterprise financial management model under the integration of industry and finance are always based on industry and finance data. Enterprises should use the achievements of modern information technology to establish an information sharing management platform for the integration of industry and finance to ensure that various data and information can be effectively collected, uploaded and shared. The enterprise should build a data and information platform related to financial management based on the actual business, work functions and different work positions of each department, to ensure that the business and financial departments can actively communicate and communicate in their daily work, and to avoid various information leakage incidents while maintaining the security and integrity of information. Enterprises need to always take the integration of industry and finance as the main direction of financial management, promote the docking of information management system and enterprise internal affairs system, and adjust the functional modules such as financial analysis and cost accounting in combination with the demand of market economy development. The business department can regularly collate the actual operating data and information of the business, and share them using online platforms, so that financial personnel can make correct financial decisions with the support of accurate data and information. The management can adjust the financial strategy based on the actual operating conditions of the business and the market environment. This is also an inevitable requirement for an enterprise to achieve its business operation objectives and strategic development objectives.

References

[1] Chang Yue. (2024). Research on financial management under the integration of industry and finance. Finance and management (6).

[2] Zhou Xiali, Yan Jian, Yang Hua & Song Longhu. (2024).

[3] License & Zhao Jing. (2024). Research on the Transformation of Enterprise Financial Management under the Background of Integration of Industry and Finance. Finance and Management (4).

[4] Wu Yanshen. (2024). Financial management of state-owned enterprises based on the integration of industry and finance. Engineering and management science (2).

[5]Fei Yuan. (2024) . Analysis of the integration development of enterprise refinement management and financial integration in the context of informationization. Applied Mathematics and Nonlinear Sciences (1),

[6]Meng Yu. (2024). Construction of Intelligent Financial Management Platform Based on Industry-Finance Integration. Applied Mathematics and Nonlinear Sciences (1),

[7]Hu Junyao & Shen Zhou. (2024). Design Research of Enterprise Financial Management Information System under the Concept of Business and Finance Integration. (eds.)

[8] Tian Feng. (2023). Analysis of financial integration in corporate financial management. Urban Architecture and Development (1).

[9] Yu Meie. (2023). Exploring the path of refined management of corporate finance based on the integration of industry and finance. (eds.) Proceedings of the 2023 International Academic Forum on Finance and Management (5) (PP 194-196). Yunnan Yuntianhua Co., Ltd.;