

# **On the Transformation Strategy of Financial Accounting to Management Accounting under the Background of Big Data**

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**Abstract:** Under the new economic normal, new things such as Internet +, artificial intelligence, big data and so on are emerging. In the face of this situation, the traditional management model has been difficult to meet the needs of the development of enterprises at this stage. Especially in the context of big data, the traditional financial accounting management mode of enterprises has been difficult to meet the requirements of the current stage of enterprise financial data management. In order to achieve sustainable and healthy development, we should determine the development and reform measures based on our current situation and development strategy, and promote the transformation of traditional financial accounting to enterprise management accounting.

## **1. Introduction**

At present, with the rapid development of economy and society, the market competition of enterprises is under great pressure [1]. Under the background of big data, enterprises produce large-scale data, and the rapid development of Internet technology creates high-quality conditions for enterprises to use big data. In 2014, the financial department published the guidance on comprehensively promoting the construction of management accounting system, and then issued various documents, which fully shows that the center of accounting work of the financial department is gradually transforming from financial accounting to management accounting. Financial accounting based on enterprise financial data is the key work of financial accounting, and for large-scale financial accounting data undoubtedly increases the difficulty of financial accounting. Management accounting mainly includes financial management, cost control, budget management, financial performance, etc [2]. Under the background of big data era, for large-scale data, the demand of enterprises is more diverse, and the expectation of management department is higher. The requirements for accounting are no longer limited to accounting, recording and reflection, but more importantly, to predict in advance and control in the process. Therefore, the transformation from financial accounting to management accounting is imperative [3].

## **2. The Necessity of Transformation from Financial Accounting to Management Accounting under the Background of Big Data**

### **2.1. NEEDS OF SUSTAINABLE DEVELOPMENT OF ENTERPRISES**

Under the new economic normal, unlike financial accounting, management accounting can provide reliable data information for the company, accurately predict the future development of the enterprise, evaluate the current situation of the enterprise's investment planning in advance, and issue a risk assessment report based on the previous investment situation of the enterprise. However, due to the influence of financial management system and principles, financial accounting only calculates funds from the micro level and understands the internal capital flow, so it cannot provide guidance for enterprises from the macro strategic level [4]. At present, it is in the era of big data, the use of financial accounting is relatively limited, and management accounting plays a leading role in data processing. Through comprehensive analysis of data, it provides data support for enterprises, so as to ensure the sustainable and healthy development of enterprises. Therefore, under the

background of big data, the transformation from financial accounting to management accounting is not only the inevitable trend of the development of information technology, but also the key to the development of enterprises and the demand of the development of the times.

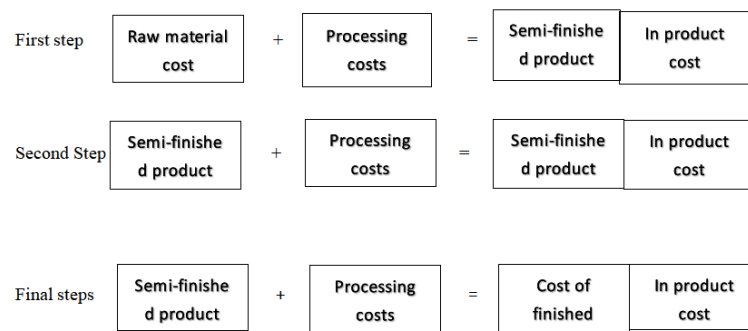


Figure 1 Cost calculation procedure of step-by-step method

## 2.2. THE INEVITABLE SITUATION OF INFORMATION TECHNOLOGY DEVELOPMENT

Information technology is widely used in the management process of modern enterprises[5]. According to the relevant investigation, most of the financial accounting work is completed by information technology at present. Therefore, financial accounting gradually changes to management accounting. Financial accounting personnel can use information technology to process data, which is more efficient than traditional accounting methods. Under the background of big data, the financial accounting departments of enterprises are gradually merging. In the past, a large number of people were needed to carry out financial accounting management. Now, only a few people are needed to complete it, which not only improves the work efficiency, but also effectively controls the cost input[6]. However, it is worth noting that this requires financial accounting personnel to have strong information technology and logical thinking ability, and to know the actual financial situation of each department at their fingertips, with good thinking of the leadership, to promote the sustainable development of the enterprise from the perspective of management accounting, which reflects that with the continuous development of information technology, financial accounting gradually changes to management accounting.

## 2.3. FINANCIAL ACCOUNTING IS NOT SUITABLE FOR BIG DATA PROCESSING

In the era of big data, enterprises need to deal with a large number of different types of databases. Financial accounting data processing ability is weaker than management accounting, and it is difficult to meet the needs of modern enterprise accounting work, to accurately screen and classify financial information data, and to make a scientific and reasonable fund use plan[7]. However, management accounting can make accurate capital risk prediction plan based on the current situation of enterprises, and make efficient use of capital, so that enterprises can survive and develop in the fierce market competition. This is the advantage of management accounting and the main reason for the transformation of financial accounting to management accounting.

## 3. The Strategy of Financial Accounting to Management Accounting under the Background of Three Big Data

### 3.1. SET UP CORRECT ACCOUNTING IDEAS

For an enterprise, in the context of big data, if it wants to promote its core competitiveness and survive in the fierce market competition for a long time, financial accounting should actively transform to management accounting[8]. In the process of this transformation, we should establish a correct accounting concept to ensure the smooth completion of the transformation. At present, most enterprises do not really realize the necessity of transformation, do not understand the advantages of

management accounting, to some extent, hinder the pace of transformation[9]. Therefore, in order to properly solve the current situation and promote the smooth completion of the transformation, the enterprise should base itself on the current situation, guide all staff to establish correct accounting ideas, truly realize the necessity of the transformation, define the transformation objectives, strengthen the accounting quality, promote the management accounting to give full play to its role, and ensure the sustainable and healthy development of the enterprise. For example, in the process of enterprise production and operation, accounting managers should actively change their thinking, actively understand the advantages of management accounting, and master management accounting skills. At the same time, enterprises should also actively introduce high-quality talents, build a scientific and reasonable management mechanism, and promote the personnel of all functional departments to play their own functions effectively.

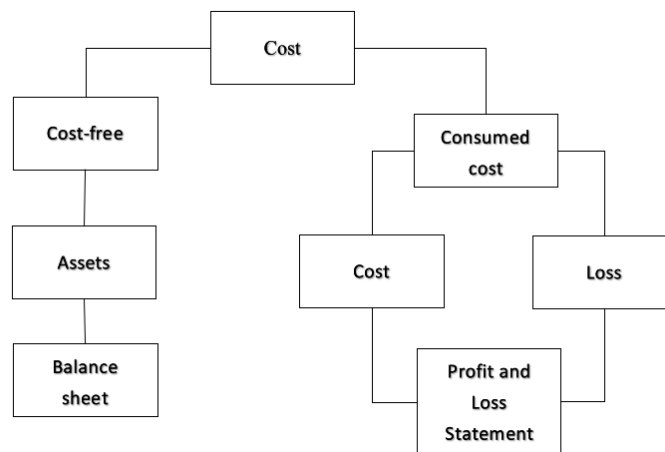


Figure 2 Chart of cost and cost

### 3.2. CHANGE THE WORK CONTENT OF FINANCIAL DEPARTMENT

Traditional financial accounting focuses on accurately recording the economic business of the enterprise in the past, so as to comprehensively reflect the past financial situation and business results of the enterprise. At the same time, traditional financial accounting requires financial personnel to carry out repeated accounting on the content of financial statements, which will not only affect the financial situation of enterprises, but also make the work efficiency lower and lower. In order to make a smooth transition to management accounting, enterprises should actively change the traditional financial data accounting and statement preparation, and make smart use of big data processing methods. In addition, in the process of transformation, the function of financial department should be changed correspondingly, which makes the financial department actively participate in the business management activities. Enterprises should also attach importance to the full play of the function of management accounting prediction and implementation of decision-making. Based on the characteristics of the industry and the current situation of enterprises, enterprises should accurately predict the sales, cost, profit and capital demand of enterprises, so as to guide production and operation scientifically.

### 3.3. PERFECT MANAGEMENT ACCOUNTING SYSTEM

Enterprises should make clear their organizational structure, personnel composition and financial information operation process, strengthen the management of cost, budget and operation analysis, and effectively control and supervise their business activities. At the same time, with the help of big data and information technology, enterprises should scientifically design various modules such as financial statement analysis, capital and fixed assets management, sales and procurement management, further optimize the functions of financial analysis, financial planning, financial decision-making, and comprehensively monitor the process of generating original data and preparing financial statements based on the financial and business approval procedures. In addition,

the financial personnel should skillfully use various ways to spread the financial concept, so as to make the business personnel gradually form the awareness of risk prevention and profit management, so as to make them truly realize the value of financial work, actively cooperate with financial work, and promote the organic combination of Finance and business. Business finance also needs to strengthen its own functions, so as to make business departments truly realize the guiding value of Finance for business activities, which can further improve the operation effect. On the other hand, the phenomenon of budget management and business is common in enterprises. The reason is that budget does not extend to business. According to the basic guidelines of management accounting formulated by the finance department, the application of management accounting should adhere to the principles of strategic orientation and integration, and penetrate management accounting into all levels, links and positions of the enterprise business to ensure the real integration of business and finance. Therefore, in order to ensure the integration of business and finance, management accounting should actively participate in it. The participation of management accounting does not require the management accounting personnel to undertake the specific work in the process, but to provide reliable and accurate data support for the strategic decision-making of the management.

### **3.4. IMPROVE THE COMPREHENSIVE ABILITY OF ACCOUNTING PERSONNEL**

For the accounting and financial industry, people's understanding is more one-sided, resulting in a single financial accounting work, so it has been difficult to focus on financial management work on financial accounting, coupled with its poor acceptance of emerging things, which to a certain extent affected the transformation of traditional finance to management accounting, which is not conducive to the development of enterprises. Therefore, in order to successfully complete the transformation, the key is to actively cultivate and introduce high-quality talents. Enterprises can take the following methods: first, organize and carry out vocational skills training activities, guide them to master the latest financial concepts, and expand their knowledge vision. At the same time, we should focus on the cultivation of talents, actively cultivate high-quality talents, and promote them to become accounting talents with modern vision and modern management ability; secondly, the state should establish a unified training and management organization for financial accounting personnel, set up a specialized organization of "management accountants", and set up professional titles and qualification training examinations to distinguish professional skill levels, so on We should tap out high-quality management accounting talents.

### **3.5. BUILDING A UNIFIED DATABASE**

For financial accounting, it mainly collects data through a large number of accounting confirmation, measurement and filling in accounting vouchers. There are two main ways to reflect it, namely, various sub ledgers and financial statements. However, management accounting needs to combine the actual work needs in data collection, make reasonable screening for various financial data and related data, so as to use them in model calculation. In terms of data collection and final results, they are different, but they have the same data source. The important source of management accounting information acquisition is financial accounting information. In order to promote the transformation of financial accounting to management accounting, we must give full play to the advantages of information technology, merge and process the original information sources, and build a unified database based on this to share resources. Once the common database is established, the accounting information and ERP system can be connected with each other, so that the financial personnel can obtain the ERP system. The information of enterprise operation provides an effective reference for its own work. In terms of sharing resources, database information is no longer limited by time, which greatly facilitates the management and financial accounting personnel, so that they can learn about each other's work at any time, and propose new schemes according to the data obtained.

## **4. Conclusion**

In the era of big data, in order to survive and develop in the fierce market competition, enterprises must actively promote the transformation of financial accounting to management accounting. Through the comprehensive analysis and statistics of the financial information of the enterprise, this paper puts forward targeted and operable suggestions, analyzes the internal data of the enterprise comprehensively, positively identifies various data including risks, prevents the risks in the production and operation process of the enterprise, ensures that the enterprise obtains significant economic benefits, and promotes the rapid development of the enterprise.

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