The Influence of Cloud Accounting on Financial Management of Small and Medium-sized Enterprises in China

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Abstract

The current development of information technology with each passing day, deeply affecting the development of various industries. Information technology represented by cloud accounting has become the latest development trend of enterprise financial management, playing an increasingly important role in promoting the improvement of enterprise management level and the rapid and healthy development of enterprises. In the fierce market competition, China's small and medium-sized enterprises are restricted by enterprise scale, capital investment, management level and so on, and their development is restricted by many aspects. This paper discusses the development strategies of cloud accounting in the financial management of Small and medium-sized enterprises in China, in order to solve the financial management problems faced by small and medium-sized enterprises, promote small and medium-sized enterprises to reduce management costs, improve market competitiveness, and promote the rapid development of small and medium-sized enterprises.

Keywords

Cloud accounting; Middle and small-sized enterprises; The financial management.

1. Introduction

Cloud accounting is a virtual accounting information system built on the Internet that provides enterprises with accounting, accounting management and accounting decision-making services. With the rapid development of the Internet, cloud accounting has risen rapidly and gained popularity, playing an important role in promoting enterprises to accelerate the process of accounting informatization. Due to the small scale, weak capital and the lack of attention paid by enterprise management to cloud accounting, the informatization construction of Chinese middle and small-sized enterprises has been slow. Therefore, it is of great significance for Chinese middle and small-sized enterprises to accelerate the process of accounting informatization to discuss the financial management of Chinese middle and small-sized enterprises based on cloud accounting informatization based on the actual situation of Chinese middle and small-sized enterprises.


2.1. The Financial Management Mode Lags Behind, Lacks Systematicness and Scientificity

The financial managers of Chinese middle and small-sized enterprises are generally those who are related to the leaders of the enterprises. To a large extent, they represent the personal will of the leaders of the enterprises with obvious centralization of power. Such a practice lacks scientific financial management decisions, which is not conducive to the realization of the financial management goals of Chinese middle and small-sized enterprises.
2.2. **Weak Financial Management Ability, Management Content Is Not Standard**

First of all, the money management is not reasonable. At present, most of China's small and medium-sized enterprises manage their cash by depositing it in banks to earn low interest rates. The main purpose is to maintain enterprises’ demand for cash liquidity at the expense of cash profitability. Secondly, accounts receivable control lax. Accounts receivable recovery rate is not high, recovery cycle is too long.

2.3. **The Financial Quality of Enterprise Personnel Is Not High**

In small and medium-sized enterprises in China, financial management as the center, with leaders will the power of the finance department can’t normal play, and the quality of financial personnel is low, the management strength is not strong, the thought idea lag, some even appear distortion of accounting information, lead to can't provide accurate and reliable information for enterprise decision basis.


Cloud accounting is a virtual accounting information management system for accounting accounting, accounting management, accounting decision-making and accounting prediction by means of an Internet platform. To put it more colloquial, compared with the existing enterprises in the computer software accounting information processing, cloud accounting is the processing of accounting information in the virtual Internet.

Cloud accounting mainly relies on the servers, storage devices and data centers of the Internet platform for accounting information processing. By outsourcing accounting processing to online accounting or consulting companies, the efficiency of the entire social resources can be improved. This form of accounting information processing brings obvious benefits to enterprises.

Compared with traditional accounting software in the past, cloud accounting has the following advantages for enterprise financial management:

3.1. **Low Cost**

In terms of cost saving, cloud accounting has great advantages over traditional manual accounting or purchasing software for accounting. Enterprise can cut down the related personnel salary expenses, equipment management, equipment maintenance personnel and relative accounting personnel, small and medium-sized enterprises in China is different from large enterprises, spending on accounting basic focus on the specific accounting, and will affect the future development of enterprise financial management and management accounting are relatively weak, if the Chinese small and medium-sized enterprises adopt cloud accounting, will cut the cost of spending could hire a higher level of management accounting and financial management personnel, enhance the competitiveness of enterprises financial talents.

3.2. **High Efficiency**

At present, the accounting efficiency of Small and medium-sized enterprises in China is affected by the investment of software and equipment and the professional skills of enterprise employees in accounting. China's small and medium-sized enterprise financing is limited, capital source shortage, basic at the growth stage, the revenue generated by normal production and business operation activities, large scale will continue to put into the production and operation of basic enterprise, relatively speaking, the money is not in the financial, what’s more, these two years manufacturing situation is not optimistic, more make in the history of Chinese small and medium-sized enterprises in the financial underfunded. In such an environment, Chinese middle and small-sized enterprises adopt cloud accounting for accounting and financial
management, which can improve their financial management efficiency and capital use efficiency.

3.3. More Space and Flexibility for Expansion

Cloud accounting is not restricted by the enterprise computer configuration, storage space and other hardware environment, can be anytime and anywhere, according to local conditions to expand the system, strong flexibility.

3.4. Strong Spatial Mobility

Cloud accounting operation requirements, as long as there is a network and computer equipment can greatly reduce the traditional accounting on the site and space requirements. At the same time, the application of cloud accounting also brings some security concerns to small and medium-sized enterprises. Use safety is the core problem that many Chinese middle and small-sized enterprises have doubts about cloud accounting. At present, more than 70% of enterprises are unwilling to accept cloud accounting, mainly because of concerns about the information security of cloud platform. Accounting information can reflect the financial status, profit status and cash flow status of enterprises, is one of the most important information of enterprises, is the "secret" of enterprises. Cloud accounting transmits accounting information through the Internet. Information processing, storage and integration are all mediated by the network. The characteristics of the network are its convenience and sharing, aiming at the consequences of the "secret" shared by enterprises to the network, enterprises will inevitably have concerns.


To solve the above problems, Chinese middle and small-sized enterprises can take the following measures to further strengthen and improve the quality and level of accounting management under the background of cloud accounting.

4.1. Actively Improve and Strengthen the Leadership's Ideological Understanding of Cloud Accounting

Enterprise to the survival and development, from a strategic perspective must first determine the enterprise financial management goal, the profit maximization and shareholder wealth maximization, or is the company's value maximization, requires top management to find the lowest cost of capital, the optimal efficiency and maximal profit mode of financial management, only requires top management to keep pace with The Times, follow the time development, actively accept the new way of accounting information processing, improve the relevant ideological understanding.

4.2. Actively Change and Innovate the Concept of Accounting Management

Chinese middle and small-sized enterprises should actively keep pace with the development of The Times, change the way of accounting information processing, and strengthen the publicity of advanced accounting management concepts among financial personnel of Chinese middle and small-sized enterprises. A comprehensive and correct understanding of advanced accounting management model, procedures and advantages will help Chinese middle and small-sized enterprises cope with the trend of accounting informatization.

4.3. Establish and Improve the Internal Management System Suitable for Cloud Accounting

Before the construction of cloud accounting, Chinese small and medium-sized enterprises should establish the cloud accounting information system management system, clarify the rules
corresponding to the cloud accounting workflow, and gradually improve the relevant internal management system.

4.4. Internal Customized Development of Cloud Accounting System Software

Every enterprise in the economic cycle is different, some for growth, some are mature, some is in decline period, under the different economic cycle of enterprise financial management and accounting information management goals are not consistent, enterprise under the cloud in the accounting system of accounting software, when buying needs and financial professionals, considering the market situation, the financial needs of the enterprise and bought stage on the basis of the financial management goal, to give full consideration to efficiency, effectiveness and feasibility.

4.5. Improve the Security Management Level of Cloud Accounting Information System

Under the cloud accounting information system, aiming at the security problems of the cloud accounting information system, first of all, to prevent security problems in advance, China’s small and medium-sized enterprises must hire specialized computer professionals to establish security firewall, security encryption software development and other relevant measures in advance. Secondly, in the event of control, in the emergence of accounting information security problems, professional and technical personnel should timely information blocking, and security upgrade. Finally, feedback and evaluation should be done after the event to actively prevent disclosure of accounting information.

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References
