

Qualitative of Real Estate Enterprise Financial Shared Services Center Based on Knowledge Management Model

Yongxia Chen*

Civil Engineering College of Nanjing Forestry University, 210037, China

Received 1 November 2014, www.cmnt.lv

Abstract

Through the analysis of connotation of the knowledge management model, this paper briefly summarized the framework of knowledge management model and pointed out the present situation of the current real estate organization management in our country and existed risks of financial shared services center construction. In addition, it put forward the establishing of real estate enterprise financial shared services center based on knowledge management model starting from the actual situation combined with financial shared services center concept, stated from its multi-aspects of construction ideas, construction contents and key points for construction and analyzed the running condition, in order to play a reference role in the construction of real estate enterprise financial shared services center.

Keywords: knowledge management model, real estate enterprise, financial shared services center, construction

1 Introduction

Financial shared services center as a kind of new financial management mode is rising and popularized in many multinational companies and domestic large group company; its purpose lies in solving the large group company finance function repeated investment in construction and the disadvantages of low efficiency through an effective operation model [1]. In recent years, the real estate has becoming depressed in the macro economy fluctuation, consequently operation and management of enterprise need to adjust and change from the external strategy and internal management [2]. Chen Lanjie [3] in the research on knowledge management summarized that, a variety of existing knowledge management model in our current domestic showed that the differences of management process and management value concept will influence model building forms. Research of Wang Haitao, Ding Wenxin, Huang Guocheng, et al. [4-6] on real estate enterprises and other large enterprises financial shared services center construction and operation showed that financial shared services center in different extent improved the financial

management level and efficiency brought by scale economy. This paper studied the construction of real estate enterprise financial shared services center based on knowledge model, and analyzed its construction risk and construction ideas, technical support, in order to play a reference role in the construction of real estate enterprise financial shared services center.

2 The Overview of Knowledge Management Model

There is no unified standard framework model for knowledge management because of the involved complicated problems of the enterprise's performance of different knowledge management ways in practice, the influence of enterprise operation process and results, knowledge management strategy to the rigid of enterprise overall strategy, the relationship mechanism between knowledge management and enterprise performance [3]. On the basis of comprehensive different model, this study put forward the knowledge management integration model [7], as shown in figure 1:

* *Corresponding author's* e-mail: cyxcheny@163.com

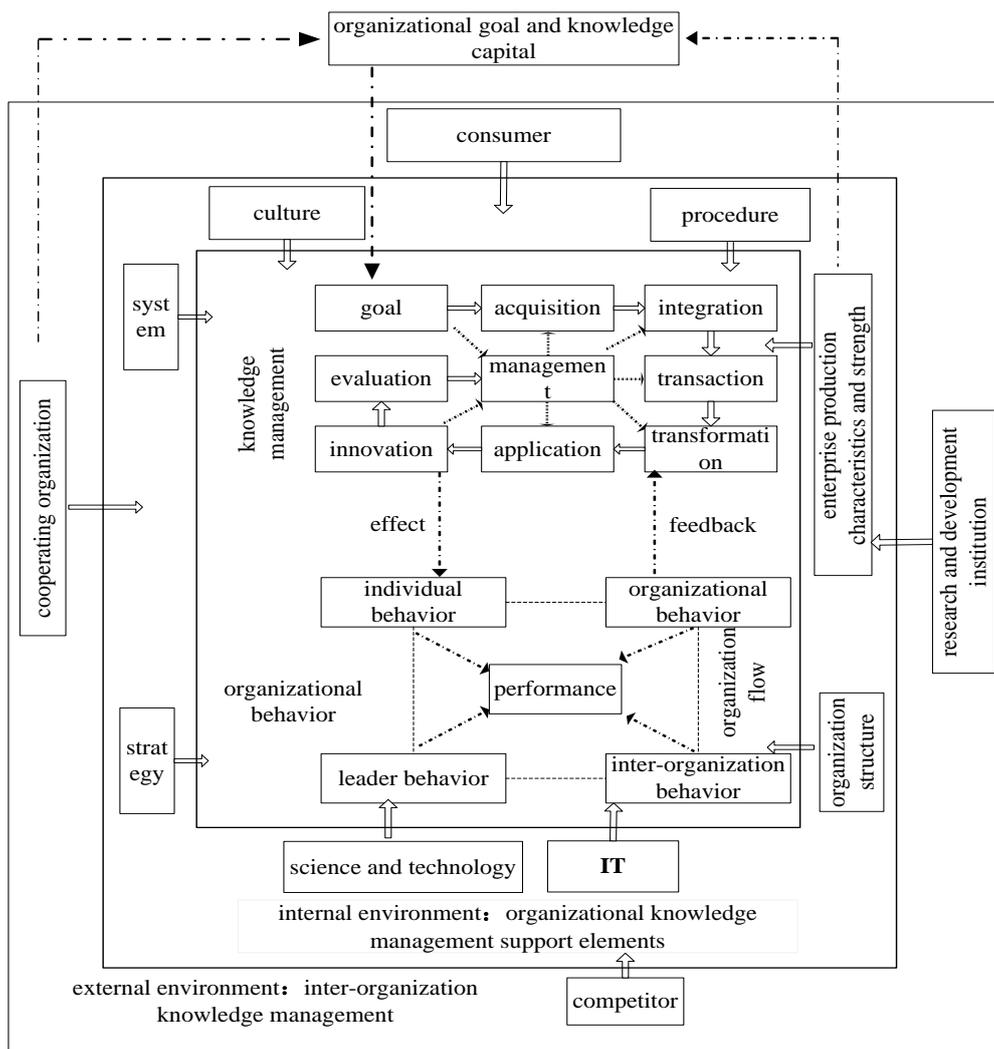


FIGURE 1: Knowledge management integration model

Knowledge management focuses on the running of knowledge; learning-oriented organization focuses on behavior research. Knowledge management integration model Builds Bridge between them can be observed from figure 1. Organizations must absorb knowledge from outside and interact positively since it exists in a large external environment, moreover, organization goals are influenced by internal and external environment together, that is dynamic changes. In addition, we can know from the figure that enterprise internal environment is to support the knowledge management and learning organization. Knowledge management model puts forward requirements from the internal and external on real estate enterprise financial shared services research.

3 Present Situation of Real Estate Enterprise Organization Management and the Risk Analysis of Financial Shared Services Center Construction

The current domestic large real estate company's organizational structure is generally divided into three

levels: Group Company, region (city) company, and Project Company. Its financial organization is corresponding to Group Company's financial department, region (city) the company's financial department and Project Company's financial department. Financial department main work can be mainly divided into four categories: charge and refund business; payment business; funds transfer business; don't involve money payment, providing the basis of the accounting treatment business from the front desk [2]. All classes in the current real estate enterprises have the above functions, and at all levels shall set up a certain number of financial personnel, communication cost, etc. Shared service center construction to a certain extent can undertake and overcome these defects, but there still exists risks in the operation which mainly focuses on the following points [2]:

(1) Risk of talent outflow: different from past decentralized financial management model, financial shared services center will be financial centralized management, which realizes the separation of financial accounting and managerial accounting, thus cause

reposition and division of organizational structure and various financial functions. Once there is staff movement, staff may leave the company because of change of working place and nature of work, thus increase the separation rate.

(2) Risk of business process changes: business process change is one of the content of the financial shared services construction; unreasonable process design will lead to the low efficiency of shared service center, unsatisfactory of operation effect.

(3) Risk of the increasing cost of IT system construction: IT systems (financial systems, video systems, etc.) provide production platform for the financial shared services center. However, the implementation construction, upgrade and optimization, the integrated interface construction of system and system maintenance require financial information professionals in charge of management, and to ensure that the system hardware and network equipment can meet the requirement of system stable operation. Hence, compared with the past, construction and operating costs of IT systems will increase accordingly.

4 The Real Estate Enterprise “Financial Shared Services Center” Construction Idea Based on Knowledge Management Model

Real estate enterprise financial shared services center construction idea is to separate the financial accounting work engaged in accounting treatment from financial management function that provide decision-making basis for investment and financing management; take a large number of repeat business of standardized, mass, high professional requirements into the work scope of financial shared services center; the core work is centralized accounting and capital management [2]. Specific construction idea [8] includes the following points:

(1) Take strategic decision-making project evaluation as a starting point: choosing the time of shared services implementation, namely, the initial project evaluation problem is the biggest risk of the real estate enterprise shared services center construction, which determines the construction project can solve the core problem of the customer. Therefore, firstly, we have to understand the problems that exist in the real estate construction project implementation process by fully research and industry comparison; secondly we should assess the efficiency of project implementation to realize the height of the enterprise development strategy and solve the practical actual problems.

(2) Reasonable determine and implement shared content and scope: financial shared services center construction involves internal changes of real estate enterprise organization, the redistribution of rights and interests, need step by step and diplomatic propulsion to build real estate financial shared services center. Select company with high degree of informatization and

process by staging and step by step to take the lead in the implementation, then gradually extend to the control of financial functions and strategic financial functions. In addition, the cost accounting of company should be paid attention.

(3) Refine, optimize the relevant financial procedures: most of existing real estate enterprise business processes is discrete; even they have not effectively combed for a long time. Recomb of financial process, process reengineering, process standardization are still the key point of financial shared construction in the early years. Process of refining and optimizing finance flow should be implemented based on taking the existing information system, information technology, excuse platform into account, and connect information systems of real estate operations department with financial shared services center in order to achieve the standards of financial shared center system.

(4) Information system integration: information system plays a very important role in the high efficient operation of financial shared services center, including enterprise ERP system, enterprise portals, customer portal, call center, online payment, bank-corporate direct linkage, management system affection, etc. Information system integration usually has the advantage of high efficiency, automation, globalization, etc. ERP system (enterprise resource planning system) sets financial, human resources, procurement, reimbursement, customer service and many functions in one, its strong unified database comprehensive ability can set up favorable platform for financial shared construction of real estate enterprises.

(5) A complete set of relevant human resource management: human resources configuration throughout the entire process of real estate financial shared services center, a complete set of personnel policy, the position and job description of new performance evaluation system, competencies requirement are all taken into consideration of the problem scope. Formation path of real estate management and general business operations personnel is different, management personnel is always on the basis of the key factors of experience, communication skills, cultural identity, etc., internal and peer priority, external proper principles are always been implemented, general business people considers more for the external recruitment. In addition, the company should train financial shared personnel, guarantee the managers and the salesmen familiar with business trip and relevant skills [9].

(6) Focus on six elements of SPOTS system: western companies centralized summarize key points of the financial shared services center construction as SPOTS six points, namely place, process, institution personnel, policies and regulations, technology and service, in which process, institution personnel and information technology are corresponding to the above financial process refinement and optimization, human resources configuration and information system integration.

Financial shared services office location will directly influence the fully realization of share, the ideal return on investment and business execution, therefore the location selection should start from the overall, which is subject to the center position, operation mode, the long-term strategy, enterprise scale and so on; policies and regulations request also can affect the shared service center's organization structure, business process, technology and staff, etc. Enterprises should carefully examine related laws, regulations and policies and weigh the relevant interest cost; in addition, in order to meet customer needs and expectations, real estate enterprises reach service level agreements with external customers or between departments to ensure that the services of financial shared service can achieve the goal of client and final customer expectations.

5 Construction Technology of Real Estate Enterprises "Financial Shared Service Center" Based on Knowledge Management Model

Compared with common enterprises financial management model, financial shared services center model has the advantages of reducing operating costs, improving financial management level and efficiency, enhancing enterprise integration ability and core competition ability and providing commercial services to the outside world, but at the same time it needs powerful information system, management mode and quality of employees as a technical support [1].

(1) Information system support: financial shared services center mode needs to establish a powerful network system to provide a platform for long-distance financial process, the emergence of ERP system plays a significant role for financial shared services in practice and popularization of real estate enterprises. In addition, the strengthening of internal control, risk reduction, efficiency improvement all need the support of IT information platform.

References

- [1] Wu Yiping 2009 Operation Mode Analysis of Financial Shared Services Center *Communication of Finance and Accounting* (7) 151-152
- [2] Zhang Jianlong, Liu Jundong 2014 Primary Investigation on Large Real Estate Enterprise Financial Shared Services Center Construction *Contemporary Economics* (2) 120-121
- [3] Chen Lanjie 2010 A Review on Knowledge Management Models in China *Science and Management*. (1) 9-15
- [4] Wang Haitao 2014 Enterprise Financial Shared Services Center Construction Research *Enterprise Research* (8) 78-80
- [5] Ding Wenxin. 2010 Large Enterprise Groups How to Construct the Financial Shared Services Center *Capital Shanghai* (9) 78-79
- [6] Huang Guocheng, Zhang Qinglong, Peng Zhiguo 2012 Organization and Implementation of Financial Shared Services Center Construction Projects *The Construction and Development of Industry* (4) 37-40
- [7] Zhang Xiaodong, He Pan, Zhu Mi 2011 Knowledge Management Model Research Review. *Science & Technology Progress and Policy* 28(7) 56-160
- [8] Zhang Qinglong, Peng Zhiguo 2012 Construction Thought and the Key Point's Analysis of Financial Shared Services Center *The Chinese Certified Public Accountant* (3) 24-27
- [9] Duan Peiyang 2009 The Typical Case Analysis and Research of Financial Shared Services Center. *Financial Accounting* (9) 21-26
- [10] Jiang Hao 2013 Discussion on Enterprise Building Financial Shared Services Center *Times Finance* (2) 31-32

(2) Financial organizational revolution: The financial organization structure must carry out deep revolution, which requires financial department efficiently and multi-dimensionally provide information to satisfy enterprise management since the traditional and centralized one cannot meet the management and development of enterprise. Financial shared services put common, repeated, standardized business into shared service center.

(3) The unification of financial system and policy: unified system policy can reduce the unnecessary problems arising from the organization structure, therefore, system and policy are cut into supporting system through the effective integration to ensure that the front business department runs with enterprise stipulated policy system, and can perfect and improve according to internal and external environment management.

(4) Human resource allocation: the size unity of process requires employees have corresponding basic knowledge of the process, thus employees should be trained in the early running to improve familiarity of the model and the communication technology and ability [9].

Conclusion

With the global economic integration and the rapid development of market economy, the real estate enterprises begin to face huge challenges and test under the new situation. The construction of real estate enterprise financial shared services center based on the knowledge management model is a systematic project, which needs to coordinate from the strategic level to the executive level in the process of establishing, so that we can make strategic choice and project as soon as possible to help follow-up ground, and in the meantime we should adhere to the previous strategic direction, and deepen the implementation details, control the final project risks [8, 10].

Authors



Yongxia Chen, born 1971, Henan Province of China

Current position, grades: lecturer

University studies: Master's degree was earned in major of forest engineering, Nanjing Forestry University in 2003.

Scientific interest: management and administration of real estate development