

# The Transformation of Accounting to Management Accounting in the Era of Big Data

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**Abstract:** In the new situation of digital transformation, strategic finance talents will have a broader scope for development.

**Keywords:** Era of Big Data ; Accounting ; Management

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Based on the impact of the epidemic on many industries, companies are facing reduced business and increased costs, and companies from management to finance are equipped to think in terms of strategic finance and build a business canvas that shows their unique competitiveness.

## 1. Overview of financial accounting and management accounting

### 1.1 The status of traditional financial accounting

Traditional financial accounting is based on accounting and supervision, mapping the entire flow of funds within the enterprise and providing accounting information for internal and external, mainly external personnel. The financial accountant's day-to-day work is based on accounting for accounts, preparing reports and keeping files, and ultimately reflecting the business situation and cash flow of the enterprise in the form of financial statements.

Financial accounting and accounting reports for the core of the work accrual-based system is the main receipt and payment, the realisation system is supplemented by the traditional manual accounts or primary ERP system to record and collate accounting information. The generation of financial accounting, strengthen the scientific and standardization of enterprise financial information, so that the enterprise internal and external personnel accurately obtain the development status of enterprises, enhance economic efficiency and promote the development of enterprises.<sup>[1]</sup>

### 1.2 Management accounting features

Compared to financial accounting which is called external reporting accounting, accounting management accounting is often referred to as internal reporting accounting, this is because management accounting puts its focus on disclosing the internal economic management and financial management status of the enterprise, highlighting the enterprise's creation of profit and the enterprise's maintenance of value. Based on some of the information reported externally in financial accounting, management accounting consolidates and reports information on the rest of the economic activities within the enterprise to form an effective planning and control of the enterprise's activities. Management accounting works on cost accounting and control systems, forecasting decisions, budgetary control and evaluation within the enterprise.<sup>[2]</sup>

### 1.3 Links and differences between financial accounting and management accounting

Contact: 1: Financial accounting and management accounting belong to the same modern enterprise, accounting financial accounting is the basis of analysis of management accounting, management accounting is the deep analysis of financial accounting.

2: Financial accounting and management accounting objectives are the same. Financial accounting and management accounting share part of the information, both sides use data and information from the daily business activities of the enterprise, financial accounting is mainly the first-hand information on the daily economic activities of the enterprise for preliminary collation, and carry out Financial accounting is mainly the initial collation of first-hand information on the daily economic activities of the enterprise and the making of shallow judgments, while management accounting is the use of financial accounting data for reprocessing, making it more intuitive and better for managers to use.

## **2. Traditional financial accounting is suffering from a cold winter, digital accounting meets the needs**

### **2.1 The dilemma of traditional financial accounting**

Traditional financial analysis, the data it holds often comes from the enterprise's past economic activities, and the problems it reflects often lag behind and cannot be predicted in advance. Its rigid fixed in the financial accounting level of planning, so that the company's managers can not provide the overall enterprise internal planning, can not be combined with the company's overall human and material resources to complete the company has the implementation of the overall strategic management planning, more in the form. Even if a strategic map is developed based on the financial information disclosed by traditional financial accounting, its path is not clear enough to fully reflect the overall strategy and competitive strategy, and cannot fully integrate the overall work of the rest of the department. Its traditional financial work does not reflect the strategic significance of its corporate governance and management, which do not have a sufficient understanding of the importance of financial services.

### **2.2 The necessity of transforming financial accounting to management accounting**

In the era of big data, on the one hand, the traditional financial accounting work efficiency is low, which requires a large number of basic practical technical personnel, data review and trial personnel, whose repetitive and complicated work can be combined with information tools to complete quickly in today's data informatization. Traditional financial accounting in the basic operation of the staff if the deletion of processing, not only can reduce the enterprise financial accounting staff management costs, but also can improve the accuracy and effectiveness of financial accounting work, its financial personnel can change the direction of work, dedicated to enterprise budget management and cost control and other management accounting direction, in line with, artificial intelligence environment, big data to liberate the lower workforce to develop the trend of senior financial management staff.

## **3. Suggestions to promote the transformation of enterprise management accounting**

### **3.1 Create a platform for awareness of the general transformation of financial accounting into management accounting in the era of big data**

Top management should be aware of the absolute advantages of management accounting over financial accounting and use big data to fully exploit the role of management accounting in future strategic management as well as investment risk management. The government and the market should take the lead in using diversified media to promote the advantages of management accounting on the Big Data ERP platform to the general public, so that management as well as accounting staff can clearly understand the knowledge of Big Data and the positive role it can play in promoting traditional accounting.

### **3.2 Seize the windfall of the rise of big data industry and cultivate accounting talents compatible with big data technology**

Traditional colleges and universities should combine big data with management accounting, abandon the original traditional financial accounting class foundation courses, and adopt substantial construction to cultivate compound talents, only from colleges and universities for the future accounting personnel to lay a good foundation of big data platform-based management accounting, the future market will have competent practitioners, China's big data management accounting work can be continuously promoted. Enterprises themselves should also dissolve redundant financial departments and select potential accountants for big data technology training, so as to promote the construction of enterprise management accounting system.

## **4. Conclusion**

In the era of big data, in order to ensure their own competitiveness and avoid future investment risks, the traditional financial accounting department to management accounting transformation road is imminent. On the one hand, traditional universities should provide assistance in teaching and learning, and on the other hand, enterprises themselves should spend time and effort to cultivate professional big data management accounting talents.

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