Research on the Development of Financial Intelligence in Small and Medium sized Enterprises Based on Digital Transformation

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Abstract: The advent of the digital age has brought tremendous impact and widespread impact to various fields of society, and small and medium-sized enterprises are also facing the need to further promote industrial upgrading and transformation from a digital perspective. As is well known, financial management plays a crucial role in the overall operation and development of enterprises. Enterprises can rely on digital technology to promote the development of financial intelligence. By integrating digital technology with financial management, improving financial management models and innovating financial management methods, enterprises can develop towards digitalization and informatization, thereby enhancing their core competitiveness and promoting long-term development. This article combines existing theories and experiences to discuss the characteristics of financial development in small and medium-sized enterprises, analyze the advantages of financial intelligence development in small and medium-sized enterprises under the background of digital transformation, and finally propose a path for the development of financial intelligence in small and medium-sized enterprises based on digital transformation.

Keywords: Digital transformation; Small and medium-sized enterprises; Financial intelligence; Development research

Introduction

Nowadays, the digital economy has become a new engine of global economic growth, changing the business landscape and social development patterns around the world. Digital transformation has gradually become the core driving force for the development of the digital economy, and digital technologies such as artificial intelligence, big data, cloud computing, the Internet of Things, and blockchain have been widely applied in the process of enterprise construction and development, which can effectively promote the digital transformation of enterprises. Financial intelligence is an important component of achieving digital transformation for enterprises. Currently, there are a wide range of small and medium-sized enterprises in China, and the development of financial intelligence is particularly important and urgent for promoting high-quality socio-economic development in our country. In view of this, this article takes digital transformation as an opportunity, combined with the development needs of small and medium-sized enterprises and the needs of financial intelligence reform, to explore practical paths to further promote the development of financial intelligence in small and medium-sized enterprises, in order to promote their upgrading and transformation.

1. The characteristics of financial development in small and medium-sized enterprises

1.1 Low quality of information data

Financial intelligence requires high data quality, and small and medium-sized enterprises often find it difficult to build a comprehensive financial management system due to limited resources, resulting in many shortcomings in the collection, processing, and disclosure of financial information. On the one hand, due to the lack of professional financial personnel and advanced financial management software, data collection is prone to omissions, errors, and even forgery, which reduces the accuracy of information. On the other hand, the non-standard data processing process and opaque information disclosure make it difficult for financial information to truly reflect the operational status of the enterprise, increasing the decision-making risk for investors and other stakeholders.

1.2 Financial management decisions have strong subjectivity

Small and medium-sized enterprises often overly rely on the personal experience, intuition, and emotions of decision-makers when formulating financial strategies, allocating funds, and evaluating investment risks, rather than based on comprehensive and objective data analysis and market research. This subjective decision-making approach is related to the cognitive limitations and risk preferences of decision-makers themselves. On the other hand, it also stems from the limited resources of small and medium-sized enterprises, making it difficult to build a comprehensive financial decision support system. The subjectivity of financial management decisions is too strong, often leading to decision-making errors and financial risks. Due to the lack of objective data support, decision-makers may make erroneous financial decisions based on market trends and internal conditions of the enterprise. In addition, subjective decision-making methods may also lead to issues such as rent-seeking and interest transfer within the enterprise, which can harm the long-term healthy development of the enterprise. At present, the problems exposed by small and medium-sized enterprises in China in financial management decision-making are becoming increasingly diverse, influenced by the overall quality and ability of the financial team, among which problems such as personalization, subjective speculation, and excessive reliance on experience are particularly prominent.

2. The advantages of financial intelligence development for small and medium-sized enterprises based on digital transformation

2.1 Improve financial management efficiency

After building an intelligent financial system for small and medium-sized enterprises and applying it to the process of financial affairs management, it can complete the integration, screening, analysis, and application of data information, thereby promoting the effective combination of online network operations and offline worker work. Financial management personnel in small and medium-sized enterprises can fully leverage the advantages of intelligent finance standardization and precision to eliminate various redundant links and steps, thereby improving program processing efficiency and avoiding resource waste. Ultimately, they can achieve the goal of centralized project accounting and centralized fund payment, while also significantly improving the level of project cost management. In addition, small and medium-sized enterprises actively carry out project financial accounting work, which can improve the intelligent management process, reduce the workload of management personnel, enable them to invest more time and energy to control expenditure costs, and fully demonstrate the application value of intelligent financial systems.

2.2 Strengthening the scientific level of enterprise decision-making

The deepening of financial digital transformation has greatly promoted the standardization, transparency, and rationalization of decision-making processes for small and medium-sized enterprises. Advanced technologies such as big data and artificial intelligence have enabled the rapid collection, organization, and analysis of financial data for enterprises, providing comprehensive and accurate financial information. This enables enterprises to make decisions based on more comprehensive and objective data support, reducing the risk of subjective speculation and blind decision-making, and ensuring the objectivity and accuracy of decision-making. Financial intelligence can also improve the efficiency of enterprise decision-making through automated and intelligent processing processes. Enterprises can obtain and process financial information more quickly, shorten decision-making cycles, and improve decision response speed. This is particularly important for small and medium-sized enterprises, as they often face more intense market competition and more urgent decision-making needs. In addition, the application of digitization enables efficient completion of basic financial work, freeing up more time for in-depth analysis of the financial situation, cost structure, and profit model of enterprises. Through these analyses, enterprises can predict the potential impact of different decisions based on algorithms, providing rich and accurate data support for management to make more scientific and reasonable decisions.

2.3 Enhance the competitive strength of enterprises

Small and medium-sized enterprises rely on digital technology to build intelligent financial systems and fully apply them to various project cost control, in order to promote effective integration of finance and projects. At the same time, they can also achieve information and data sharing between projects and finance. This can fully explore and utilize the application value of data information, and improve the development level of small and medium-sized enterprise projects. In addition, it is necessary for small and medium-sized enterprise managers to use intelligent financial platforms to exchange opinions and make decisions when promoting financial management work. This can ensure unobstructed information exchange between projects and accounting, improve the security of information in project implementation and financial management, and avoid various risks in enterprise operation and management. When enterprises build and apply intelligent financial systems, they can efficiently carry out management accounting work, transport high-quality accounting talents to the enterprise, ultimately improve the enterprise's risk control ability, and promote its long-term stable development.

2.4 Promote the development of enterprise scale

After building an intelligent financial platform for small and medium-sized enterprises, it can improve the standardization and systematicity of project transaction procedures, and appropriately integrate legal content to enhance financial supervision and optimize execution effectiveness. Under the background of digital transformation, small and medium-sized enterprises need to promote the development of financial intelligence, which requires integrating projects with finance and summarizing data information. In this way, a data sharing system can be constructed, making data analysis and processing more standardized and unified. At the same time, it also makes vouchers more complete, reports more standardized, and effectively improves the quality of accounting information. In addition, in the process of implementing intelligent financial management, small and medium-sized enterprises should consciously consider their development strategies and actual needs, and be able to use standard data processing systems, automatic report generation systems, and accounting result analysis systems to provide valuable reference basis for project development and management decision-making. Ultimately, it can promote enterprise informatization and digital construction, thereby improving the comprehensive strength of the enterprise and promoting its scale development.

3. Development path of financial intelligence for small and medium-sized enterprises based on digital transformation

The report of the 20th National Congress of the Communist Party of China clearly stated the need to "promote the deep integration of the digital economy and the real economy". Small and medium-sized enterprises need to rely on the opportunity of digital transformation to integrate data resources, explore the value of data applications, and continuously improve the core competitiveness of small and medium-sized enterprises. This article discusses the path to promote the development of financial intelligence in small and medium-sized enterprises based on digital transformation from the following points:

3.1 Establishing digital awareness and cultivating professional talents in financial intelligence

Based on the perspective of digital transformation, financial managers of small and medium-sized enterprises need to carry out management work under the guidance of multiple supervisory departments. They should adapt to the trend of the times, actively transform

their cognitive thinking, fully recognize that the development of financial intelligence is an inevitable trend, and be able to update their thinking and transform their concepts with the times, adhering to the big data thinking to implement the "digital+financial management" model. Enterprises need to organize professional and systematic training for financial management personnel, so that they can be exposed to new knowledge, new technologies, and new concepts. At the same time, they should actively learn the application of various software and methods to improve their knowledge system, enhance their information literacy, and enhance their professional competence. In addition, the enterprise management department can also incorporate training into the salary and performance evaluation of financial management personnel, or establish a connection between the results of financial intelligence work and employee salaries and bonuses, and provide practical rewards for advanced ideas and excellent work experience, in order to stimulate the enthusiasm and initiative of employees to participate in financial intelligence transformation, and continuously expand the application of digitalization in enterprise project operation and financial management.

3.2 Building an intelligent financial management platform to improve operational efficiency

Applying intelligent financial systems to various aspects of enterprises is to integrate various financial information of the enterprise, thereby improving the processing efficiency of project information, and thus restructuring the financial management system of small and medium-sized enterprises. Finally, it can further improve the financial management system of the enterprise. To achieve this goal, it is necessary to build a sound and intelligent financial platform, and to strengthen internal control and have a complete and detailed management process when operating this intelligent financial system. Finally, different types of data in the project can be classified and organized to collect and analyze project data, ultimately achieving the goal of improving the effectiveness of financial intelligence operation. In addition, enterprises should proactively improve the operation efficiency of intelligent financial programs based on the specific problems they encounter, so as to maximize their adaptability to the financial management needs of small and medium-sized enterprises.

3.3 Optimize job settings and promote the integration of industry and finance

On the one hand, financial management personnel need to adjust their work focus in a timely manner driven by advanced concepts, that is, they need to shift from simple record retention to data analysis and utilization, break away from the habit of focusing on post event management, and then shift to pre event and mid event management. Through understanding business processes and actual business scenarios, financial information can be transformed into operational information, providing data support for business departments. On the other hand, small and medium-sized enterprises also need to promote cross departmental cooperation among different departments to break down information silos. Especially in the process of business development, managers can analyze and utilize financial data to complete pre prediction, decision analysis, and post review, thereby fully leveraging the value of data information, improving the scientific and applicability of decision-making, and ultimately achieving deep integration of business and finance.

3.4 Enhance risk awareness and ensure data and information security

In the wave of globalized digital economy, data governance has become a key competitive advantage, and as more information is digitized, data security has become a common concern. Ensuring the security of data information is of great significance for achieving sustainable development of enterprises, enhancing their competitiveness, and even promoting social prosperity. In the process of development, small and medium-sized enterprises face problems such as weak digital foundation and lack of risk awareness. Therefore, when carrying out digital transformation, it is particularly necessary to pay attention to system security, computing security, and storage security. On the one hand, enterprises should establish and improve data security protection systems, and if necessary, improve internal data security and confidentiality awareness through training and other means. On the other hand, enterprises can increase their investment in data security, introduce more secure financial intelligence platforms, and set up corresponding technical positions to closely monitor data security.

Conclusion

In summary, in the context of the new era, small and medium-sized enterprises should actively promote digital transformation and upgrading. Among them, intelligent financial systems can be applied to help enterprises reduce costs and improve efficiency. Effective measures can be taken to fully leverage the value of digital skills in intelligent financial management, ultimately promoting the long-term stable development of enterprises.

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