



# International Journal of Multidisciplinary Research and Growth Evaluation



International Journal of Multidisciplinary Research and Growth Evaluation

ISSN: 2582-7138

Received: 27-05-2021; Accepted: 15-06-2021

www.allmultidisciplinaryjournal.com

Volume 2; Issue 4; July-August 2021; Page No. 118-120

## Financial management, strategic management and digital accounting

Sari Rahmadani Siregar <sup>1</sup>, Nanda Dwi Kartika <sup>2</sup>, Roy Satria O Sunggu <sup>3</sup> Iskandar Muda <sup>4</sup>

<sup>1-4</sup> Universitas Sumatera Utara, Medan, Indonesia

Corresponding Author: Sari Rahmadani Siregar

### Abstract

The introduction reiterates changes in accounting due to the Internet and ERP. Accounting processes are scattered across various modules and can even be handled by customers and suppliers. At the same time, data and information warehouses have centralized financial and non-financial information, allowing insights into nooks and crannies of the organization. BI tools can be employed for controlling accounting processes, such as consolidations, planning and budgeting, and report generation. Treasury functions, such as cash management, investment and debt management, and

financial risk management, have changed considerably due to Web-based tools. The primary advantage is access to real-time information from across the globe. Such information can be leveraged to effectively manage the treasury function. Two tools, SunGard Treasury tools and SAP CFM, were reviewed. These software tools facilitate front-end trading by accessing real-time market information, transaction and document management, and automated back-end accounting functions.

**Keywords:** Deep Learning, Multilabel Image Classification, VGG16, Image Processing

### 1. Introduction

Trend in information technology is the convergence of different software functionalities. Even after the dot-com bust or, perhaps because of it, the convergence has gathered steam. Different tools and techniques get concentrated in one solution or software in a short duration. Distinct techniques and technologies, such as accounting software, Web-based businesses, supply chain management, data warehouses and artificial intelligence, are converging as the organizations move from ERP to ERP II, integration of internal functions to integration across supply chain, and the Internet to Internet 2. Today's ERP software packs all applications into one monster package and offers tremendous functionalities. The Internet and ERP systems have created a strange amalgam of fragmentation and focus in accounting processes.

### 2. Literature review

Contemporary accounting is divided into management accounting and financial accounting. There is a certain difference between the research of management accounting and the research of financial accounting. Management accounting has a wide range of research topics, including management control systems, cost accounting and management, performance evaluation and organizational development, as well as a variety of management accounting tools and information systems. Therefore, based on the characteristics of management accounting research and the literature review of (Du, dkk, 2009), this paper reviews the selected literatures according to the research topics.

There is a consensus that strategic priorities should be supported by appropriate management accounting systems in order to facilitate performance (Anderson and Lanen, 1999; Cadez and Guilding, 2008; Carr *et al.*, 2010; Chenhall and Langfield-Smith, 1998; Hammad *et al.*, 2010; Trkman, 2010). As business strategies become increasingly complicated, simply exploring for relationships between management accounting system characteristics and particular strategic archetypes appears somewhat limited and prosaic. Many researchers believe that a more meaningful analysis can be undertaken by investigating several dimensions of strategy (Desarbo *et al.*, 2005; Ittner and Larcker, 2001; Ketchen *et al.*, 1993; Olson *et al.*, 2005).

Accounting, as an area of knowledge integrated into the social and business environment, also suffers from the effects of digital transformation. The truth is that the emergence of the term Digital Transformation (DT) fundamentally impacted the discourse on business practices, and thus, it is considered the process that companies use as the most innovative in technology to productivity enhancement and improve their results. Also found spelled, DT consists of a broad process, in which technology becomes central to the organization and companies making use of technological data analysis tools and methodology - such as Robotization, Big Data, Business Intelligence, Artificial Intelligence, Blockchain among others - to increase your performance and create more value.

### 3. Method

In principle, systematic review research begins with making a systematic review research protocol and the next stage is carrying out systematic review research. Sequentially, the research process is a systematic review. Analogous to research methodologies in general, where there are quantitative and qualitative methods, in a systematic review there are also quantitative and qualitative methods. The quantitative method of systematic review is used to synthesize research results with a quantitative approach. For example, Randomized Control Trials (RCT), Cohort Study, Case-Control Study, or prevalence study. The statistical approach in synthesizing the results of this quantitative research is called "meta-analysis". By definition, it is a technique of aggregating data to obtain an effect (outcome) Perry & Hammond, 2002. Meanwhile, a qualitative approach in a systematic review is used to synthesize (summarize) the results of research that are descriptive qualitative. The method of synthesizing (summarizing) the results of this qualitative research is called "meta-synthesis", which is a technique of integrating data to obtain new theories and concepts or a deeper and more thorough level of understanding (Perry & Hammond, 2002). As already mentioned, the data collection of research results using a systematic review method is through searching on the internet (PubMed, MEDLINE, and others). So the difficulty for researchers is how to obtain data from the results of these studies, because many studies may not have been published, or there are access constraints, for example, having to pay a certain amount of money to access the internet. To overcome these obstacles, it is better if a systematic review proposal can be officially budgeted, to finance visits to various libraries or pay for access to articles on the internet.

### 4. Corporate Treasury Functions

The company's treasury functions include cash management, investment and debt management, financial risk management, and investor relation. Treasury functions also handle complex financial fields, such as foreign Exchange level, derivatives and interest rate swaps, among other things. The function of this treasury has changed due to Web-based tools and technologies. The rate of change is uneven; several years ago e-treasury or virtual treasury was projected to be a fait accompli for corporations. Penetration of web-based tools was slow; however, the promised functionality is starting to appear in most ERP packages. Risk management involves assessing liquidity, credit, interest rate, currency and stock market risks. Liquidity risk is the risk that a corporation will not be able to meet its short-term or long-term commitments. Assessing this risk is part of liquidity management. Credit risk relates to the creditworthiness of business partners and, in the case of international transactions, may also include country risk analysis. Interest rate risk relates to changes in interest rates and interest margins and the consequent effect on financing costs, investment returns and valuation of investments or debt. Currency risk is the risk that an organization's operations or the value of its investments will be affected by changes in currency exchange rates. Currency risk is important for companies that earn revenue from other countries, because adverse changes in currency values can affect profits. Currency and interest rate risk can be managed using different on- or off-balance sheet hedging strategies such as forwards, futures, swaps and trading strategies among others. Software that manages treasury functions, particularly debt/investment and risk management, must handle a wide range of activities- trading, back-office record keeping, and accounting.

### 4.1 SunGard Treasury System

SunGard Treasury System, part of the SUNGARD group of companies, offers Web-based treasury management solutions. The core module in this solution is called eTreasury. eTreasury allows the use of the Internet to manage cash, debt, and investments. Cash management services include automatic consolidation of bank balances and transactions, breakdown of existing cash via cash worksheets and reconciliation of expected vs cash transactions. Actual. Debt management services include automatic interest rate calculation and tracking of fixed and floating rate debt instruments, such as lines of credit, notes and intra-company loans. Investment management functions are similar to debt management services Supported investment functions include automatic interest calculation; tracking of fixed and floating rate investments, such as market accounts, bonds, and government issuances and view historical market position and activity. This module has many overlapping functions and can be used separately or in combination with other modules, which include: Advanced Portfolio Systems 2 (APS 2), Global Treasury and Risk Management, ICMS/TS treasury system, QuantumTM, ResourceIQ2, QRisk, this module access external data by using eTreasury Exchange (ETX). eTX provides the following real-time connections. eTX provides appropriate security mechanisms to ensure the creation and delivery of electronic documents to the required financial institutions along with processing instructions. SunGard has developed the SunGard Transaction Network (STN), which supports the Internet and handles NASDAQ transactions and other forms of financial market transactions. eTX uses this network to collect and disseminate information, and supports eTreasury functions.

### 4.2 SAP CFM Tools

SAP offers cash management, loan management, liquidity planner and internal cash modules. Risk management capabilities include three analyzers-a portfolio analyzer, a market risk analyzer, and a credit risk analyzer. The transaction manager connects front-end trading activities with back end accounting and is the liaison for SAP CFM. These modules run on top of the SAP ERP system and are integrated with the accounting and treasury modules. Cash management module provides the ability to monitor the flow of cash into and out. This module supports importing report electronic bank in a variety of formats, mailing and processing of bank statements, reconciliation of bank automated, and program conversion to a special electronic bank format. Financial planning in the management module of cash related to the cash concentration - consolidate cash from various bank accounts to a bank account is required - automatic payments based on the rules and the presentation of the bill of exchange -based rules. The loan management module manages the entire loan process from initiation through posting entries to the accounting module. The liquidity planner aims to improve cash flow planning and internal and external payment processing. SAP in-house cash, a Web-enabled tool, functions as an in-house virtual bank that can be used to manage intercompany transactions, transfer funds to subsidiaries, and payments to external partners.

### 5. Financial Supply Chain

The accounting and finance department is always trying to improve cash flow management, reduce working capital and financing costs, track long-term solvency indicators and contain transaction processing costs. Financial supply chain, also referred to as financial value chain, is a new area that is emerging to tackle new financial processes. The financial

supply chain area, similar to SCM, has multiple interpretations, multiple perspectives, and no single department owner. The solutions offered by consultants and software vendors mainly revolve around the new tools seen so far. The suggested tools can be classified into three categories: ERP systems to integrate internal functions, web-based tools to facilitate the free flow of information with trading partners, and hybrid tools that use ERP and Internet functionality. Revenue cycle; CRM, Online credit checks, Web-enabled WMS for order fulfillment, Web based shipment tracking, Presentation and payment of electronic invoices (bills) Online accounts receivable management, Cash collection and web based payment methods. Expenditure cycle; SRM tools, Procurement cards, Employee self-service features, Online cost management, Online asset management. Conversion cycle; Supply chain planning tools, tool supply chain execution, tool supply chain collaboration, coordination of the supply chain also is. Ledger cycle; Technical and managerial requirements for virtual closures, BI tools, Planning and budgeting solutions, Enterprise portals. Treasury function; Cash and liquidity management tools, Debt and investment management tools, Risk evaluation tools. Financial supply chain management aims to reduce costs in financial management, transaction processing, and financial reporting. Financing supply chains are all optimized by automating, outsourcing Web enabling and rationalizing financial workflows and business processes.

## 6. Corporate Performance Management

CRM software handles customer-centric functions and provides a platform for coordinating and executing customer-related strategies and activities. SRM handles supplier relationships, SCM handles collaboration across the supply chain, and BI tools deliver the desired measurement. CPM is not a new concept or a new set of software modules. CPM builds on the tools seen previously and integrates them as a cohesive methodology for managing corporate strategy. CPM bridges the gap between enterprise strategy and different management software and techniques, and provides a way to direct the entire enterprise. This area has produced many acronyms, such as the measurement of company performance, Performance Management Company (EPM), Business Performance Measurement (BPM) and Business Management Strategic (SEM). As usual, there is no unanimity in the definition; although the description of the CPM process is pretty standard. The CPM process consists of seven steps: strategy formulation, scenario analysis, planning and budgeting, communication, monitoring, projection and reporting. Strategy formulation is carried out at the top management level.

The technological tools required for the CPM process are data warehouses, knowledge warehouses, web-based collaborative tools, simulation and optimization models, planning and budgeting software, business intelligence tools, reporting and analysis tools, and enterprise portals. ERP integrates internal functions, CRM/SCM/SRM has expanded integration across the supply chain and BI tools can extract and deliver information across an organization.

### 6.1 SAP SEM Tools

SAP offers a set of SEM tools, which are integrated software that addresses the areas identified in the CPM methodology. This suite of tools operates on top of the following SAP components: business information warehouse, knowledge repository, exchange infrastructure, and enterprise portal.

## 7. Conclusion

Financial supply chain or financial value chain is a new term that refers to the management of financial functions across the enterprise and even beyond for cash management and cost reductions. Billions of dollars of savings have been forecasted for corporations that effectively manage their financial supply chain. Financial supply chain concepts are similar to the theme of this book. Proposed financial supply chain tools can be classified into three categories: ERP systems to integrate internal functions, Web-based tools to facilitate free flow of information with partners, and hybrid tools that use functionalities of the Internet and ERP. The CPM process consists of seven steps: strategy formulation, scenario analysis, planning and budgeting, communication, monitoring, forecasting and reporting. This is not a new process; however, an effective implementation of this process is now possible due to advances in Information Technology. mCPM packages different technology tools, such as ERP systems, CRM, SCM and SRM, to name a few, and uses business intelligence tools to extract and deliver performance measures across the organization.

## 8. References

1. Deshmukh, Ashutosh. Digital Accounting: The Effect of the Internet and ERP on Accounting. USA: IRM Press, 2006.
2. Siswanto. Systematic review sebagai metode penelitian untuk mensintesis hasil-hasil penelitian (sebuah pengantar). 13(4):330.
3. Xiao ZZ, Zhou QW. Review of China's Management Accounting Research. Accounting Research. 2009; 9:72-80.
4. <https://media.neliti.com/media/publications/21312-ID-systematic-review-sebagai-metode-penelitian-untuk-mensintesis-hasil-hasil-peneli.pdf>