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Research on the Countermeasures of Digital Technology to Optimize Enterprise Cost Management

Changpeng Yang *

College of business, Al-Farabi Kazakh National University, Almaty, Kazakhstan

ABSTRACT

In the cost control process of enterprises, the use of digital means can efficiently integrate the resources of enterprises, strengthen the collaborative work between various departments, accelerate the speed of information transmission, promote innovation activities, improve economic benefits, and optimize the efficiency of cost management. Following the core concept of fine cost control and under the extensive influence of digital economy, this paper explores the way of optimizing cost management by visiting modern enterprises on the spot. This paper expounds the connotation of digital economy and cost management, and provides theoretical support for the subsequent analysis. Then, it analyzes the challenges and opportunities faced by enterprises in the field of cost management under the background of digital economy. Finally, it analyzes many problems existing in the actual operation of cost management of enterprises, and puts forward some specific measures to improve cost management, aiming at helping enterprises to improve production efficiency, reduce cost expenses, and explore market potential.

KEYWORDS

Digital means; Optimize cost management; Improve production efficiency

1. INTRODUCTION

With the advent of the digital age, all industries are undergoing major transformations. By integrating digital technology into cost management, technological advantages can be utilized to accurately connect costs and business processes, identify and eliminate inefficient links through analysis and comparison, and improve the efficiency of resource use, thus promoting the continuous improvement of economic benefits of enterprises [1]. In the context of the digital economy, we have conducted in-depth research on the cost control practices of many enterprises and found the problems encountered in the promotion of cost management. Based on the solid theoretical support, and tries to put forward a series of targeted improvement measures, the purpose is to enhance the cost control ability of enterprises, improve their competitive position in the market.

2. OPPORTUNITIES BROUGHT BY DIGITAL ECONOMY TO ENTERPRISE COST MANAGEMENT

The development and application of mathematical technology includes three sectors, as shown in Figure 1, and this paper mainly introduces how to use the management of enterprise costs. Moreover, Digital tools create a whole new way for businesses to grow. In terms of cost control, large enterprise groups can use data analysis and identification technology to discover and eliminate inefficient work processes and reduce unnecessary resource consumption, so as to comprehensively improve business operation efficiency. In the face of increasingly fierce market competition, with the expansion of enterprises' business territory, the difficulty of cost management continues to rise [2]. With the help of digital technology, enterprises can integrate it into multiple levels such as cash flow management, inventory monitoring and cost control, which greatly promotes the flow of information, accelerates the response speed of all links, and achieves effective cost reduction.

Taking manufacturing as an example, digital technology can help enterprises achieve precise matching between production and market demand, reduce intermediate links, provide customized products and services, and increase customer loyalty. The refined cost management strategy allows enterprises to be more flexible in the operation process, and can quickly capture market opportunities and quickly seize market share. Through the modular integration approach, the internal collaboration has been enhanced, and the company can track market dynamics in real time, grasp the latest production technology information and financial policies, and comprehensively manage the business, and ultimately achieve the goal of cost reduction and operational efficiency improvement (see Figure 1).

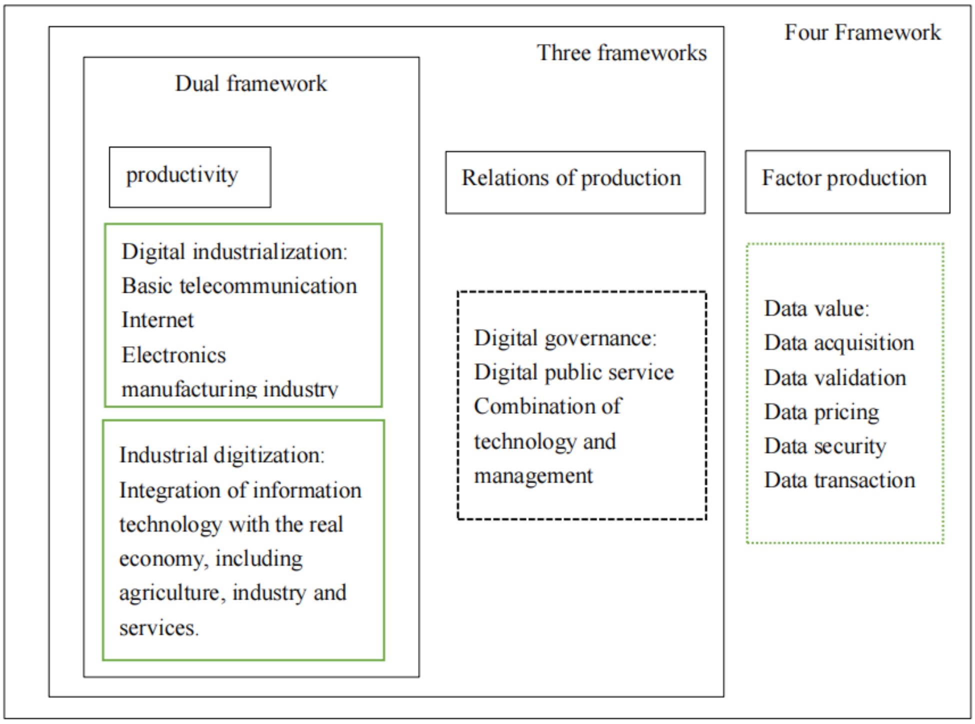

Figure 1. Diagram of the framework for the development of digital technology

Notes. Open source: collected from the author's network

3. DIGITAL ECONOMY

3.1. Cost Management Technology is Not Optimized Enough

In the practice of cost management, some enterprises often imitate the practices of other companies, but do not adjust according to their own specific situations and operational realities, which leads to low management efficiency. For example, electronics manufacturers need fast inventory turnover, and new product launches often lead to lower sales of older products. Similarly, companies that use commodities as raw materials are more exposed to market volatility. Therefore, when enterprises carry out cost management, they must monitor the cost control process according to their own business conditions, and strive to improve management technology to achieve cost reduction and efficiency improvement. At present, the cost management of some enterprises is out of touch with the market and industry trends, relying only on internal historical data analysis, but ignoring the rapid changes in market prices, consumer preferences, competitive environment and so on. This approach lacks dynamic collection of market information, leading to the inability of enterprises to effectively guide cost control [3]. In addition, the cost management of enterprises is complex and closely related to multiple business modules, which requires scientific statistics and analysis to achieve fine management. For example, innovation-driven scientific research and production enterprises need to manage and control the entire process, and carry out accurate statistics and accounting of the market conversion rate of scientific research results to rationally allocate them to products. However, due to the lack of relevant data analysis, enterprises have obvious shortcomings in product pricing and evaluation competitiveness.

3.2. The Cost Management System is Not Sound Enough

The management of some enterprises still holds outdated business philosophy and does not pay enough attention to cost management, which leads to the imperfection of systems, processes and operating guidelines. This situation makes the employees in the implementation of the task compliance awareness is not strong, operation errors may bring heavy losses to the company. Taking daily production and operation as an example, enterprises need to deal with a large number of raw materials and fixed asset purchases, and the scale of funds involved is also large. If there is no perfect operation process, there may be artificial improper behavior in procurement, warehousing and receiving, causing economic losses to enterprises. In particular, procurement has not yet been centralized, and departments often develop budgets that do not correspond to actual operational needs, leading them to make decentralized demands to procurement departments. This practice not only increases the workload of procurement departments, but also significantly increases costs due to the decentralized nature of procurement activities. In addition, some enterprises in the sales process failed to timely order information and procurement, production and other departments to effectively communicate, resulting in slow internal response, product production and deployment can not quickly respond to market changes, affecting the overall operational efficiency. In particular, it should be noted that some products have obvious seasonal production and sales characteristics, if the enterprise can not timely market research, it may lead to product backlog, putting pressure on the working capital of the enterprise.

3.3. Ignoring Human Resources Management

In modern enterprise management, some enterprises tend to put human resource management in a secondary position in the process of pursuing business expansion and market share growth. This biased management strategy leads to the failure of cost control measures to be fully and effectively implemented within the enterprise. Such neglect of human resource management not only affects the overall operating efficiency of enterprises, but also weakens the competitiveness of enterprises in the market. First of all, in the process of expansion, enterprises may neglect the training and education of grass-roots employees, resulting in their lack of professional skills and cost awareness. This deficiency makes it difficult for employees to accurately understand and implement relevant measures in the face of complex cost control processes, thus affecting the effect of cost control. For example, employees may not understand how to reduce waste of raw materials through refined management, or how to reduce energy consumption by optimizing production processes. Secondly, the negligence of the enterprise in human resource management is also reflected in the imperfect compensation and reward system. An effective reward system can motivate employees to actively participate in cost control work and improve their work enthusiasm and efficiency. However, in the absence of such a system, employees may feel that their work is not sufficiently recognized and rewarded, resulting in a lack of motivation to implement cost control measures, which directly affects the effectiveness of cost control. Finally, the lack of human resource management may also lead to poor internal communication, affecting the coordinated implementation of cost control measures. In today's increasingly important cross-departmental cooperation, if the enterprise fails to establish an effective communication mechanism, the cooperation of various departments in cost control will be affected, and it is difficult to form a joint force, thus affecting the overall cost control effect.

3.4. Data Security and Privacy Protection

In the digital age, the issue of data security and privacy protection becomes particularly important. With the wide application of data, enterprises need to face security risks such as data leakage and data abuse. Data breach events may lead to the disclosure of sensitive corporate information, such as customer privacy, trade secrets, etc., resulting in serious economic losses and reputation damage. Therefore, enterprises need to strengthen the security management of data to ensure the safe storage and transmission of data.

Organizations need to build a comprehensive data protection strategy, including incident response (IR) mechanisms, to detect and respond to cyber threats, security breaches, and cyber-attacks. In addition, companies should develop data protection policies and procedures covering data classification, access control, encryption standards, etc., to set clear standards and raise employees' awareness of data security. At the same time, companies need to comply with constantly updated standards and regulations in order to comply with data protection laws. At the technical level, companies can deploy a Data Leak prevention (DLP) platform to monitor the input and output channels of all sensitive data to reduce the incidence of sensitive data breaches and improve traceability. In addition, through technical means such as desktop management systems, anti-virus software, and intrusion detection systems, enterprises can improve the security operation and maintenance management and audit capabilities of office terminals, monitor abnormal system operation behaviors in real time, and discover and block intrusion behaviors in the first time. In the face of challenges in the field of data security, enterprises also need to pay attention to data security capacity building, including system construction and technology implementation, in order to improve data security governance capabilities. At the same time, enterprises should pay attention to the national security risks brought by the cross-border flow of data, as well as the serious infringement of personal privacy by data trafficking, which are the problems that enterprises need to face and solve in data security and privacy protection. Through these measures, enterprises can better protect data security, safeguard corporate interests and customer trust.

4. OPTIMIZATION COUNTERMEASURES OF ENTERPRISE COST MANAGEMENT UNDER THE BACKGROUND OF DIGITAL ECONOMY

4.1. Optimize Cost Management Techniques and Methods

Furthermore, modern operation, enterprises need to closely combine their own operating conditions, and continue to pay attention to changes in the market and competitors, and constantly improve cost management technology. It is important that companies move beyond relying on historical data to enhance data collection and in-depth analysis. It is necessary to take market demand as the core, create a digital scene, achieve a close connection between production and consumption, and launch customized products, so as to improve market competitiveness. At the same time, enterprises should strengthen the strict implementation of the system to ensure that the cost management work is standardized and orderly [4]. Optimize the process design through the system platform, improve the collaborative efficiency of all links, form the internal force of the enterprise, effectively promote cost control, and improve the overall operational efficiency. In addition, enterprises should pay attention to the training and development of financial talents, flexibly use fiscal and tax policies, and enhance the professional level of cost management. For example, activity-based costing (ABC method) is used for cost control, scientific cost estimation, optimization of resource allocation, and improvement of enterprise economic benefits. Enterprises should continue to carry out education and training to improve the professional ability of financial personnel, so that they can better adapt to the needs of cost management in the digital era and provide solid support for the sustainable development of the company [5].

4.2. Improve the Cost Management System

In the era of digital economy, the construction of relevant institutional framework needs to fully integrate digital elements. According to the unique attributes of digital technology, we should build a set of cost management system closely combined with the current situation of enterprise operation, production characteristics and other factors, and constantly improve the internal control mechanism. The specific measures are as follows: First, optimize and upgrade the cost management process and enhance the synergy between the sub-modules. In the process of promoting the digitization of cost management, it is necessary to restructure and adjust the cost management module according to the actual situation of business operation. This covers many aspects such as business order processing, procurement process management, warehousing and logistics control. Through the system platform, we should establish the authorization mechanism and approval process, strictly control the management process, and improve the standardization and standardization of management. The second is to resolutely implement the cost management system and strengthen the responsibility of cost control. For example, in terms of fund management, enterprises should implement centralized control and dynamic tracking [6]. Each business department shall prepare the capital budget plan according to the actual situation and annual plan, which shall be uniformly analyzed and allocated by the financial department after approval. This will improve the efficiency of the use of funds and ensure the security and stability of revenue and expenditure of funds.

4.3. Establish a Financial Sharing Center

By implementing the operation mode of financial Shared Service Center (FSSC), modern enterprises realize the centralization of financial management, and carry out cost management from the overall perspective according to the actual operation of enterprises, and combine with other financial management functions. The internal finance department plays a core role in this model and is responsible for integrating and optimizing internal resources [7]. In terms of system construction, it is necessary to carry out comprehensive planning in close combination with the actual situation of enterprise operation, concentrate the financial work originally scattered in different branches and project teams, implement unified management, strengthen cost control, achieve process standardization and compliance operation, improve the work efficiency of the financial sharing service center, and then give full play to its service functions. Support business development and strategic planning.

The information database established within the enterprise relies on the digital platform to build a bridge of communication. Through the design and optimization of the process, the internal collaboration is strengthened to closely integrate the cost management with the enterprise strategy and business practice, improve the management efficiency and contribute to the creation of enterprise value.

4.4. Innovative Cost Accounting Model

With the introduction of digital technologies, management needs to update its business philosophy to focus on improving management effectiveness, strengthening cost management across the board, and ensuring its integration with business units to achieve value addition to the core business. Enterprises should reform the cost accounting mechanism, shift to a more management-based accounting model, strengthen data collection and analysis, achieve seamless docking with key business processes such as order management, production and sales, reduce inventory overstock, and improve inventory liquidity. In particular, through the implementation of modern management strategies such as lean production and inventory optimization, cost control is closely combined with business growth, covering the entire process from order processing to raw material procurement, production to sales and service [8]. By fine management of the cost of each operation link, it can not only reduce expenses, but also improve management efficiency, and provide solid support for the company's business expansion.

5. SUMMARY

In conclusion, with the advent of the new era, the rapid growth of the Internet and the innovative progress of digital technology have penetrated into all levels of society. The application of these technologies to enterprise management can not only simplify the process, improve the efficiency of resource use, but also provide new impetus for enterprise management reform, covering the whole process of enterprise operation. In order to achieve long-term stable development, enterprises must adapt to the changing trends brought by the digital age, deeply understand the challenges and opportunities brought by these changes, and explore optimization strategies based on the current cost management situation. Enterprises should actively update management concepts, pay more attention to cost management, and comprehensively promote the construction and improvement of institutional systems based on the development and application of digital technology to meet the new needs of cost management in the new era. Through the establishment of financial sharing platform and innovative cost accounting methods and other measures, the aim is to improve the operational efficiency of enterprises.

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