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Original Paper

The Impact of Digital Technology Innovation on Corporate Financial Performance

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Abstract

This paper aims to explore the impact of digital technology innovation on corporate financial performance from both positive and negative aspects, and put forward corresponding countermeasures. Through the research, we found that the wide application and deep integration of digital technology significantly improved the financial performance of enterprises, especially in improving operational efficiency, optimizing resource allocation, and enhancing market response ability. However, digital technology innovation also brings some challenges, such as data security issues, pressure to update technology, and so on. To address these challenges, enterprises need to build financial management systems that adapt to digital development, upgrade employees' digital skills, strengthen data security management, and actively use policy support and market mechanisms to achieve a virtuous cycle of digital technology innovation and corporate financial performance. The research results of this paper not only enrich the theoretical research of corporate financial performance, but also provide practical guidance for the financial management of enterprises in the digital age.

Keywords

digital technology innovation, Enterprise financial performance, Influence, counterplan

Introduction

With the rapid progress of information technology and the comprehensive arrival of the digital age, the innovation of digital technology is reshaping the business operation mode and financial management mode unprecedentedly. The change is deep and widespread, touching almost every detail of business operations. The wide application of digital technologies, such as big data analysis, cloud computing, artificial intelligence, etc., has brought unprecedented opportunities for enterprises, but also accompanied by a series of challenges. In the context of this era, corporate financial performance, as a core indicator to measure business results, is being deeply affected by digital technology innovation.

This impact is not only reflected in the surface of the number changes, at a deeper level, it is changing the way enterprises collect, process and analyze financial data, making financial management more efficient and accurate. The introduction of digital technology has improved the decision-making efficiency and risk management ability of enterprises, which enables enterprises to cope with the complex and changeable market environment more calmly, and thus has a significant impact on the financial performance of enterprises. Therefore, in-depth exploration of the specific impact of digital technology innovation on corporate financial performance and its coping strategies is not only of great significance for theoretical research, but also has important guiding significance for corporate financial management practice in the digital era. This discussion can help enterprises seize opportunities and avoid risks in the digital wave, so as to achieve sustainable development. At the same time, it also helps promote the innovation of enterprises in financial management and enhance the overall competitiveness of enterprises. In the future, with the continuous evolution and development of digital technology, enterprise financial performance management will present more possibilities and challenges. Therefore, continuing to pay attention to and study the development and changes in this field is of great significance to promote the improvement of the financial management level of enterprises.

1. Overview of Digital Technology Innovation

1.1 Definition of Digital Technology Innovation

In the digital era, digital technology innovation, as an emerging technological innovation, has the following two important characteristics compared with traditional physical technology innovation: First, digitalization, that is, the innovation of products, processes, processes and management methods through digital technology means, usually using computer technology and network communication technology as the carrier; The second is new tools and new methods. Digital technology innovation includes new tools, methods and means, while traditional physical technology innovation is aimed at achieving a certain function. Digital technology innovation can be achieved through automation, intelligence, networking and other means, and can be realized in the production process within the enterprise, but also can be realized in the production process outside the enterprise. This is an important feature that distinguishes digital technology innovation from traditional physical technology innovation.

1.2 Development History of Digital Technology Innovation

Digital technology innovation is the product of the close combination of information technology and production technology, which has become more and more inseparable with the development and popularization of technology. Digital technology innovation is not only the natural result of information technology development, but also the process of information technology and production technology mutual integration and mutual promotion. In the early stages of digital technology, the digital model design stage, people mainly use hand tools for design and modeling, and these models are just simple representations of the real world. However, with the progress of technology and the arrival of the

digital product development stage, people began to adopt more advanced manual design methods to transform the real world into a digital form, which greatly improved the design efficiency and accuracy. At the stage of digital market expansion, digital technology has penetrated into all aspects of the market. The rise of e-commerce has allowed companies to transact directly with customers over the Internet, disrupting traditional business models. This not only provides new market opportunities for businesses, but also brings more choice and convenience to consumers.

With the rapid development of computer and Internet technology, industrial software such as Computer-Aided Design (CAD) and Computer-Aided Manufacturing (CAM) has gradually appeared and been widely used in the field of digital design and manufacturing. These advanced software tools allow designers and engineers to design and simulate products directly on the computer, which greatly improves design efficiency and quality. In addition, the continuous innovation and application of digital technology has also brought many new business models and formats. For example, new business models such as platform economy and sharing economy based on emerging technologies such as cloud computing, big data and artificial intelligence are constantly emerging. These new business models not only change the competitive pattern of traditional industries, but also inject new vitality into social and economic development. In general, digital technology innovation is the product of the close combination of information technology and production technology, which promotes the progress and development of society. With the continuous progress and innovation of technology, we have reason to believe that digital technology will play an even more important role in the future, creating a better future for mankind.

1.3 Main Types and Characteristics of Digital Technology Innovation

Digital technology innovation is a broad and deep process, which makes full use of the advantages of computer information technology to improve and optimize existing products and services. This innovation involves not only technological innovation, but also the transformation and upgrading of products, services and the entire business model.

From the technical point of view, digital technology innovation is reflected in many aspects. First, it involves the digital transformation of existing technologies to improve production efficiency and product quality. Second, digital technology innovation also involves developing new tools and methods to respond to changing market demands and customer expectations. These new tools and methods can help companies respond more quickly to market changes, reduce research and development costs, and accelerate time to market. In addition, digital technology innovation can create entirely new products and services, and open up new business areas and market Spaces through marketing.

From a product perspective, digital technology innovation runs through the entire life cycle of a product. It includes the design, production and sale of new products and services. Through digital technology innovation, enterprises can more accurately grasp the market demand, personalized customization and flexible production, so as to provide products and services that are more in line with consumer needs.

According to the core elements of product innovation, digital technology innovation can be divided into many types. Among them, product research and development innovation focuses on the function and performance improvement of products; Manufacturing innovation reduces costs by improving production processes and improving production efficiency. Sales and distribution innovations use digital technologies to improve sales channels and logistics systems to improve product accessibility and convenience.

From the perspective of product innovation, digital technology innovation mainly includes four types: new products, new processes, new materials and new services. These innovations can bring significant competitive advantages and market opportunities for enterprises. For example, the launch of new products can create new market demand, the application of new processes can improve production efficiency and product quality, the development of new materials can achieve lightweight and environmentally friendly products, and the provision of new services can enhance customer experience and loyalty.

From the perspective of manufacturing, digital technology innovation is mainly reflected in the design research and development based on digital models and virtual design research and development based on virtual reality or augmented reality. These technologies can help companies fully verify and optimize products at the design stage, reducing rework and waste in subsequent production. At the same time, through virtual design research and development, enterprises can more intuitively display product characteristics and advantages, and improve the efficiency of communication with customers and partners.

From the perspective of sales circulation, digital technology innovation mainly includes online transactions based on Internet platforms and offline transactions based on mobile Internet platforms. These innovations provide consumers with a more convenient and diversified shopping experience, while also expanding sales channels and market coverage for enterprises. Through digital technology innovation, enterprises can carry out marketing and promotion more accurately, and improve brand awareness and reputation.

2. The Impact of Digital Technology Innovation on Corporate Financial Performance

2.1 Positive Impact

2.1.1 Improve Financial Management Efficiency

Financial management is an important part of enterprise management, and it is also an important guarantee to achieve the strategic goals of enterprises. The financial management efficiency of enterprises directly affects the profitability and solvency of enterprises, and then affects the financial performance of enterprises. With the wide application of digital technologies such as big data, cloud computing and artificial intelligence in enterprises, the advantages brought by them are also increasingly apparent. First of all, the application of digital technology can optimize the operation process of enterprises through big data analysis, improve the efficiency of financial management of

enterprises, and reduce operating costs. For example, the organic integration of technologies such as the Internet of Things, cloud computing and big data with enterprise business processes can digitize, on-line and visualize a large number of production factors, and achieve customized services according to customer needs. Second, the use of digital technology can also help companies achieve better risk management. In the process of digital transformation, the application of technologies such as artificial intelligence, cloud computing and big data to enterprise risk management can provide enterprises with more intelligent, personalized and customized risk management solutions, reduce business operation risks and improve financial performance.

On the other hand, digital technology can also provide enterprises with precise financial management services. The traditional financial management service mainly relies on manual operation, and has high requirements for employees' work experience and work efficiency. Digital technology applications can use big data, artificial intelligence and other technologies to automate operations and reduce the impact of human intervention, thereby reducing costs and improving service efficiency. In addition, the application of digital technology can also provide financial personnel with more abundant information resources. For example, the use of big data analysis technology to optimize financial information disclosure and reduce the negative impact of information asymmetry; Using cloud computing technology to realize financial data resource sharing, real-time update and dynamic maintenance; Artificial intelligence technology is used to improve the efficiency of accounting information processing and reduce repetitive labor. In addition, the application of digital technology can also revolutionize the business model. For example, through digital technologies such as the Internet of Things, cloud computing and artificial intelligence, real-time monitoring and data collection and analysis of the whole process of production and operation are carried out to achieve real-time monitoring and early warning; Digital management of sales channels with big data; Using cloud computing to achieve data storage and management.

2.1.2 Reduce Costs and Optimize Resource Allocation

Under the traditional economy, the production and operation activities of enterprises are often completed by internal personnel and external resources, resulting in a large number of idle or excess resources in the production process. In the era of digital economy, enterprises take intangible assets such as information, data and knowledge as the main production factors, and use digital technology as the carrier to organically integrate various dispersed production factors lacking synergy, reduce costs by improving resource allocation efficiency, and thus improve their financial performance. In the application of digital technology, intelligent technology, robots and AI are used to improve labor productivity, reduce operating costs and improve service quality. This means that digital technology innovation can improve the production and operation efficiency of enterprises, and thus improve the financial performance of enterprises.

Digital technology application refers to the use of digital technology to improve the efficiency of enterprise resource allocation. The application of digital technology can break the traditional

information island phenomenon, integrate and analyze information and form a unified data format and standard, which makes it possible for different departments and organizations to cooperate and make joint decisions. In this model, information is no longer scattered and isolated data, but is integrated into a whole data with some value. Therefore, through the analysis, processing and mining of these data, more valuable information results can be generated, which is conducive to the resource allocation and decision-making of enterprises on this basis. For example, in the traditional economy, enterprises can optimize the input and output structure in the internal production process according to market demand and customer preference. In the digital economy, enterprises can predict market demand and customer preferences based on internal operational data to optimize product design and production processes. Therefore, the application of digital technology can improve the financial performance of enterprises by changing the allocative efficiency among production factors. Digital technology application innovation can effectively reduce operating costs and improve operating efficiency. On the one hand, the application of digital technology can promote the efficient allocation of resources. In the traditional economy, enterprises carry out business activities on the basis of internal resources. This traditional resource allocation model is often based on experience, subjective judgment and relatively stable production process to make decisions. In the era of digital economy, the application of digital technology can fully tap the potential of data and conduct scientific processing and analysis of data, so as to help enterprises develop a more scientific and reasonable decision-making system and operation model. For example, in the traditional economy, enterprises can only rely on experience to make judgments about market demand; In the digital economy, companies can use big data analytics to predict market demand and optimize production processes. By fully mining the value of data and scientific processing and analysis of data can improve the efficiency of enterprise resource allocation and reduce operating costs.

2.1.3 Enhance Enterprise Competitiveness and Market Share

In the era of digital economy, enterprise competitiveness has become an important standard to measure the level of economic development of a country or region. In this era, the more competitive an enterprise is, the greater its share in the international market will be, and the more significant its contribution to the overall economy. With the vigorous development of the global digital economy, digital technology has become the core driving force to enhance the competitiveness of enterprises. The application innovation of digital technology is the key for enterprises to maintain competitiveness in the era of digital economy. This kind of innovation can effectively solve many challenges faced by traditional industries in the process of digital transformation, such as insufficient development of data resources, low efficiency of data utilization and unclear data property rights. Through the in-depth application of digital technology, enterprises can more effectively mine and use data resources to achieve fine management and personalized services, thereby improving operational efficiency and customer satisfaction. In November 2019, The General Office of the State Council issued the “Guiding Opinions on Promoting the Standardized and Healthy Development of the Platform Economy” which

clearly pointed out that it is necessary to actively cultivate new market players such as platform enterprises, data enterprises and algorithm enterprises. This policy orientation provides a strong policy support for the application of digital technology innovation, and further promotes the deep integration of digital technology and the real economy. As a new business mode, digital technology application innovation is leading the digital transformation of traditional industries. It can help enterprises build new products, new services and new business models supported by digital technology, and thus enhance the competitiveness of enterprises in the international market. For example, through big data analysis, enterprises can more accurately insight into market demand and customer behavior, providing strong support for product innovation and market expansion; Through technologies such as cloud computing and artificial intelligence, enterprises are able to automate and intelligentize business processes, improving operational efficiency and quality. In addition, digital technology application innovation can also promote the collaborative development of internal management and external cooperation. In terms of internal management, digital technology can improve the scientific and accurate decision-making of enterprises and realize the optimal allocation of resources. In terms of external cooperation, digital technology can break the restrictions of the traditional industrial chain and promote cross-border cooperation and win-win development between enterprises. In short, the application innovation of digital technology is of great significance in the era of digital economy. It can not only solve the problems faced by traditional industries in the process of digital transformation, but also enhance the competitiveness and market share of enterprises. Therefore, enterprises should actively embrace digital technology and strengthen digital technology application innovation to cope with the challenges and opportunities of the digital economy era.

2.1.4 Strengthen Enterprise Risk Prevention and Control Capabilities

Enterprise digital transformation is a long-term and complex strategic task, involving the comprehensive transformation of enterprise operation, management, technology and other levels. This transformation is not only a necessary means for enterprises to cope with market competition and enhance competitiveness, but also an important way for enterprises to achieve sustainable development. In the process of digital transformation, the rapid development of digital technology provides enterprises with a broad space for innovation and unlimited business possibilities. However, the double-edged sword effect of digital technology cannot be ignored. While enjoying the convenience and efficiency brought by digital technology, enterprises are also faced with multiple risks and challenges such as data security, technological updates, and market changes. In order to ensure the smooth progress of digital transformation, enterprises must always maintain the awareness of risk prevention and control, and risk prevention and control work throughout the whole process of digital transformation. First, data, as an important asset of enterprises, plays a central role in digital transformation. Enterprises should attach great importance to data governance, establish a sound data governance system, clarify the ownership, use and management rights of data, and ensure data compliance, security and effectiveness. At the same time, it is necessary to combine data governance

with the strategic management of enterprises, explore business value through data analysis, and promote business innovation and management upgrading of enterprises. Secondly, the innovative application of digital technologies is a key driver of digital transformation in enterprises. Enterprises should make full use of the advantages of digital technology to play its supporting role in product innovation, service upgrading, market expansion and so on. At the same time, it is necessary to avoid blindly pursuing technological innovation and ignoring practical application value, prevent the phenomenon of "alienation" in digital technology innovation, and ensure that digital technology matches the actual needs and development strategies of enterprises. Finally, risk warning is an indispensable part of the digital transformation process. Enterprises should establish a sound risk early warning mechanism, discover potential risks in a timely manner through real-time monitoring and regular assessment, and take targeted measures to deal with them. In the process of digital transformation, enterprises should pay close attention to market dynamics and technology development trends, strengthen communication and cooperation with relevant parties such as industry and government departments, and jointly build a security defense line for digital transformation. In short, in the process of digital transformation, we should pay attention to risk prevention and control to avoid the risks brought by digital transformation. By strengthening data governance, promoting the innovative application of digital technology, and carrying out risk warning work, we can ensure that enterprises can move forward steadily in the process of digital transformation and achieve sustainable development.

2.2 Negative Impact

2.2.1 High Cost of Technology Update

Digital technology innovation with the Internet as the platform, can promote the production management of enterprises to change. The combination of new generation information and communication technologies with artificial intelligence, big data, cloud computing and other technologies can optimize the production process of enterprises and improve the production efficiency of enterprises. Digital technology innovation can promote the transformation and upgrading of traditional industries, and change their production mode and business model, thus promoting the transformation of enterprise management mode and promoting the improvement of enterprise financial performance.

Digital technology innovation can promote the development of traditional industries in the direction of digitalization, but the biggest problem faced by traditional industries is their low production efficiency and cost. Digital technology innovation can effectively improve this problem, and can reduce the cost of enterprises. With the deep integration of big data, artificial intelligence, cloud computing and other new generation information and communication technologies with industrial manufacturing, key parameters in the production process can be monitored through big data analysis, cloud computing, artificial intelligence and other technologies, and all aspects of the enterprise are linked together through the Internet of Things technology, so as to achieve reasonable allocation and efficient use of

resources.

Digital technology innovation can reduce production costs and improve product quality. In the traditional industrial production process, the problems such as the low degree of human-machine-material interaction and the slow speed of data information processing have seriously restricted the product quality and production efficiency. Digital technology innovation can collect and analyze the data in the production process, and process the data through intelligent means, so as to achieve the accurate positioning and manufacturing of products, shorten the production cycle of enterprises and improve product quality.

2.2.2 The Risk of Technology Substitution Is Greater

From “machine replacement” to “robot replacement”, digital technology is accelerating the change of traditional industrial production mode and has a substitution effect on employment. According to the Future of Jobs 2022 report released by the World Economic Forum, the displacement effect of digital technologies on jobs will reach 112 million in 2022, more than 300 million by 2030, and more than 400 million by 2040. In the long run, digital technology is playing an increasingly important role in the development of human society, and has a broad and far-reaching impact on various fields such as economy, society, science and technology. In the short term, digital technology innovation can relieve some employment pressure by replacing some jobs. However, the risk of digital substitution is also great. With the new round of scientific and technological revolution and industrial transformation accelerating, the new generation of information technologies such as artificial intelligence, big data and cloud computing are booming. While the application scenarios of digital technology innovation continue to be enriched, the application scope continues to expand, and the application scale continues to expand, it also faces a huge risk of technology substitution. If the new generation of information technology replaces some jobs, it will affect the employment structure and the number of jobs in the whole society. The risk of digital technology replacement mainly stems from the high cost of digital technology replacement. At present, the digital transformation of enterprises is still in its infancy, and enterprises need to invest a lot of human, material and financial resources to achieve digital transformation and upgrading.

2.2.3 High Data Security Risk

The impact of digital technology innovation on financial performance is through data transmission, which then affects the development strategy, investment decision and marketing strategy of enterprises, and its risks will also be amplified because of data transmission. Digital technology innovation can improve decision-making and management efficiency through data analysis, but there are also data security risks. On the one hand, digital technology innovation can analyze and predict data through algorithmic models, thus improving decision-making and management efficiency. The algorithm model can make predictions based on the historical business data of the enterprise, but with the development of the enterprise, the business scale continues to expand, and the business information will increase. If there are loopholes in the algorithm model or the prediction is not accurate, it may lead to the deviation

of the investment decision of the enterprise and bring losses to the enterprise. Digital innovations, on the other hand, tend to generate huge amounts of data. With the rapid development of digital technology, there are more and more data in various fields, industries and fields, and the huge amount of data makes it easy to cause information leakage and data loss in the process of storage and transmission. In addition, due to the asymmetric characteristics of digital technology, some enterprises can steal users' personal information through "phishing"; Some enterprises can obtain important user information through "insiders"; Some enterprises can steal user information through hacking, virus attacks and other means; Some companies can use digital technology to illegally obtain user information.

2.2.4 Shortage of Talent for Specific Skills and Knowledge

Digital transformation is an important part of enterprise strategic management. With the development of digital technology, digital transformation has become an inevitable choice for enterprise operation and management. When enterprises innovate in digital technology, they need a large number of talents with specific skills and knowledge, and such talents do not exist in China at this stage. According to statistics, the average monthly salary of manufacturing workers in China is far lower than that of developed countries in Europe and the United States. It can be seen that China currently lacks a large number of digital technical talents with high-level professional and technical ability and comprehensive quality. This lack will not only affect the efficiency of digital technology innovation, but also affect the quality of digital technology innovation. An excellent digital technical personnel can conduct in-depth analysis and utilization of data, effectively excavate the potential value of data and give full play to the role of digital technology in production and operation. Because the overall transformation and upgrading speed of China's manufacturing industry is slow, the current manufacturing industry in China is still facing structural problems and systemic problems. The lack of digital technical talents is an important bottleneck facing the development of China's manufacturing industry, which not only affects the efficiency and quality of digital technology innovation, but also has an important impact on the future development of China's manufacturing industry.

Therefore, our country needs to strengthen the cultivation of talents from various aspects. First of all, traditional talents and digital technical talents should be combined to establish two different types of talent training systems. Secondly, we should pay attention to the knowledge update and skills training of young people, and strengthen the attention and investment in frontier fields such as digitalization and intelligence. Finally, the government should increase policy support to encourage more young people to work in enterprises and to encourage them to acquire advanced skills and knowledge. In addition, we should increase the investment and support for college education, improve the teaching quality, subject level and the ability to transform scientific research results in order to strengthen the school's ability to respond to the needs of social talents.

2.2.5 The Pressure of Market Competition Intensifies

With the rapid development of the digital economy, more and more traditional enterprises begin to try digital transformation, but due to their limited digital level, the lack of awareness of market competition pressure, resulting in weak market competitiveness of enterprises. In the era of digital economy, traditional enterprises should change their thinking mode and make it clear that the main purpose of digital transformation is to enhance their core competitiveness. On the one hand, digital technology innovation can help enterprises reduce production costs, improve production efficiency and expand market share. On the other hand, digital technology innovation can help enterprises actively explore new business models in the new market environment. Only by actively seizing the new opportunities brought by the digital economy can we stand out in the fierce market competition. Therefore, enterprises should choose the appropriate transformation path according to their actual situation. In the era of digital economy, enterprises should formulate reasonable transformation strategies according to their own conditions, so as to improve their comprehensive strength.

3. Evaluation Indicators of Enterprise Financial Performance

3.1 Profitability Indicators

Profitability is the ability of enterprises to obtain income, it is an important indicator to measure the level of enterprise profit, its main content includes net profit, earnings per share and return on equity three. Net profit is the after-tax profit realized by the enterprise in the current period, also known as operating profit, refers to the actual after-tax profit realized by the enterprise in the current period after deducting income tax balance. It is an important index to evaluate the profitability of enterprises. Earnings per share refers to earnings per share, reflecting the level of earnings per share. The higher the earnings per share, the more the net profit of the company, the more the investors will get. Return on equity refers to the ratio of a company's after-tax profit divided by its net assets, that is, return on equity = net profit/average net assets x 100%. It indicates the company's ability to use its own capital to obtain income, and is also one of the important indicators to measure the company's profitability.

3.2 Operational Efficiency Indicators

Operation efficiency refers to the turnover speed and efficiency of capital utilization and asset utilization in the process of production and operation. The operating efficiency index mainly includes current assets turnover rate, fixed assets turnover rate and accounts receivable turnover rate. The turnover ratio of current assets is a comprehensive index reflecting the utilization efficiency of current assets. The higher the index, the faster the turnover speed of assets and the stronger the profitability of enterprises. The inventory turnover rate reflects the level of inventory capital occupation and the turnover speed of inventory capital. The turnover rate of fixed assets reflects the utilization efficiency of fixed assets of an enterprise, and is the embodiment of the enterprise's asset appreciation ability and debt paying ability. Accounts receivable turnover rate reflects the turnover speed of accounts receivable and the occupation level of accounts receivable. Total asset turnover is a comprehensive index to

measure the efficiency of asset use, and its level is directly related to the efficiency of asset operation.

3.3 Indicators of Solvency

The index of solvency refers to the ability of an enterprise to repay maturing debts. It reflects the ability of an enterprise to use all its assets to repay debts, and is the most important indicator of the financial status of an enterprise. The solvency of enterprises has certain particularity, in different economic environment, the factors that affect the solvency of enterprises are different. Therefore, the evaluation indicators of solvency are also different. For most enterprises, it is mainly analyzed from four aspects: asset-liability ratio, current ratio, quick ratio and cash ratio. These four aspects can be analyzed in terms of the ratio of current assets to current liabilities, the ratio of quick assets to current liabilities and the cash ratio.

3.4 Indicators of Development Capacity

The development ability of enterprises is mainly reflected in the scale, profitability and profit quality of enterprises. The development ability index can reflect whether an enterprise has the ability to continue to grow, mainly reflected in the following two aspects: First, the net profit rate on sales refers to the ratio of sales revenue and sales cost, which is used to measure the ability of an enterprise to obtain profits. The calculation formula is: Net profit rate on sales = (operating income - operating cost)/operating income ×100%. The second is the growth rate of total assets, which refers to the increase or decrease of total assets in a certain period (usually one year), calculated by the formula: total assets growth rate = (number at the beginning of the year - number at the end of the year)/number at the beginning of the year ×100%

This index is an important index to evaluate the sustainable development ability of enterprises, and it is also a very important index in the evaluation of enterprise financial performance.

4. Measures to Improve Corporate Financial Performance

4.1 Develop Digital Transformation Strategies and Plans

For any company, developing a digital transformation strategy and plan is one of the things that must be done well in the development process. First of all, enterprises must regard digital transformation strategy and planning as an important content, pay attention to it, and regard it as the top priority for the future development of enterprises. Second, companies must effectively execute their digital transformation strategies and plans and continuously improve them. In addition, we can also make the digital transformation strategy and plan through the following aspects: First, when making the digital transformation strategy and plan, the enterprise must combine the actual development situation of the enterprise and its own business conditions. Secondly, when formulating digital transformation strategies and plans, it is necessary to ensure that they have certain foresight and feasibility. Finally, when formulating digital transformation strategy and planning, enterprises must fully consider the development stage and development situation of China’s major enterprises themselves. In addition, it is important to note that the operating environment in which China’s major enterprises are operating is

changing very fast. In addition, when formulating the digital transformation strategy and planning, we should also make effective adjustments according to the company's own operating conditions. Only in this way can it be guaranteed to be reasonable to the greatest extent.

4.2 Strengthen the Training and Introduction of Digital Technology Personnel

As an important content of enterprise development, digital technology plays a vital role in the process of enterprise operation and development, and is also an important factor affecting the financial performance management level of major enterprises in China. From the current problems in the financial performance management of major enterprises in China, firstly, due to the lack of perfect talent training mechanism in the process of training and introducing digital technical talents in major enterprises in China, many enterprises have certain difficulties in introducing digital technical talents, and it is also difficult to effectively train digital technical talents. As a result, many enterprises in our country lack effective incentive mechanism and promotion mechanism when cultivating and introducing digital technical talents. Secondly, due to the lack of perfect evaluation mechanism in the process of introducing digital technical talents in China's major enterprises, many enterprises lack perfect evaluation mechanism in the introduction of digital technical talents. To solve the above problems, we should take the following measures: First, major enterprises should effectively train and introduce digital technical talents from the actual situation. Secondly, the major enterprises should conduct in-depth analysis and research on the problems they face, and formulate a set of scientific and reasonable solutions according to the problems they face. Finally, the major enterprises should establish a sound staff training system and assessment mechanism. In this training system and assessment mechanism, the following contents should be included: First, major enterprises should formulate a set of scientific and reasonable solutions to the problems they face; Second, major enterprises should organize relevant personnel to train their employees; Third, major enterprises should develop a scientific and reasonable assessment mechanism according to the results of employee training. The above measures can effectively solve the problems existing in the training and introduction of digital technology talents in China's major enterprises, so as to provide certain help to improve the financial performance management level of China's major enterprises.

4.3 Improve Digital Infrastructure and Platform Construction

In today's economic globalization, China's major enterprises must want to better survive and develop, we must keep up with the pace of The Times, accelerate the construction of digital infrastructure and platforms. In this process, enterprises must strengthen the application of big data. Big data plays an increasingly important role in the financial performance management of enterprises, so we must pay attention to the application of big data. On this basis, China's major enterprises should also strengthen the application of information technology. This requires that we must constantly strengthen the application of information technology, and take it as a long-term strategic task to implement. At the same time, we should also strengthen the construction of the application of information technology talent team, improve the information knowledge level and technical ability of employees in the

enterprise, so as to effectively improve the information literacy of employees and provide more talent support for the financial performance management of enterprises.

4.4 Promote Business Process Reengineering and Organizational Change

In the process of promoting enterprise financial performance management, China's major enterprises must re-engineer their own business processes, so that each department within the enterprise can cooperate with each other, so as to improve the core competitiveness of enterprises in the market. In this process, we must fully understand the relationship between enterprise financial performance management and business process, and carry out scientific and reasonable optimization, so as to make business process more scientific and rational. In addition, in the process of promoting business process reengineering, China's major enterprises must change the organizational structure. Under the traditional organizational structure, there are obvious communication and communication barriers among various departments within the enterprise, which leads to their inability to effectively improve their own work efficiency. Therefore, in this process, we must transform it into a real sense of flat organizational structure. Because in the traditional organizational structure, there are obvious communication barriers and communication barriers among departments, so many departments can not give feedback to other departments in time. In the process of business process reengineering, we can use it as an entry point to promote organizational structure change. The application of this method can effectively improve the communication and exchange between various departments within the enterprise.

4.5 Strengthen Digital Risk Management and Security

With the continuous development of China's economy, all major enterprises will face great challenges, among which digital risk is one of the main risks. For China's major enterprises, when carrying out digital risk management and security, we must ensure its security, so as to lay a solid foundation for China's major enterprises to achieve digital development. In the digital development of China's major enterprises, we must improve their attention to the security of data, but also to ensure that they will not be interfered by external factors in the digital development. In addition, we should also continue to improve the awareness and ability of digital risk management, so that they can formulate targeted solutions according to their actual conditions when carrying out digital development.

5. Conclusion and Prospect

Digital technology innovation can significantly improve the financial performance of enterprises, especially in terms of operational efficiency, resource allocation and market responsiveness. However, the rapid development of digital technology also brings pressures such as data security and technological updates. To address these challenges, companies need to build financial management systems for the digital age, upgrade employees' digital skills, and strengthen data security management. At the same time, the active use of policy support and market mechanisms is also the key to promote enterprises to achieve a virtuous cycle of digital technology and financial performance. The research of this paper not only enriches the theoretical system of corporate financial performance, but also provides

important practical guidance for enterprises to maintain competitive advantage in the digital wave.

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