

# Risk Prevention and Control of BYD's Financial Shared Service Center from the Perspective of Data Governance

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## Abstract

Against the backdrop of the “dual-carbon” goals and digital transformation, the financial shared service center has become an important support for financial control and risk prevention in new energy vehicle enterprises. Taking BYD Company as the research object, this paper reviews the current construction status and risk prevention and control system of its financial shared service center from the perspective of data governance. It finds that problems such as weak source control, prominent data silos, and insufficient talent support still exist. The causes of these issues are further analyzed from three aspects, namely strategic implementation, technological planning, and talent mechanisms. On this basis, optimization measures are proposed, including strengthening source control, breaking down information silos, and building a compound talent team, so as to promote the vigorous development of BYD.

## Keywords

BYD, financial shared service center, risk prevention and control

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## 1. Introduction

With the advancement of the “dual-carbon” goals and the deepening of industrial digital transformation, under the policy guidance of the *New Energy Vehicle Industry Development Plan (2021–2035)* and the *Implementation Plan for Digital Transformation of the Automobile Industry*, new energy vehicle enterprises have become the core of China's strategic emerging industries and an important force in promoting carbon peaking and carbon neutrality in the transportation sector. Under the dual orientation of policy and regulation, BYD has achieved large-scale and group-based development, and its financial shared service center (FSSC) has become the core carrier for integrating financial resources and improving accounting efficiency. The financial shared service center addresses problems of low financial efficiency and high error proneness, reduces costs and improves efficiency through process standardization, strengthens internal control and fund management, adapts to regulatory requirements, and promotes financial transformation, thereby providing solid financial support for the high-quality development of new energy vehicle enterprises under policy guidance.

In recent years, risk prevention and control in financial shared service centers has become a key focus of enterprises, and scholars have conducted relevant studies with fruitful achievements. Qian Hui (2025) pointed out the potential risks in the construction of financial shared service centers, explained new risks in the context of big data, and proposed prevention and control strategies such as internal control construction, humanistic care, and risk assessment analysis [1]. Chen Yingjie (2025) discussed the necessity of financial risk early warning management in group enterprises, analyzed financial risks in daily operations, and proposed governance strategies such as building data centers, dynamic threshold adjustment, and process reengineering [2]. Zeng Xueshan (2021), taking ZTE Corporation as an example, analyzed the problems existing in the risk management of its financial shared service center and proposed corresponding suggestions, providing a reference for other enterprises to solve similar risk management issues [3]. However, there is still relatively limited targeted research on new energy vehicle enterprises, and in-depth discussions of specific enterprises are even lacking. Based on this, this paper specifically analyzes BYD's financial shared service center, studies the problems and causes existing in its risk prevention and control, and proposes corresponding suggestions, so as to provide theoretical references for further in-depth research in this field.

## **2. Analysis of the Current Status of Risk Prevention and Control in BYD's Financial Shared Service Center**

### **2.1 Basic Information of BYD**

BYD was established on November 18, 1994. It is a Fortune Global 500 enterprise listed in both Hong Kong and Shenzhen. Its business scope spans four major industries: automobiles, electronics, new energy, and rail transit. Centering on the entire process of energy acquisition, storage, and application, it has built a comprehensive zero-emission new energy overall solution and has consistently pursued technological innovation to meet people's aspirations for a better life. BYD's continued leadership in the new energy vehicle industry benefits from its full industrial chain layout and the comprehensive empowerment of core technologies. Its product matrix covers the entire market from high-end to low-end segments, and its market scope has gradually expanded from the domestic market to overseas markets. At the same time, BYD is also advancing the implementation of intelligent driving technologies and continuously improving its strategic layout in intelligent driving, helping it maintain a leading position in future automotive technology competition.

### **2.2 Current Construction Status of BYD's Financial Shared Service Center**

BYD's financial shared service center has entered the stage of deepened smart finance operations and globally integrated control. It has also established a three-tier structure of "strategic finance + business finance + shared finance," which has become the core financial hub supporting the group's global expansion. At present, BYD has established regional shared service centers covering major global markets and manufacturing plants, bringing the group's standardized financial operations into the scope of centralized processing. Its operational results are highly significant, with the timeliness of financial processes effectively improved and the error rate gradually declining. The construction of BYD's financial shared service center has not only brought explicit improvements in efficiency and cost, but has also provided a solid financial foundation for BYD's globalization, large-scale development, and diversification through upgraded control, data empowerment, and organizational transformation, making it an important component of its core competitiveness.

### **2.3 Overview of Risk Prevention and Control in BYD's Financial Shared Service Center**

As a leading global enterprise in the field of new energy vehicles, BYD relies on its financial shared service center to undertake the centralized processing of global standardized financial operations. At the same time, it has established a full-process, multi-dimensional digital risk prevention and control system, forming a collaborative control pattern featuring headquarters coordination, shared execution, business front-loading, and audit supervision. On this basis, BYD centrally controls four core risks and implements targeted prevention and control measures.

### **2.3.1 Operational Risk**

As the most common type of risk, operational risk is mainly manifested in document errors, lax review, and fraud. BYD has formulated standardized operating procedures and embedded them into the system, strictly implemented the separation of duties and hierarchical authorization, introduced digital tools such as OCR and RPA, promoted automated operations, and achieved full-process traceability, thereby effectively reducing human errors and fraud risks.

### **2.3.2 Data and System Risk**

Data and system risks are prone to issues such as data distortion and system failures, which affect the accuracy of financial accounting. BYD has established globally unified unique coding for master data, routinely monitors data quality, controls system permissions in accordance with the principle of least privilege, adopts data encryption and dual-active disaster recovery technologies, and introduces blockchain-based evidence preservation to ensure data security and system stability.

### **2.3.3 Compliance and Tax Risk**

As a multinational enterprise, BYD faces issues such as differences in accounting standards and adjustments in tax policies, which may easily lead to tax penalties and reputational losses. BYD has embedded global financial and tax rules into its systems, established a centralized tax shared service module, carried out regular tax risk assessments, and conducted timely inspections of compliance loopholes through dual-track internal and external audit supervision.

### **2.3.4 Fund Risk**

Fund and liquidity risks concern the security of group funds and business continuity, mainly including payment errors, exchange rate fluctuations, and non-compliant cross-border settlements. BYD has implemented global centralized fund control and cash pool management, strengthened full-process verification and traceability of payments, and established a real-time early warning system for exchange rate and fund risks to accurately predict funding gaps and handle abnormal fund situations.

## **3. Problems Existing in the Risk Prevention and Control of BYD's Financial Shared Service Center from the Perspective of Data Governance**

### **3.1 Weak Source Control and Imbalanced Implementation of Core Standards**

BYD's business has expanded into diversified fields such as automobile manufacturing, battery research and development, and new energy applications. It has established more than 30 industrial parks worldwide, with its market coverage extending across six continents. For a long time, different business units and regional branches of the company have continued to adopt their own data statistical calibers and coding rules. Although the financial shared service center has promoted the unified management of master data, core data standards remain inconsistent and their implementation is incomplete. Problems such as duplicate coding and missing information in customer and supplier master data still exist across different business systems, resulting in difficulties in data reconciliation and making it hard to accurately identify compliance and fund risks related to connected transactions and supplier credit. On the one hand, standards for linking business data with financial data have not yet been established, and manually entered data still suffers from issues such as disordered formats and inconsistent statistical calibers, preventing the shared service center from intercepting errors through automatic system validation and thereby exacerbating operational risk. On the other hand, the execution of unified data standards shows significant deviations across departments, hierarchical levels, and regions. Some branch institutions and business units still follow their previous operating habits, while the implementation of systems such as master data specifications and coding rules has become merely formalistic. The lack of effective supervision, performance evaluation, and closed-loop rectification has prevented data standards from being truly implemented and integrated from top to bottom, further affecting the actual effectiveness of the risk prevention and control system.

### **3.2 Insufficient Quality Control and Prominent Data Silos**

As the scale of BYD's financial shared service center continues to expand, various issues such as data silos and shortcomings in quality control have gradually emerged. These problems jointly weaken the synergy and precision of risk prevention and control within the financial shared service center. On the one hand, the phenomenon of data silos has become particularly prominent. The financial shared service center system lacks deep integration with business, taxation, fund management, and other related systems. Incomplete interfaces make it impossible to achieve real-time linkage among business flows, cash flows, and information flows. Business data cannot be synchronized to the shared service center in a timely manner, making it difficult for the center to obtain complete business context during risk review, fund payment, and other control processes, thereby creating obvious blind spots in risk prevention and control. On the other hand, the capability for data quality control is also relatively weak. BYD has not yet established a full-process and normalized data quality control mechanism, and there are control loopholes as well as issues of false, missing, and redundant data in various stages including data collection, entry, processing, and storage. At the same time, the allocation of responsibilities for data quality remains ambiguous, and the rules for automatic system validation are still incomplete, making it impossible to identify and correct abnormal data in a timely manner. In addition, data silos further aggravate the obstruction of data circulation. These dual factors have substantially weakened the effectiveness of data quality control, making it difficult for the risk early warning model to perform its intended role and accurately identify various potential risks.

### **3.3 Weak Talent Support and Difficulty in Matching Professional Competence**

With the continuous deepening of the digital transformation of the financial shared service center, the demand for compound talents in data governance has become increasingly prominent. BYD's financial shared service center has particularly obvious shortcomings in talent support, which have become a key factor restricting the improvement of risk prevention and control effectiveness. At present, most financial staff still regard traditional financial accounting as their core competence and lack comprehensive professional skills in areas such as data governance, information technology application, risk modeling, and early warning. Meanwhile, the insufficient introduction of new-type financial talents makes it impossible to effectively carry out related work. On the one hand, a systematic and normalized talent cultivation system has not yet been established, and there is inadequate specialized training in data governance and risk prevention and control. As a result, the improvement of employees' comprehensive capabilities significantly lags behind the needs of business development. On the other hand, the overall structure of BYD's talent team remains incomplete, with a shortage of compound talents, making it unable to meet the requirements of high-quality and refined risk prevention and control from the perspective of data governance. This further aggravates the weak links in the risk prevention and control of the financial shared service center.

## **4. Causes of the Problems in the Risk Prevention and Control of BYD's Financial Shared Service Center from the Perspective of Data Governance**

### **4.1 Insufficient Strategic Implementation and Missing Supporting Mechanisms**

The core reason for the imbalance in the implementation of core standards lies in BYD's insufficient overall planning of its data governance strategy and the lack of strong supporting mechanisms during the implementation process. At the same time, BYD's business operations are highly complex and geographically dispersed. Before the establishment of the financial shared service center, different business units and regional branches had already formed their own business processes and data management models, resulting in strong path dependence and making it difficult to quickly adapt to the group's unified data standards. On the one hand, during the promotion of data standards, no targeted training or assessment constraints were carried out. Business personnel had an insufficient understanding of the unified standards and failed to implement them effectively. In addition, the principal responsibility for data management in each business unit was not clearly defined, which prevented related technologies such as unified master data coding and standards for linking business and financial data from being truly implemented. On the other hand, the financial and human resource investment required for historical data cleansing was insufficient, and there was a lack of a systematic professional cleansing plan. The inherited data quality problems have

continuously affected the current risk prevention and control work, further aggravating the shortcomings in source control.

#### **4.2 Lagging Technological Planning and Weak Awareness of Risk Prevention and Control**

The insufficient quality control and prominent data silos mainly stem from lagging technological planning, poor coordination mechanisms, and weak awareness of quality control. First, the overall planning of the information system is incomplete. In the early stage of constructing the financial shared service center, the focus was placed on centralized business processing, and a mature and unified system integration platform was not established. Most subsequently added systems, such as taxation and fund management systems, were also independently developed, resulting in inconsistent technical standards and incompatible interfaces. At the same time, departments including business, finance, and information technology lack normalized collaborative communication. Second, in system construction and data governance, there has been no overall design centered on the integrity and coordination of risk prevention and control. The functions of each system focus only on their own business processes while neglecting the need for cross-departmental joint risk prevention and control, resulting in the inability to unify data collection calibers and transmission rules. Business and financial data cannot be synchronized in real time, and the complete information chain required for risk identification is difficult to form, thereby restricting the synergy and penetration of risk prevention and control. Third, the absence of a responsibility system means that the shared service center focuses only on the efficiency of financial accounting while ignoring the importance of data quality. A full-process responsibility system for data quality has not been established, leading to mutual shirking of responsibilities between business departments and the shared service center. In addition, the lack of intelligent validation and early warning tools makes it impossible to correct various data issues in a timely manner, aggravating the problem of obstructed data circulation and ultimately forming a vicious cycle of “data silos–data distortion–weak control.”

#### **4.3 Weak Talent System and Lagging Cultivation Mechanisms**

The core cause of weak talent support in BYD’s financial shared service center lies in the obvious shortcomings of its talent system, as well as the serious lag in the dimensions of cultivation and incentives, which cannot meet the high-quality requirements of risk prevention and control from the perspective of data governance. First, insufficient attention is paid to talent development, and the cultivation mechanism is outdated. Traditional systematic training methods are still being used, with no targeted approach to talent development. This further weakens the actual effectiveness of talent support, aggravates the problem of talent shortages, and ultimately constrains the improvement of risk prevention and control effectiveness. Second, the incentive mechanism is not sufficiently sound, providing inadequate attractiveness for compound professionals with interdisciplinary capabilities. At the same time, it also fails to fully mobilize the enthusiasm of existing internal staff to improve their interdisciplinary capabilities, resulting in insufficient vitality within the talent team and further constraining talent development.

### **5. Optimization Measures for the Risk Prevention and Control of BYD’s Financial Shared Service Center from the Perspective of Data Governance**

#### **5.1 Strengthen Source Control and Promote the Implementation of Standards**

Focusing on the problems of weak source control and imbalanced implementation of core standards, efforts should be made from three dimensions—strategic coordination, standard improvement, and implementation guarantees—to consolidate the data foundation for risk prevention and control. First, the strategic coordination of data governance at the group level should be strengthened by establishing a dedicated data governance task force to coordinate and advance data management across business units and regional branches, break the path dependence caused by traditional data management models, and clearly define the objectives, responsibilities, and implementation timetable of data governance to ensure the orderly progress of all tasks. Second, the data standard system should be improved by refining and formulating unified master data coding rules and statistical calibers, clarifying the linkage standards between business and financial data, eliminating problems such as disordered data formats and caliber deviations, and ensuring standardization and unification at the data source. Third, stronger guarantees should be provided for the

implementation of standards by conducting data standard training with the participation of all employees, incorporating the execution of standards into performance evaluation, clarifying the responsibilities of each relevant party, increasing financial and human resource investment in historical data cleansing, forming a professional working team and formulating a reasonable cleansing plan, completing the standardized rectification of existing data, and properly resolving various historical data issues.

## **5.2 Strengthen Quality Control and Break Data Silos**

To address the prominent problems of data silos and insufficient quality control, it is necessary to take both system integration and quality control into account, break the vicious cycle between the two, and enhance the synergy between data governance and risk prevention and control. On the one hand, the integration and optimization of information systems should be advanced by building a unified data integration platform, standardizing the technical standards of various systems, improving cross-system interfaces, and realizing real-time linkage among business flows, cash flows, and information flows, thereby ensuring that relevant data from business departments can be synchronized to the shared service center in a timely manner. At the same time, a normalized collaboration mechanism among business, finance, and information technology departments should be established to coordinate system construction and optimization and prevent departments from operating in isolation. On the other hand, full-process control of data quality should be strengthened by establishing the concept of data quality as the core, incorporating it into key control indicators, establishing a full-process responsibility system for data quality, clearly defining the rights and responsibilities of each department, and ensuring that all data-related issues are traceable. In addition, system validation rules should be optimized, and intelligent quality assessment and early warning tools should be introduced to conduct real-time data monitoring, promptly correct abnormal data, improve the proactiveness and precision of data control, and enable data to truly provide strong support for risk prevention and control.

## **5.3 Improve the Talent Mechanism and Strengthen Talent Support**

To effectively solve the problems of insufficient talent support and weak risk prevention and control capability in BYD's financial shared service center, systematic measures should be implemented from two aspects to build a scientific and sound talent support system, make up for talent shortcomings, and strengthen talent guarantees for risk prevention and control. First, the cultivation mechanism for compound talents should be improved. In line with the practical needs of data governance and risk prevention and control, customized hierarchical and classified special training plans should be developed, and a combination of online and offline modes should be adopted to promote the transformation of traditional financial personnel into compound talents with capabilities in "finance + data + risk." Second, the talent team structure should be optimized by establishing a special incentive system for compound talents and improving the compensation structure. For talents with interdisciplinary capabilities in data governance, information technology, and risk modeling, special salary subsidies and performance bonuses should be provided to enhance compensation competitiveness, strengthen the attractiveness to outstanding external compound talents, introduce more compound talents, and solve the constraints on talent development.

## **6. Conclusion**

With the increasing global emphasis on environmental protection, the new energy vehicle industry has embraced broad development prospects. As one of the leaders in this industry, BYD's development strategy and market performance will have a significant impact on the entire new energy vehicle sector. Therefore, the risk prevention and control of BYD's financial shared service center is indispensable. Based on the various risk prevention and control problems existing in BYD's financial shared service center, including non-standardized control, data barriers, and insufficient talent support, this paper proposes targeted optimization measures such as strengthening control, improving data quality, and reinforcing talent support. Through these measures, BYD can be promoted toward rapid development, maintain its competitive position in the industry, further expand its influence in the global new energy vehicle market, and become a benchmark enterprise in the new energy vehicle industry.

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## Conflicts of Interest

The authors declare no conflict of interest.

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