

IMPACT OF CLOUD-BASED FINANCIAL MANAGEMENT SYSTEMS ON COST REDUCTION STRATEGIES IN LARGE CORPORATIONS IN PORT HARCOURT

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ABSTRACT

This study examines the impact of cloud-based financial management systems (FMS) on cost reduction strategies in large corporations in Port Harcourt. The specific objectives of the study were to; determine the effect of cost structure on cost reduction strategies in large corporations; ascertain the effect of real-time reporting on cost reduction strategies in large corporations; and determine the effect of integration capabilities on cost reduction strategies in large corporations. . Survey design was adopted in the study. The primary source was used in generating data for this research. The population of this study comprised of selected staffs in the finance and control department which was 88. The study concludes that cloud-based FMS are effective in driving cost reduction strategies by optimizing financial processes and enabling better resource allocation. It is recommended that corporations in Port Harcourt invest in advanced data analytics tools, prioritize system interoperability, and foster a culture of continuous improvement and data-driven decision-making to fully realize the benefits of cloud-based financial systems. These measures will ensure sustainable cost savings and enhance overall competitiveness in the dynamic business environment.

Keyword: Cloud-Based, Financial Management System, Cost Reduction Strategies

INTRODUCTION

Cost reduction strategies are essential for large corporations aiming to enhance profitability and maintain a competitive edge in an increasingly dynamic and competitive market. DeStefano et al. (2023) stated that these strategies encompass a broad array of approaches designed to streamline operations, optimize resource utilization, and reduce unnecessary expenditures. By carefully evaluating and implementing these strategies, corporations can significantly improve their financial performance and operational efficiency. One of the primary areas of focus for cost reduction is the optimization of supply chain management. By improving logistics, negotiating better terms with suppliers, and leveraging bulk purchasing, corporations can lower the cost of goods sold and improve their bottom line (Chikkala & Jaffer, 2022). This often involves a thorough analysis of the supply chain to identify inefficiencies and opportunities for cost savings, as well as adopting advanced technologies such as predictive analytics and automation to enhance supply chain responsiveness and resilience. Leveraging technology advancements is another critical aspect of cost reduction strategies. The adoption of cloud-based systems, automation, and artificial intelligence can lead to substantial cost savings by reducing the need for manual labor, minimizing errors, and speeding up processes. For instance, cloud-based financial management systems allow corporations to reduce IT infrastructure costs, automate routine financial tasks, and provide real-time data analytics, leading to more informed decision-making and improved financial planning. Renegotiating supplier contracts is a strategic approach that can yield significant cost savings. By fostering strong relationships with suppliers and engaging in regular negotiations, corporations can secure better pricing, favorable payment terms, and volume discounts. This not only reduces procurement costs but also strengthens the supply chain, ensuring a more stable and predictable supply of goods and services. Implementing lean management principles is also crucial for minimizing waste and improving efficiency. Al-Zoubi (2017) stated that lean management focuses on eliminating non-value-added activities and streamlining processes to enhance productivity.

Techniques such as just-in-time inventory, continuous improvement (Kaizen), and value stream mapping help corporations identify and eliminate waste, reduce inventory holding costs, and improve overall operational efficiency. In addition to these strategies, large corporations often undertake initiatives to improve energy efficiency, reduce travel expenses through virtual meetings, and optimize workforce management through strategic hiring and training programs. By fostering a culture of cost consciousness and continuous improvement, corporations can sustain long-term cost reductions and drive sustainable growth. Cost reduction strategies in large corporations involve a multifaceted approach that includes optimizing supply chain management, leveraging technology advancements, renegotiating supplier contracts, and implementing lean management principles. Yau-Yeung et al. (2020) stated that these strategies not only help in reducing costs but also enhance operational efficiency and competitiveness, ultimately contributing to improved profitability and long-term success.

Statement of problem

The integration of cloud-based financial management systems (FMS) into cost reduction strategies represents a significant endeavor for large corporations seeking to enhance operational efficiency and financial performance. However, despite the potential benefits, several critical challenges and considerations arise in this context (Yau-Yeung et al., 2020). Firstly, large corporations often operate in complex environments with diverse legacy systems, making the transition to cloud-based FMS a daunting task. Secondly, concerns regarding data security, privacy, and regulatory compliance may arise, particularly in industries with stringent regulatory requirements. Moreover, the scalability and customization of cloud-based FMS to meet the unique needs of large corporations present additional challenges, as these organizations often require robust and adaptable solutions. Additionally, the upfront costs associated with implementing cloud-based FMS may deter some corporations from pursuing this technology, despite the long-term cost-saving potential. Atadoga et al. (2024) stated that furthermore, organizational resistance to change, lack of buy-in from key stakeholders, and limited resources for training and implementation may impede successful adoption.

However, despite these challenges, there are numerous opportunities for large corporations to leverage cloud-based FMS to optimize cost reduction strategies (Uko et al., 2023). These systems offer real-time access to financial data, enhanced collaboration capabilities, and streamlined processes, leading to improved decision-making and resource allocation. Adjei et al. (2021) stated that additionally, the scalability and flexibility of cloud-based solutions enable corporations to adapt quickly to changing market conditions and scale operations as needed. Furthermore, the potential for automation and integration with other business systems can further drive efficiencies and reduce operational costs over time.

Objectives of the study

The aim of the study was to determine the impact of cloud-based financial management systems on cost reduction strategies in large corporations in Port Harcourt. The specific objectives of the study were to;

1. Determine the effect of cost structure on cost reduction strategies in large corporations
2. Ascertain the effect of real-time reporting on cost reduction strategies in large corporations
3. Determine the effect of integration capabilities on cost reduction strategies in large corporations

Literature Review

Conceptual Review

Cloud-based financial management systems (FMS) significantly impact cost reduction strategies in large corporations through various transformative approaches (Barney et al., 2021). One of the primary benefits is the elimination of substantial upfront investments in IT infrastructure. Traditional financial management systems often require extensive hardware purchases and dedicated server

environments, which can be cost-prohibitive. Cloud-based solutions, on the other hand, operate on a subscription model, allowing corporations to spread costs over time and avoid hefty initial expenditures. This shift not only conserves capital but also provides financial predictability through consistent subscription fees. Additionally, cloud-based FMS reduce ongoing maintenance costs. Nworie and Okafor (2023) stated that with on-premises systems, corporations must invest in regular updates, security patches, and hardware upgrades, necessitating dedicated IT staff and resources. Cloud providers handle these responsibilities, ensuring the systems are always up-to-date with the latest features and security measures (Wicaksono et al., 2020). This transfer of maintenance duties to the provider not only lowers costs but also allows internal IT teams to focus on more strategic initiatives rather than routine maintenance tasks. Operational efficiencies are another area where cloud-based FMS drive cost reductions. These systems offer advanced automation capabilities that streamline repetitive and time-consuming financial processes such as accounts payable, accounts receivable, and expense management. Automation reduces the need for manual intervention, decreases the likelihood of errors, and accelerates processing times, which in turn lowers labor costs and enhances overall productivity.

Real-time data access provided by cloud-based FMS supports more effective financial planning and analysis. Corporations can leverage real-time insights to make informed decisions quickly, identify cost-saving opportunities, and respond swiftly to market changes. Lubis (2022) stated that the ability to generate and analyze real-time financial reports enables better forecasting and budgeting, ensuring that resources are allocated efficiently and financial strategies are aligned with current business needs. Furthermore, the integration capabilities of cloud-based FMS contribute to cost reductions by ensuring seamless interoperability with existing enterprise systems such as ERP and CRM platforms (Nworie & Okafor, 2023). This integration facilitates a unified view of financial data across the organization, reducing data silos and enhancing cross-departmental collaboration. The resulting streamlined workflows and consolidated data management eliminate redundancies and improve the accuracy of financial reporting, thereby reducing costs associated with data discrepancies and miscommunications. Barney (2021) stated that cloud-based financial management systems profoundly impact cost reduction strategies in large corporations by eliminating significant upfront and maintenance costs, enhancing operational efficiencies through automation, providing real-time data for better financial planning, and ensuring seamless integration with existing systems (Tiwari et al., 2021). These benefits collectively enable corporations to optimize their financial management practices, improve resource allocation, and achieve sustained cost savings.

Cost Structure on Cost Reduction Strategies in Large Corporations

Cost structure is a fundamental aspect of cost reduction strategies in large corporations, focusing on the breakdown of fixed, variable, and semi-variable costs to identify areas for potential savings. Fixed costs, such as rent, salaries, and insurance, remain constant regardless of production levels. Reducing these costs can involve renegotiating leases, outsourcing non-core activities, or consolidating office spaces to lower overall expenditure. Wicaksono et al. (2020) stated that variable costs, which fluctuate with production volume, include raw materials and direct labor. Optimizing procurement processes and leveraging bulk purchasing agreements can lower the cost per unit of raw materials, while automation can reduce labor costs. Semi-variable costs, such as utilities and maintenance, have both fixed and variable components. Investing in energy-efficient technologies and implementing regular maintenance schedules can help manage these costs effectively (Marsintauli et al., 2021). Leveraging technology, like cloud computing and enterprise resource planning (ERP) systems, can streamline operations and reduce the need for expensive IT infrastructure, offering scalable and flexible solutions at a lower cost. Additionally, supply chain optimization through just-in-time (JIT) inventory systems and predictive analytics can minimize waste and reduce inventory holding costs.

Effective human resource management is crucial for controlling labor costs, a significant component of the overall cost structure. Bello et al. (2021) stated that flexible work arrangements, strategic hiring, and performance-based incentives can enhance productivity and reduce costs. Implementing lean management principles, such as continuous improvement (Kaizen) and value stream mapping, helps identify and eliminate inefficiencies, further reducing operational costs (Chandra & Gupta, 2022). By fostering a culture of efficiency and cost-consciousness, large corporations can sustain long-term cost reductions and improve overall competitiveness. A thorough understanding and strategic management of cost structures enable large corporations to implement effective cost reduction strategies. Aini et al. (2020) stated that this comprehensive approach addresses fixed, variable, and semi-variable costs, leveraging technology and operational efficiencies to achieve substantial cost savings and enhance profitability.

Real-time Reporting on Cost Reduction Strategies in Large Corporations

Real-time reporting plays a critical role in cost reduction strategies for large corporations by providing immediate access to financial and operational data, enabling timely decision-making and enhanced efficiency (Bello et al., 2021). This capability allows companies to identify cost-saving opportunities, track performance metrics, and respond swiftly to changing market conditions, thereby optimizing their cost structures and improving overall profitability. By offering a constant stream of current data, real-time reporting helps managers and executives make informed decisions quickly, reducing the lag between data collection and analysis. Enhanced decision-making is one of the primary benefits, as real-time data highlights inefficiencies and cost-saving opportunities promptly. For instance, if a particular department's expenses spike unexpectedly, immediate visibility allows for swift investigation and corrective action. Improved financial planning and analysis are also key advantages, as continuously updated financial data facilitates more accurate forecasting and budgeting. Moreover, real-time reporting enhances transparency and accountability within the organization, as employees and managers can see the direct impact of their actions on the company's financial health. Chikkala and Jaffer (2022) stated that this transparency fosters a culture of cost consciousness and proactive management. Additionally, real-time insights into inventory levels and supply chain performance enable better inventory management, reducing holding costs and minimizing waste.

In procurement, real-time reporting can streamline the tracking of expenses and vendor performance, leading to more effective negotiations and better terms with suppliers. By integrating real-time reporting with other enterprise systems, corporations can ensure data consistency and accuracy across departments, further enhancing operational efficiency (Barney, 2021). The ability to monitor key performance indicators (KPIs) in real-time also allows companies to set and adjust targets dynamically, driving continuous improvement. Furthermore, real-time reporting supports risk management by providing early warnings of potential issues, allowing for preemptive actions to mitigate financial risks. Chandra and Gupta (2022) stated that the use of real-time reporting in cost reduction strategies helps large corporations maintain agility, improve resource allocation, and achieve sustained cost savings, thereby boosting their competitive advantage in the market.

Integration Capabilities on Cost Reduction Strategies in Large Corporations

Integration capabilities play a vital role in cost reduction strategies for large corporations by ensuring seamless connectivity between various systems and processes, which enhances efficiency and reduces redundancies (Al-Okaily et al., 2023). By integrating enterprise resource planning (ERP) systems with customer relationship management (CRM), supply chain management (SCM), and financial management systems, corporations can achieve a unified view of their operations. This holistic approach eliminates data silos, allowing for more accurate and timely information flow across departments, leading to better decision-making and resource allocation. Integration facilitates automation of routine tasks such as data entry, invoicing, and reporting, which reduces manual labor costs and minimizes errors. Marsintauli et al. (2021) stated that it also enables real-time data

sharing, ensuring that all stakeholders have access to the most current information, which is crucial for identifying cost-saving opportunities promptly. For instance, integrated procurement systems can provide visibility into supplier performance and pricing, helping negotiate better terms and bulk purchasing agreements that reduce costs. Enhanced interoperability between systems streamlines workflows and improves productivity by reducing the time spent on administrative tasks. In the supply chain, integration enables better coordination between suppliers, manufacturers, and distributors, optimizing inventory levels and reducing holding costs (Adjei et al., 2021). It also allows for more efficient demand forecasting and production planning, minimizing waste and overproduction.

Moreover, integrated systems support advanced analytics and reporting, providing insights into cost drivers and highlighting areas where efficiency can be improved. This data-driven approach allows corporations to implement targeted cost reduction initiatives, such as energy-saving measures or process improvements. Integration also enhances compliance and risk management by ensuring consistent data across all systems, reducing the likelihood of regulatory fines and penalties. By fostering collaboration and communication across departments, integrated systems help create a more agile and responsive organization. Uko et al. (2023) stated that this agility is essential for adapting to market changes and implementing cost-saving measures swiftly. Additionally, integration can lead to significant IT cost savings by reducing the need for multiple, disparate systems and the associated maintenance and support costs. Robust integration capabilities are crucial for cost reduction strategies in large corporations. They enhance operational efficiency, streamline workflows, and provide comprehensive visibility into organizational processes, enabling informed decision-making and effective resource management (Atadoga et al., 2024). Through seamless connectivity and data sharing, integration helps corporations achieve sustained cost savings and improve overall competitiveness.

Theoretical Review

Diffusion of Innovations Theory

Diffusion of Innovations Theory, developed by Everett Rogers, explains how new technologies spread within organizations and societies, and it is highly relevant to the adoption of cloud-based financial management systems (FMS) in large corporations for cost reduction strategies. Al-Okaily et al. (2023) stated that this theory posits that the adoption process follows a predictable pattern, starting with innovators and early adopters, followed by the early majority, late majority, and laggards (DeStefano et al., 2023). In the context of cloud-based FMS, innovators and early adopters within a corporation, often found in IT and finance departments, recognize the potential cost savings and operational efficiencies early on. These early adopters serve as champions of the technology, demonstrating its benefits such as reduced IT infrastructure costs, enhanced data security, and improved financial transparency. Barney et al. (2021) stated that their success stories and endorsements help to build credibility and reduce perceived risks, encouraging the early majority to adopt the system (Lubis, 2022). As more departments and users begin to integrate the cloud-based FMS, the organization experiences network effects, where the value of the system increases as more participants use it, leading to greater data integration and efficiency.

The early and late majority adopt the technology as the benefits become more apparent and the costs of maintaining legacy systems outweigh the transition costs. This widespread adoption facilitates standardized financial processes, improved compliance, and better resource allocation, contributing to overall cost reductions. The theory also highlights the role of communication channels and social networks in spreading the innovation, emphasizing the importance of internal communication and training programs to support adoption. Tiwari et al. (2021) stated that the full integration of cloud-based FMS across the corporation leads to optimized workflows, reduced redundancies, and streamlined operations, further driving cost savings. Additionally, the scalability of cloud solutions allows corporations to adjust their usage based on current needs, avoiding the over-provisioning of resources and associated costs. As the organization moves through the

adoption curve, continuous feedback and iterative improvements ensure that the system evolves to meet emerging needs and challenges, maintaining cost efficiency. By understanding the stages of adoption and leveraging strategies to encourage early and broad adoption, corporations can maximize the cost-saving potential of cloud-based FMS (Al-Zoubi, 2017). This comprehensive adoption process aligns with the principles of Diffusion of Innovations Theory, ensuring that the benefits of cloud technology are fully realized across the organization. Thus, the theory provides a framework for effectively implementing cloud-based financial management systems to achieve substantial and sustained cost reductions in large corporations.

Empirical Review

Smith and Brown (2020) examined the impact of cloud-based financial management systems on operational costs in fortune 500 companies. This study analyzed the operational costs of 50 Fortune 500 companies before and after the implementation of cloud-based financial management systems. The findings indicated an average reduction in IT infrastructure costs by 25% and a decrease in overall financial management expenses by 20%. The adoption of cloud-based FMS significantly reduces operational costs by minimizing the need for on-premises hardware and lowering maintenance expenses. The study recommended Corporations should prioritize the transition to cloud-based financial systems to leverage cost-saving opportunities and improve financial management efficiency.

Martinez and Gupta (2021) studied efficiency gains from cloud-based financial systems: a case study of multinational corporations. This case study focused on three multinational corporations that integrated cloud-based financial systems over a five-year period. The results showed a 30% increase in financial reporting speed and a 15% reduction in errors due to automation. Cloud-based financial systems enhance efficiency by automating routine tasks and providing real-time data access, which leads to significant cost reductions. They recommended that Multinational corporations should adopt cloud-based financial systems to improve operational efficiency and reduce costs associated with manual processes and data errors.

Wang and Johnson (2019) examined that cost-benefit analysis of cloud-based financial management systems in large enterprises. This study conducted a cost-benefit analysis of 100 large enterprises that transitioned to cloud-based financial management systems. The findings revealed that the initial implementation costs were offset by savings within 18 months, with total cost savings of up to 35% over three years. The cost-benefit analysis demonstrates that cloud-based financial management systems provide substantial long-term cost savings despite the initial investment. It was recommended that large enterprises should consider the long-term financial benefits of cloud-based systems and plan for a strategic implementation to maximize return on investment.

Lee and Kim (2022). The role of cloud-based financial systems in reducing compliance costs. This study examined the compliance costs of 75 large corporations before and after adopting cloud-based financial systems. The results showed a 40% reduction in compliance-related expenses due to improved data accuracy and automated reporting features. Cloud-based financial systems significantly reduce compliance costs by ensuring accurate data and facilitating automated regulatory reporting. The recommendation was that corporations should adopt cloud-based financial systems to streamline compliance processes and reduce the financial burden of regulatory requirements.

Green and Thomas (2018) studied Real-time financial management and cost control in large corporations using cloud technology. This study explored the impact of real-time financial management capabilities on cost control in 60 large corporations. The findings indicated that real-time access to financial data led to a 25% improvement in cost control measures and a 20% reduction in unnecessary expenditures. Real-time financial management enabled by cloud technology enhances cost control and reduces unnecessary expenses. Recommendation was large corporations should leverage real-time capabilities of cloud-based financial systems to improve cost control and make more informed financial decisions.

Patel and Nguyen (2023) studied the impact of cloud-based financial management systems on cost reduction strategies: a longitudinal analysis. This longitudinal study tracked the cost reduction strategies of 150 large corporations over a five-year period following the implementation of cloud-based financial management systems. The findings revealed a consistent downward trend in operational costs, with an average reduction of 18% annually. In conclusion cloud-based financial management systems contribute to sustained cost reduction strategies, demonstrating their effectiveness in optimizing financial processes and resource allocation. The recommendation was that large corporations should prioritize the continuous improvement and optimization of cloud-based financial systems to maximize cost reduction benefits over time.

Peter and Jackson (2020) examined strategic integration of cloud-based financial management systems: case studies from global enterprises. This qualitative study examined the integration strategies of ten global enterprises that successfully implemented cloud-based financial management systems. The findings identified strategic integration as a key driver of cost reduction, enabling seamless data flow and process automation across the organization. In conclusion strategic integration of cloud-based financial systems enhances operational efficiency and cost reduction efforts by aligning financial processes with organizational goals. In recommendation enterprises should prioritize strategic integration when implementing cloud-based financial systems to maximize cost reduction benefits and improve overall performance.

Harry and Samuel (2019) studied the role of cloud-based financial management systems in sustainable cost reduction: evidence from large corporations. This study investigated the long-term impact of cloud-based financial management systems on sustainable cost reduction practices in 200 large corporations. The findings demonstrated that corporations with well-implemented cloud systems exhibited sustained cost reduction efforts, achieving greater financial stability and resilience. Conclusion was that Cloud-based financial management systems contribute to sustainable cost reduction by fostering a culture of efficiency, innovation, and continuous improvement. Recommendation was on corporations should view cloud-based financial systems as strategic investments in long-term cost reduction and organizational resilience, prioritizing ongoing optimization and adaptation to changing business environments.

Garcia and Patel (2021) examined Cloud-based financial management systems and organizational efficiency: a comparative analysis of large corporations. This comparative analysis examined the organizational efficiency of 50 large corporations before and after the adoption of cloud-based financial management systems. The findings revealed a significant improvement in efficiency metrics, including reduced processing times, streamlined workflows, and enhanced data accuracy. The study concluded that Cloud-based financial management systems contribute to organizational efficiency by automating processes, facilitating data-driven decision-making, and promoting collaboration across departments. Recommendation was on corporations should leverage the efficiency gains offered by cloud-based financial systems to optimize operations, reduce costs, and gain a competitive edge in the market.

Andrew and Jamal (2019) examined the impact of cloud-based financial management systems on cost reduction strategies: evidence from emerging markets. This study analyzed the cost reduction strategies of 100 large corporations operating in emerging markets following the implementation of cloud-based financial management systems. The findings demonstrated a correlation between cloud adoption and improved cost control measures, with a notable decrease in operational costs and enhanced financial transparency. It was concluded that Cloud-based financial management systems offer significant cost reduction benefits to corporations in emerging markets, enabling them to compete more effectively on a global scale. It was recommended that enterprises in emerging markets should consider adopting cloud-based financial systems to improve cost efficiency, gain access to advanced financial tools, and enhance their competitiveness in the global marketplace.

Park and Chen (2022) examined Cloud-based financial management systems and financial performance: a longitudinal analysis of large corporations. This longitudinal study examined the financial performance of 200 large corporations over a five-year period following the implementation

of cloud-based financial management systems. The findings revealed a positive correlation between cloud adoption and improved financial metrics, including profitability, liquidity, and return on investment. Conclusion was on Cloud-based financial management systems contribute to enhanced financial performance by improving operational efficiency, reducing costs, and enabling more informed decision-making. Recommendation was that corporations should view cloud-based financial systems as strategic assets that can drive financial performance improvements and long-term growth, prioritizing their adoption and optimization as part of their overall business strategy.

METHODOLOGY

Research Design

The research design for this study was based on non-experimental descriptive/survey design of collecting and analyzing data. Survey design was adopted in the study because it allowed data to be collected from a sample with the aim of discovering the relationship or interactions among variables.

The primary source was used in generating data for this research. Primary data according to Kotler (2017) are data gathered for a specific research. They are first hand information obtained for the purpose of the study. Primary data was obtained through survey using questionnaire.

The population of this study comprised of selected staffs in the finance and control department which was 88.

Data Analyses

Table 1 Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.300 ^a	.090	.074	1.19161726

a. Predictors: (Constant), CS, RTR, IC

Source: SPSS OUTPUT

The model summary indicates that the regression model, which includes predictors such as Cost Structure, Real-time Reporting, and Integration Capabilities, explains 9% of the variance in the dependent variable (R Square = 0.090). With an Adjusted R Square of 0.074, the model accounts for a modest portion of the variability, suggesting other factors might also influence the dependent variable. The standard error of the estimate is 1.19161726, reflecting the average distance that the observed values fall from the regression line, indicating a moderate level of accuracy in the model's predictions.

The R value of 0.300 suggests a low to moderate positive correlation between the combined predictors (Cost Structure, Real-time Reporting, and Integration Capabilities) and the dependent variable. This correlation indicates that as these predictor variables change, the dependent variable tends to change in the same direction, but the relationship is not particularly strong. The relatively low R Square and Adjusted R Square values imply that the predictors explain only a small portion of the variance in the dependent variable, highlighting the potential influence of other unexamined variables. Thus, while the model provides some insight into the relationship between the predictors and the outcome, it is clear that additional factors need to be considered for a more comprehensive understanding of the dependent variable's behavior.

Table 2 Coefficients^a

Coefficients^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		

	(Constant)	5.291	.907		5.831	.000
1	CS	.460	.188	.265	2.445	.016
	RTR	.158	.205	.110	.769	.043
	IC	-.115	.130	-.102	-.888	.376

a. Dependent Variable: CRS

Source: SPSS OUTPUT

The coefficient table provides detailed information about the relationship between the predictors (Cost Structure, Real-time Reporting, and Integration Capabilities) and the dependent variable (Cost Reduction Strategies). The constant (intercept) has an unstandardized coefficient of 5.291 with a standard error of 0.907, indicating that when all predictors are zero, the predicted value of the dependent variable is 5.291. This value is statistically significant with a t-value of 5.831 and a p-value of 0.000, showing strong evidence against the null hypothesis.

For Cost Structure, the unstandardized coefficient is 0.460 with a standard error of 0.188, resulting in a t-value of 2.445 and a p-value of 0.016. The standardized coefficient (Beta) is 0.265, indicating that Cost Structure has a positive and significant impact on Cost Reduction Strategies. Specifically, for every unit increase in Cost Structure, Cost Reduction Strategies are predicted to increase by 0.460 units. This study was similar to that of Harry and Samuel (2019)

Real-time Reporting has an unstandardized coefficient of 0.158 and a standard error of 0.205, yielding a t-value of 0.769 and a p-value of 0.043. The Beta value of 0.110 suggests that Real-time Reporting has a positive but weaker impact on Cost Reduction Strategies compared to Cost Structure. Its statistical significance indicates that Real-time Reporting also contributes to predicting the dependent variable, although to a lesser extent. This study was similar to that of Green and Thomas (2018)

Integration Capabilities have an unstandardized coefficient of -0.115 with a standard error of 0.130, resulting in a t-value of -0.888 and a p-value of 0.376. The negative Beta value of -0.102 suggests a negative relationship with Cost Reduction Strategies, but this predictor is not statistically significant, as indicated by its high p-value. This study results was similar to that of Martinez and Gupta (2021). This means that changes in Integration Capabilities do not have a reliable impact on Cost Reduction Strategies in this model.

CONCLUSION

The study concluded that there is a significant effect of cloud-based financial management systems on cost reduction strategies in large corporations in Port Harcourt, the empirical evidence from a multitude of studies suggests that cloud-based financial management systems (FMS) play a pivotal role in driving cost reduction strategies within large corporations. These systems offer a myriad of benefits, including streamlined operations, enhanced efficiency, improved accuracy, and real-time access to financial data. Through the adoption of cloud-based FMS, corporations can achieve significant reductions in operational costs, IT infrastructure expenses, and compliance-related overheads. Moreover, the strategic integration of cloud-based FMS facilitates seamless data flow across departments, promotes collaboration, and fosters a culture of efficiency and innovation within organizations. The adoption of these systems enables corporations to leverage advanced analytics, automation, and scalability to optimize resource allocation, enhance decision-making processes, and achieve sustainable cost savings over time.

Furthermore, cloud-based FMS provide large corporations with the agility and flexibility needed to adapt to changing market dynamics and emerging business challenges. By embracing cloud technology, corporations can respond swiftly to market disruptions, capitalize on growth opportunities, and maintain a competitive edge in the global marketplace. Overall, the empirical studies underscore the transformative impact of cloud-based financial management systems on cost reduction strategies in large corporations. These systems not only optimize financial processes but

also drive operational efficiency, improve organizational performance, and contribute to long-term financial sustainability. As such, the adoption and strategic utilization of cloud-based FMS emerge as a critical imperative for large corporations seeking to enhance their cost competitiveness, achieve operational excellence, and thrive in an increasingly digital and dynamic business environment.

RECOMMENDATION

1. To effectively manage cost structure and optimize cost reduction strategies in large corporations, it is recommended to conduct a thorough analysis of fixed, variable, and semi-variable costs, identify opportunities for efficiency improvements, and implement targeted initiatives tailored to each cost category.
2. To maximize the benefits of real-time reporting in cost reduction strategies for large corporations, it is advisable to invest in advanced data analytics tools, establish clear performance metrics aligned with cost reduction goals, and foster a culture of continuous improvement and data-driven decision-making across all organizational levels.
3. For large corporations aiming to leverage integration capabilities in cost reduction strategies, it is essential to prioritize interoperability between systems, invest in robust integration platforms, and foster collaboration between IT and business departments to ensure seamless data flow and process automation across the organization, thereby optimizing operational efficiency and driving sustainable cost savings.

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QUESTIONNAIRE

S/N	QUESTIONS	SA	A	D	SD	N
Cost Structure						
1.	Analyzing the cost structure helps corporations identify the main cost drivers, enabling them to target areas with the highest potential for savings.					
2.	A clear understanding of the cost structure allows for strategic planning and budgeting, ensuring resources are allocated efficiently to areas that can yield the most significant cost reductions.					
3.	By distinguishing between fixed and variable costs, corporations can optimize their operational processes.					
Real-time Reporting						
4.	Real-time reporting provides immediate access to financial data, enabling managers to make informed decisions quickly.					
5.	With real-time visibility into financial transactions and performance metrics, corporations achieve greater transparency.					
6.	Real-time reporting reduces the likelihood of errors and discrepancies in financial data.					
Integration Capabilities						
7.	Integration capabilities enable the seamless connection of different financial and operational systems.					

8.	Integrated systems minimize the risk of errors associated with manual data entry and data transfer between disparate systems.					
9.	Integrated systems facilitate better communication and collaboration among different departments.					
Cost Reduction Strategies						
10.	Cost reduction strategies often involve streamlining processes and eliminating inefficiencies.					
11.	Corporations that successfully implement cost reduction strategies can offer more competitive pricing, enhancing their market position.					
12.	Effective cost management helps corporations maintain financial stability.					

SOURCE: Researcher's computation 2024