

Artículo de investigación

Management Mechanisms for Small Enterprises**Механизмы Управления Предприятиями Малого Бизнеса****Mecanismos de gestión para pequeñas empresas**

Recibido: 3 de agosto del 2019

Aceptado: 7 de septiembre del 2019

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https://elibrary.ru/author_items.asp?authorid=534398**Abstract**

In this article, the authors have reviewed some problems related to the generation of information in the management accounting system in small businesses engaged in manufacturing. The authors have shown possible ways of solving these problems considering specific features pertaining to the operation of small enterprises, including organization of cost and responsibility centers, application of components of standard accounting of direct manufacturing costs, as well as identification of any deviations from the standards of resource consumption rates, features of budgeting and its role in the mitigation of entrepreneurial risks.

Keywords: Information, provision, management, management accounting, deviations from standards, budgeting.

Introduction

The adoption of managerial decisions at small enterprises has specific features, including the following: focus on the implementation of creative ideas, moderate level of management qualification, lack of experience of relations with the external market environment, as well as lack of understanding that it is important to provide management with accounting and analytical data in the course of managerial decision-making. Specific features of small enterprises also include a moderate focus on the profitability of operations, which impacts the attitude of owners

Аннотация

В статье рассматриваются отдельные проблемы формирования информации в системе управленческого учета на предприятиях малого бизнеса, занимающихся производством продукции. Показаны возможные пути их решения с учетом специфики функционирования малых предприятий: организация мест возникновения затрат и центров ответственности, применение элементов нормативного учета прямых производственных расходов, выявление отклонений от норм расходования ресурсов, особенности бюджетирования и его роль в сокращении предпринимательских рисков.

Ключевые слова: информация, обеспечение, управление, управленческий учет, отклонения от норм, бюджетирование.

and managers towards issues related to information support of their activities and execution of management functions. The practice of activities carried out by small enterprises shows that there is not enough information for the adoption of managerial decisions (Vakhrameeva, 2015, p. 17). However, this gradually helps owners realize that it is necessary to provide wider accounting and analytical support to operations, making it necessary for managers to establish and develop management accounting. This opens up possibilities to

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identify, collect, measure, prepare, interpret and provide information, which helps managers to adequately perform their functions, especially since owners aim for increasing operating profitability not only for business development and expansion but also for personnel social security.

Materials and Methods

The dialectical method, which we use as the general approach to understanding the subject under review, serves as the methodological basis of the research. In the study, we applied management accounting, as well as standard methods for the analysis and assessment of various data. We also applied general scientific methods, such as logical summarization, systematic approach, economic and legal analysis and various hypotheses.

Results

Most researchers believe that management accounting constitutes an information system which comprises planning, budgeting, control and economic analysis of a company's economic activities at all stages of managerial decision-making (Sitnikova, 2017). This means that through the organization of management accounting, the management system at small enterprises is provided with planned, relevant and analytical information concerning the operating efficiency of small enterprises. Furthermore, the management accounting system makes it possible to provide forecast information about possible entrepreneurial risks in future reporting periods and, consequently, helps to achieve strategic goals pursued by small enterprises.

When considering possible options for organizing management accounting at manufacturing enterprises, it is necessary to consider the absence of methodological materials related to the organization of management accounting regardless of forms of ownership or sectors, in which businesses operate, and, consequently, difficulties associated with their introduction at small enterprises. However, one should understand that it is necessary to start introducing management accounting, first and foremost, by studying what current economic information owners and managers need to make managerial decisions. To this end, it is advisable to formulate normative, budget, planned indicators that a small enterprise must achieve to generate minimum profit. Above all, this should be done to mitigate tax risks and keep employees

financially motivated. These risks should be calculated in terms of cost and responsibility centers, which need to be determined at a small enterprise.

Thus, during the initial stage of management accounting introduction at small enterprises, attention is to be paid to operating indicators characterizing data on expenses (planned and actual), income (planned and actual) and financial results (actual and planned profit and losses). To make current managerial decisions, managers who are responsible for these indicators in cost and responsibility centers should be provided with daily data on them in the form of deviations from planned, budget, estimated or standard numbers, which are set for an indicator. For this purpose, a totality of budget (planned, standard) costs per each cost and responsibility center is set and revenue planning is carried out; upon the end of a specified time period (five days, a week and ten days), deviations are identified in every type of cost and income and relevant information is provided to responsible officers, managers and owners. If necessary, compliance reports on specific standards in natural and cost terms with regard to the reasons and those who are responsible for deviations from the standards, as well as the measures that need to be taken to solidify positive deviations (resource-saving), reduce or prevent over-expenditure in the future, are provided for shorter periods. Periods for information to be provided are determined based on criteria of deviations from standards or planned indicators, their specific weight in total spending of resources and significance for the small enterprise, as well as the perception of information, influence on financial results and others.

At the initial stage, the application of the most sufficient elements of management accounting and the use of information about income and expenses to optimize the performance of a small manufacturer allows evaluating the system's efficiency. It also allows developing measures aimed to improve the quality of information support for managerial decisions concerning managed objects and components of the external environment, which influence the enterprise's performance.

Since a simplified taxation system is applied by small enterprises and especially micro-enterprises, personnel of which does not exceed 20 people and revenue is under 120 million rubles (About development small and average enterprise in Russian Federation, 2007), in

management accounting, it is advisable to focus on the application of a complete set of instruments for planning, budgeting, control and economic analysis of income and expenses. Initially, the relevant information is generated in financial accounting on the basis of norms of federal standards. Later, this information is used for the application in management accounting either through a system of transition accounts or directly.

When forming management accounting for every stage of product design and elaborating production technology and every technological process, it is necessary to calculate data on income and expenses, deviations in them in cost centers, reasons and those responsible. The optimization of management by deviations is promoted by a set of typical managerial decisions that can be used in bringing actual numbers into compliance with planned indicators or in adjusting established standards and targets. To tighten control over low-level managers' compliance with targets and indicators, it is important not only to make them responsible in cost centers but also to supplement a company's reward statute with rules setting bonus amounts, including for the achievement of targets with regard to income and expenses, as well as deviations from the standards.

To tighten control over total income and expenses in cost centers, we find it reasonable to differentiate in them points of responsibility, as proposed by A.V. Nazarevich (Nazarevich, 2009, p. 58). As the researcher thinks, a point of responsibility is "a place at an enterprise where a technological operation is carried out using means and subjects of labor where there can be an employee in charge" (Nazarevich, 2009). The totality of points of responsibility, as A.V. Nazarevich believes, constitutes a responsibility zone (Nazarevich, 2009). In our opinion, it is hardly feasible to distinguish between these two categories because they are substantially alike. Cost centers spread not only to production units but also to management divisions, as well as to units engaged in innovation, which is typical for small enterprises. From this point and onward, responsibility centers will be places where the formation of added value is complete while preparing, creating and selling products, performing work, providing services and where an employee in charge can be appointed.

Deviations from specified rates of resource use in a small manufacturing company and, above all, deviations from standards of direct costs – material and labor resources – are the most

significant in the aggregate totality of a company's expenses, which influence profitability. If deviations are found from resource spending standards directly in the production, then it is possible to speak about the use of the normative method of accounting and the elaboration of measures in order to reduce standard production expenses by introducing scientific planning and technical measures. When applying them in the production, it is possible to measure their influence on the increase in the additional product and the reduction in production costs at the stages of a technological process. Further economic analysis of the execution of these measures will make it possible to reveal a deep potential of cost reduction in a small manufacturing company.

It is necessary to make records of work in process at small enterprises by using the method of evaluation based on standard expenses related to direct costs in order to accurately calculate prime costs, work and services in the management accounting system, which is based on components of the normative method that include the identification of deviations from the standards of direct costs. To this end, methods aimed to calculate work in process are widely used based on the comparison of aggregate actual expenses, which are recorded to production in the current month, including work in process at the beginning of the reporting month at the specified standards and the actual production cost of products made during the reporting period in terms of calculated cost items, and the actual production cost of products finally rejected as defective for the reporting period and the cost of production waste to be returned to production. Upon calculation of the actual cost of work in process, there is a possibility to calculate deviations from the standard cost of work in process and later for every item calculated to determine deviations from the standards, to identify reasons and employees in fault, to plan measures aimed to eliminate unfavorable consequences for production costs and a decrease in financial results. As calculations of this sort are made automatically, we support a proposal made by the authors who believe that it is feasible to calculate deviations from the actual cost of work in process from the standards for short periods within a reporting month (Bulgakova, 2018, p. 28). When applying the normative accounting method to production expenses, tighter control over work in process will make it possible to expand the scope of information to make more reasonable managerial decisions and to reduce entrepreneurial risks.

The making of managerial decisions at small enterprises is stipulated not only by the standardization of expenses, based on which the relevant information totality is used in management, but also by the budgeting of separate areas of their activities. For the purpose of management optimization, data on the compliance with the budgets during planned periods provide interaction with the performance, allowing enterprises to make efficient use of resources and providing the required level of financial stability and financial independence of business.

Budgets, which are currently compiled by enterprises, are divided in strategic, tactical and operative (Bardeckaya, 2018, p. 1276). The compilation of each of them unites a totality of targets that a small enterprise plans to achieve depending on its goals. Strategic budgets are compiled in order to determine targets that are planned to be achieved while executing strategic goals. Tactical budgets usually have a shorter period of execution; their implementation is characterized by tactical measures, which are ultimately required to fulfill strategic tasks. Meanwhile, these budgets are stipulated by the measures, which are planned to be taken during a long period of a small enterprise's operation. Thus, the development of budgets and the determination of targets set for a definite period of time have strategic goals, stipulate control over actual indicators, identify reasons behind the failure to achieve budget targets and consequently aim to achieve targets in the context of specific measures. Budgeting plays a decisive role for small producers, which often operate without pursuing strategic goals, because budgeting contributes to optimizing operations and improving the quality of managerial decisions.

Budgets are stipulated by the types of activities, which are typical for business units: operating (current, usual), investment and financial. In the complex of interrelations, budgets of these types of activities are the fullest. However, small enterprises, even if they produce something, should compile, on the one hand, less detailed budgets and, on the other hand, they should limit themselves to the most topical ones given features of operations. Furthermore, the ratio between expenses and benefits is a must when organizing and introducing any information system at a small enterprise. Only when expenses incurred to organize and operate the management accounting system are lower than benefits that this system will generate to reduce an enterprise's expenses on the basis of the

optimization of managerial decisions, it can be evaluated as rational and effective.

Conclusion

Operation of small manufacturing enterprises is characterized by features, which influence the formation of an information system and the adoption of managerial decisions. Operational challenges faced by small enterprises in the modern market conditions allow us to say that management optimization at small manufacturing enterprises is based on the information from management accounting. Organization and formation of management accounting at small manufacturing enterprises should be based on data on income and expense in the context of planned, standard, budget and actual indicators and deviations from the standards, as well as on the periodical presentation of these data to various levels of management in the form of reports, with an indication of reasons and people responsible for deviations from the tasks specified. It is proposed to set criteria of how often to compile these reports for management purposes and to include indicators related to deviations from targets for rewards to be paid to employees who are responsible for their accomplishment.

The article substantiates the need for bringing responsibility centers beyond actual expenses and the compliance with the standards and determines them, as well as substantiates the feasibility of using elements of normative accounting of production expenses in the management accounting system not only to generate data on expenses and to comply with their targets in cost and responsibility centers but also to optimize standard expenses by introducing scientific and technological measures.

By calculating the actual cost of work in process and standard expenses related to work in process during a reporting month, it is proposed to reveal deviations from the standards and to make managerial decisions in order to reduce production expenses and to improve financial results of a small production enterprise. While using budgeting as a management accounting tool, the article shows features of budgeting types. We propose to compile budgets taking into account features of a small enterprise, to meet its tactical and strategic tasks in the context of the compliance with the expenses/benefits ratio when organizing and introducing management accounting. We believe that our proposals aimed to introduce and handle management accounting,

which we substantiated in the article, will make it possible to optimize information support of managerial decisions and reduce expenses related to their execution.

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