

The current situation of the company's comprehensive budget management and suggestions for improvement

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Abstract—Budget management is a modern enterprise management tool that has been proved by practice. It is widely adopted by large and medium-sized group companies in China, but there are still many problems in the implementation process, which affects the all-round advancement of budget management. This paper analyzes the current situation of the overall budget management of the group company, and puts forward the suggestions for improving the overall budget management of the group company based on the problem. It hopes to provide reference for the management of similar enterprises.

Keywords: group company budget management status suggestion

1 INTRODUCTION

Group company definition

A group company is a group company that organizes and acts together for a certain purpose. It refers to capital as the main link, with the parent company as the main body and the group charter as the common behavior. The parent company, subsidiaries, shareholding companies and others A corporate legal entity formed by members. A group company in the general sense refers to a large company with many production and operation organizations. It generally operates large-scale assets, governs many production and business units, and has its own interests in many other companies.

2 The importance of comprehensive budget management

Comprehensive budget management refers to the strategy-oriented, comprehensive forecasting and planning of business activities and corresponding financial results in a certain period of time in the future, scientifically and rationally allocating various financial and non-financial resources of the enterprise, and supervising the implementation process. And analysis, evaluate and feedback the implementation results, guide the improvement and adjustment of business activities, and then achieve the activities of the company's strategic goals. Comprehensive budget management is an integrated management system with full participation of the budget concept, comprehensive coverage of business scope, and full tracking of management processes.

(1) Budget management is strategic management. The ultimate goal of budget management is to realize the strategy of the enterprise. The combination of the two achieves the highest level of enterprise management, financial management and performance management, and embodies the concept that enterprise management is centered on financial management and financial management is based on budget management.

(2) Budget management is system management. A sound budget system is a reflection of a well-established corporate

governance structure. Through the collection of data and forms, it reflects the cycle of people, finances, and materials that are highly concerned by enterprises from input to output, through the production capacity, core resources, technology, and scale of enterprises. With the creation of hard power, the tempering of soft power such as corporate brand, corporate culture, innovation ability and management ability can enhance the core competitiveness of the company.

(3) Budget management is process management. A company, especially a group-type enterprise, whether it is a medium- and long-term or short-term business strategy, should have a plan, form a complete budget through decomposition and refinement, and then follow the budget, which is the requirement of enterprise standard management.

(4) Budget management is the central task management. The essence of budget management is based on reality, taking the existing resources of the enterprise as the starting point, anchoring the profit target of a future business cycle, arranging the future through budget preparation, grasping the future through budget control, adjusting the budget through budget adjustment, and serving the future. The specific behavior to achieve the purpose of controlling the future.

The current status of 3 group company's comprehensive budget management

Budget management effectively motivates employees and effectively enhances their business. In the actual operation, the following problems still exist in the comprehensive budget management of the group company.

3.1 The budget management system is not in place and is not implemented.

The system of comprehensive budget management can be divided into basic system, work system and responsibility evaluation system. The basic system has an organizational system and a management system. The work system has a budget preparation, implementation, reporting, and analysis system.

The responsibility evaluation system includes departmental responsibilities, work standards, budget target responsibility, and assessment and supervision systems.

3.1.1 The overall budget management system is imperfect and there are omissions

The budget management system established at the beginning often only has a clear system for budget preparation and control, and there is no strict budget system in terms of budget organization management, budget reporting and analysis system, departmental responsibilities and work standards. Supporting, resulting in a comprehensive budget management does not form a unified closed loop, and there is no clear responsibility.

3.1.2 The overall budget system is out of shape during implementation

For example, if the budget adjustment problem occurs, according to the various objective reasons in the business cycle, if the policy or external conditions change greatly, the budget should be adjusted in time, but it is often not implemented according to the adjustment procedure. The assessment shows that the budget deviation is large.

3.1.3 There is no awareness of comprehensive budget management

At the beginning of the implementation of comprehensive budget management, the company has a lack of understanding, and there are certain deviations in understanding. The involved people are more resistant to the situation. It is often considered that budget management is a matter of the finance department. Identify a set of financial data and are unwilling to participate actively.

3.2 Budget Management lacks strategic orientation

If the shareholders or management of the group company lacks a comprehensive and long-term plan for the company, it will directly affect the establishment of the strategy and will also affect the layout of the overall budget management. When convening an annual budget start-up meeting or issuing a budget preparation notice, the group company must clarify what the objectives of the next business cycle are, what are the tasks of each budget unit, and what kind of business strategy and functional strategy to implement, so that each budget unit follows the group. It is only global that the company's platoons are going to "charge". Otherwise, the budget submitted by the respective governments lacks unified planning, and the degree of recognition and implementation is often low, and its binding force is very limited. This will not only result in unscientific resource allocation, but also unreasonable goals set for the subsidiary, which will bring contradictions to the later budget assessment.

3.3 Budget preparation, execution, assessment and other aspects are not standardized

3.3.1 The problem of a single way of existence in the budget preparation process

Subsidiaries within a group company are generally in different business cycles, and different methods should be used due to different starting points of the budget. For example, enterprises in the initial stage should start with capital as the starting point, and enterprises in the long-term direction should start with sales. The mature enterprises require cost as the

starting point. If they use a starting point to prepare the budget, it will be scientific. How to choose the zero-based budget? In terms of incremental budget, flexible budget and static budget, it may choose to adopt incremental budget and static budget for the sake of simplicity. This will easily lead to budget slack, which will make each responsible unit lack the motivation to reduce costs.

3.3.2 Budget execution, lack of effective control and adjustment measures

The overall budget is arranged by the group companies according to the overall objectives. Once the budget is released, it should be rigid. Under normal circumstances, it cannot be broken. If it is affected by force majeure factors during the implementation process, the budget should be adjusted in time according to the actual situation. Otherwise, it will lead to The difference in execution is too large to advance.

3.3.3 Budget assessment link, out of line with performance evaluation and rewards and punishments

The budget provides performance evaluation criteria, how to combine the budget process, results and performance evaluation, so that budget management becomes an effective tool that can increase the benefits for enterprises and ensure the interests of employees, and achieve better integration. The enthusiasm of implementing budget management has been mobilized, and the effect of achieving a virtuous circle is a problem that needs to be improved in the promotion of comprehensive budget management.

3.4 The informationization of budget management is relatively lagging and needs to be strengthened

In order to improve the efficiency of budget management, the interface between budget management software and financial software should be implemented, so that the budgeting, budget control, budget adjustment, budget analysis, data and process of assessment indicators can be shared in the system, and the data sources are consistent and clear.

3.5 The overall quality of financial personnel is lacking and needs to be improved

In the overall budget management, the tasks of financial personnel are more arduous than other departments, such as budget preparation, budget analysis and assessment operations, financial and business integration issues, communication with other departments, etc. Higher requirements.

4 Suggestions on strengthening the comprehensive budget management of the group company

4.1 Strengthen organizational security and system construction

Before implementing the comprehensive budget, we should first improve the organizational system construction and system construction of comprehensive budget management. Through training, improve the awareness of all employees on the overall budget, and clarify the responsibilities of personnel at all levels in budget management. The implementation of comprehensive budget management as a corporate culture enables the comprehensive budget behavior to penetrate all

aspects and aspects of the group's production and operation.

4.2 Establish a strategy-oriented management philosophy

(1) The overall budget should be guided by the strategic objectives. It must be personally played by the chairman and general manager of the group company to drive the participation of all departments and employees, and through the preparation and implementation of the budget, to maintain effective communication between the departments and promote each other. The unification of the behavioral attitudes of the people at the level, ensuring that the budget is synchronized with the strategic goals of the enterprise.

(2) In the fierce market competition, enterprise managers should not only pay attention to the future development prospects, but also prevent possible operational risks, plan business activities in advance through budget management, analyze opportunities or threats in their industries and external environment, and identify them. The advantages or disadvantages of resources, capabilities, management teams, etc., to prevent risks and respond to crises.

(3) Through a complete budgeting process, the "probability" of the forecast becomes the "must" of the budget, the "program" of the plan is changed into the "target" of the budget, and the external constraint is transformed into endogenous power, which makes the open source and expenditure reduction, cost reduction and efficiency increase become the conscious actions of all the personnel of the enterprise, and through continuous strengthening to form a corporate culture.

4.3 Implementing comprehensive budget process management

4.3.1 Planning budget reporting system and budget management process

Comprehensive budget management always has to go through the hardships from scratch, from the whole to the whole, from the whole to the fine, and should establish and improve a set of budget statement preparation system according to the business development needs of the group company, and at the same time formulate the budget management with it. Control process.

4.3.2 Reasonable determination of budget preparation method

Different budgeting starting points are adopted for projects with different life cycles, and different responsibility units are combined with the variable budget method and zero-based budgeting method to budget, so that enterprise resources can be effectively allocated and the budget goals become more reasonable.

4.3.3 Strengthen control during budget implementation

Strictly implement the rigid principle of budget control; preset the conditions for triggering budget adjustments. Items that meet the adjustment conditions should be approved by the initial budget approval process, and budget adjustments can be implemented. Put an end to the "two skins" phenomenon in the budget and the actual situation, and maintain the seriousness of the budget.

4.3.4 Adhere to the principle of linking budget assessment to performance

As the assessment is oriented, the group company will pay more attention to the work in that aspect. Therefore, to improve the implementation of comprehensive budget management, it is necessary to establish an incentive mechanism and a constraint mechanism to list the key contents of the assessment as budget indicators. Improve the problems found in the budget assessment in a timely manner, implement the continuous improvement of budget management, and achieve the improvement of enterprise efficiency.

4.4 Enhance the efficiency of financial management and budget management through information technology

(1) Under the same software management platform, establish a financial accounting system that matches the budget management, refine the accounting subject settings to make it consistent with the granularity of budget management requirements; and perform accounting-assisted accounting functions and budget responsibility centers. Combine the divisions to achieve data source synchronization, consistent dimensions, improve the accuracy and timeliness of budget analysis, and ensure that the data extracted during budget assessment is fast and accurate.

(2) Develop a budget management module in the financial software, set the budget approval and deduction function in the financial approval process, set the budget overrun warning prompt function, and feedback the budget deduction to the approver for the first time to make it accurate. Grasp the progress of budget execution, realize the seamless connection between financial management and budget management, and improve management efficiency.

4.5 Strengthen the quality of financial personnel and budget staff

(1) Pay attention to the training of financial personnel management accounting ability, consciously guide financial personnel to transition from traditional financial work to management work, let financial personnel participate in business work, accurately grasp the company's business model and business operation steps, and engage in business. In the first line, use data analysis to find problems and propose improvements to achieve financial integration.

(2) The dual requirements of information management and financial management should be aimed at improving the software operation level of financial personnel and budget staff.

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