ACCOUNTING INFORMATION FOR BUSINESS MANAGEMENT

Anna Látečková
Slovak University of Agriculture in Nitra, Slovakia

Abstract

The basic requirement for a quality business management is the availability of required information. Information architecture of enterprise and accounting should create unit, which allows to synchronize opportunities of the enterprise information system with the requirements of managers for management and decision. The main objective of this article is to present the accounting as an essential source for business management with emphasis on the availability of accounting information in real time. In order to meet the objective were applied basic methods of analysis, synthesis, and deduction. We used the informational sources from available domestic and foreign literature. Data of analysis are derived using the method of structured questionnaire, applied in the chosen set of enterprises (30 agri-food enterprises), and selected software products. To meet the objective of the paper we used also another methods: observation and interviews with managers in selected companies, information system providers, developers of software companies. We accomplished the analysis of current situation on the market with business information systems. After the synthesis and comparison of obtained data, we concluded the results that are presented in this paper. The outcome of our research is the fact that managers require actual, objective information with an immediate overview of important economic indicators and remote access to such information. Accounting as an integrating tool of business information system meets all the stated requirements and in combination with the latest technologies, such as open source software and cloud solutions, is an indispensable information source for business management.

Keywords: information, software, accounting, business management

Introduction

The rapid development of information and communication technologies and their entrance into practice, enable to achieve competition advantage.

In April 2005 the European commission submitted the General Programme for competitiveness and innovation (2007-2013) that provides essential and continuous legal foundations for the activities of the Association, having common overarching goals increasing competitiveness and innovation. The subprogramme: assistance to the politics of information ad communication technologies (IKT) indicates a significant element within the programme and it is seen as the base of acquaintance economy.

Setting out the arranged directions into the practise should assure long-term prosperity for enterprises on international markets. It demands skilled managers and perpetual innovation of the business’s information system. According to some authors (Vymětal, 2006, Tiruneh, 2004) in developed economies it is no longer the main goal to make the manual labour more effective, but to increase the productivity of acquaintance employees, whose main instrument denotes the information technology.

The information are at the beginning of each activity, from the simplest forms only used to record transactions to complex information systems that help companies succeed in the competitive struggle (Mariáš, 2007). As an basic tool for managers are considered by O. Ciliková, M. Lapková (2008, p. 8): If the company is not available to provide real, prompt, relevant and sufficiently accurate information, managing ceases to be meaningful, the firm cannot achieve its objectives and it may cause failure. Mentioned authors consider accounting to be the most important source of company’s internal information.

A. Šlosárová (2011) consider the most important task of company’s management to set objectives and ensure their achievement. Consequently, it is necessary to monitor their implementation, as well as develop measures necessary for their achievement. It is necessary to compare the predetermined data with actual data showing real results, which provide accounting. In the case there is a difference between real and planned data, managers on the basis of accounting data, analyse the differences in order to take appropriate action for correction.

Well established accounting system, that includes the financial and management accounting, generates such information that enable to effectively perform the basic functions of managers in every field of business management. (Škorecová; Váryová, 2013).111

At this time there is a lot of software at the market, which is marked as accounting, but there are differences from the point of convenience for managing product cost. Basically business information systems we can divide in two groups:

1. systems that make it possible to register entries, but these entries are offered to the user in their origin state, that means without any other processing. Software is in lower price level, are intended for small and middle enterprises and does not effort hardware with latest parameters;

2. systems that make it possible to register entries for product cost management and also have matematic-statistical apparatus and algorithm for financial analysis, functional and data analysis (CASE method). This software is:
   a) in most of the cases applied as an upgrade for enterprise information system
   b) build modular and with the possibility to adopt the users needs by setting a parameter

Trends show the need to connect the whole enterprise activity - from the production to the top management through the application of information systems and information technology. One of the possibility
is the CIM technology (Computer Integrated Manufacturing), which involves computer support of production process an economic enterprise management (operational, tactical, strategic) (Látečková; Škorecová, 2003).

The main objective of this article is to present the accounting as an essential source for business management with emphasis on the availability of accounting information in real time.

Materials and methods

In order to meet the objective were applied basic methods of analysis, synthesis, and deduction. We used the informational sources from available domestic and foreign literature including the actual internet domestic and foreign sources.

Data of analysis are derived using the method of structured questionnaire, applied in the chosen set of enterprises (30 agri-food enterprises), and selected software products (IBM Slovakia Ltd., Softip Inc., Stormware Ltd., Softteam - software Sidus, INMEDIAS Inc., partner of company Asseco solutions Inc. - software Helios).

To meet the objective of the paper we used also another methods: observation and interviews with managers in selected companies, information system providers, developers of software companies.

We accomplished the analysis of current situation on the market with business information systems, where we focused on conceptual framework analysis, its components, integrity and functional features, quality, opportunities for further development and reliability of systems and stability.

For evaluation of data were used the mathematical - statistical methods and graphical presentation.

After the synthesis and comparison of obtained data, we concluded the results that are presented in this paper.

The research was designed as part of a research project at the Department of Enterprise’s Information Systems, Faculty of Economics and Management, Slovak University of Agriculture in Nitra.

Results

Globalization is the phenomenon of the present day, which is related with development of information and communication technologies, formation of the information society and also it influences decision making of individuals, groups of people, minor companies and big supranational companies. Business information systems nowadays represent one of the key factor of the competitiveness and long prosperity.

In the analysis we focused on the requirements of managers with emphasis on the availability of data for business management. It was found that in all regarded subjects was implemented automated information system of the enterprise, with important part is economic software.

Economic software is designed for the needs of management and is directly connected to the accounting system and other enterprise information systems used in company. Its structure consists of subsystems that address specific part of records and data processing. The number and structure of subsystems differ according to the specific conditions of the user. The most often are in practice applied subsystems fixed assets, inventory, production, personnel and wage records, sales and invoicing, claims and liabilities, bank operations, accounting.

Integrating element from the point of the flow of data throughout the whole enterprise automated information system is a subsystem of accounting, which ensures the integration of data from primary registers, and ensures the updating of information in all subsystems. Data from individual subsystems are also input data of accounting.

This way, accounting creates a database, from which the required reports and summary reports are constructed, and then distributed to individual subsystems, based on the requirements by managers. Accounting is done either in two relatively separate circuits (independently internal and financial), or together in one single subsystem. Data base that is formed in the subsystem of accounting is a valuable source of data, with which are connected other programs, such as financial planning, economic analysis, cost controlling, strategic controlling, liabilities controlling, controlling of sales, marketing analysis and planning, profit managing, cash flow and others.

Basic economic indicators and reports can be obtained from almost any economic software in the form of standard accounting outputs and calculation of indicators from recorded data. There are available summaries of data from the accounting books according to the criteria of managers and their variability is given by selection of criteria such as period, intra-organizational department, performance, contract.

There are predetermined several different variants of the balance sheet and profit and loss statements, with different level of details. Thus, it is possible to follow the development of costs, revenues and profit or loss according to the criteria of time and material sorting. For further processing is possible export of data to the Excel. For more demanding users, who have requirements for a comprehensive economic analysis, are available specialized software such as Financial analysis - FAP SOFTWARE, 5PSOFTsoftware, and others.

Basically, it can be concluded that the more sophisticated the analysis is, the higher the price of the program. In research, we found that managers do not pay attention to the great number of calculated ratios and complicated analysis with interpreted results, but require availability of economic data, which are characterized by:
a) reliability, veracity and objectivity;
b) topicality;
c) possibility of distant access.

In the majority of enterprises is implemented accounting processing in a closed circuit of enterprise information system. Such classical processing allows connection of technical means to enable the distant access to data.

The quality of processing increases declared ability of data and the quality of information support for managers. Users are fully responsible for input data and the form of data processing is influenced by the quality of software solution. The evaluation of results processed by management is presented in graph 1, from the point of provided information.

Figure 1. Evaluation of data processing by company management (Source: made by author)

Presentation of processed results depends on the quality of software and also the abilities of users to create required reports, in fact the majority of current programs disposes wide possibilities for the creation of own reports. We analyzed the periodicity of information utilization in chosen set of companies. This periodicity provides software processing according to time: daily, weekly or monthly, displayed in graph 2.

Figure 2. Time utilization of economic schemes by company management (Source: made by author)

Modern alternative to traditional software of business information systems are the open source software. These programs enables to small or large business entities efficiently work with their finances. These software have free available source code, which allows to get a free license. For many organizations seems to be financially and personally unsustainable, or even impossible, to provide all activities related to the development, operation and maintenance of information systems on their own. Therefore, they try to allocate some activities outside the company and delegate them to external suppliers of components and services of information systems.

A new trend, that has started to be implemented in our country, in the field of open source software application is called cloud computing. Cloud computing can be characterized as the use of modern information technology and application software that are available to users via the Internet in real time. Full capacity may be used simultaneously by several potential users, and each user pays only for used sources and services. Cloud computing is external service, which includes in three basic areas:

1. Software as a service, which offers a specific software application, usually accounting, or other subsystems of enterprise information system and is available to individuals or businesses on a distant server through the Internet.
2. Platform as a service, though the internet allows users to install the relevant software and so assemble the whole set of applications. It provides mainly the development of testing and the provision of services to users.
3. Infrastructure as a service provides rent of informational-communication technologies, which include data warehouses, memory, space on the server, network devices, and others.
Conclusions

Information system in company represents an essential tool on the way to achieve prosperity and competitiveness. This fact is well aware of managers and therefore an increased attention is paid for creating and providing information sources for internal, as well as external environment of company.

Based on the realised research can be stated:

1. Trend in development of the automated processing of accounting is aimed at intensifying information and documentation functions of accounting. With the gradual application of different types of information systems in business environment, it is developed as a software support, particularly for business management.

2. Into the practice are gradually applied programming in the form of complex business systems, which currently provide integration of the intra-organizational activities and also support links with the external environment. These systems lead to optimization of operational – economic processes, and in the case of adverse development allows posting warning signs.

3. Accounting as an integrating tool of business information system has a unique role because it allows:
   a) to record data from internal and external environment of company;
   b) to process and store data;
   c) to provide details:
      - directly from the accounting books and financial statements (daily accounts, general ledger, books of synthetic and analytic records);
      - as an underlying data for further processing;
      - prepared data for economic evaluation of selected activities.
   d) to monitor and evaluate fundamental financial and economic ratios.

4. In the selected enterprises 77 % of managers consider the actual software processing of accounting and provided reports to be sufficient, daily used by 23 % of managers.

If we want accounting to be really beneficial for business management we suggest:
- to ensure its managing according to the current development of information systems and technologies. Ever changing market conditions are forcing companies to permanently innovate, to search for new resources, possibilities and opportunities. Innovation and efficiency are key concepts of the market and must be observed in the development of modern accounting information systems. The use of cloud computing is expected to be continually expanded in the near development of information systems at the enterprise level. To the representatives of cloud solutions might be included the creators of economic software such as IBM, ABRA, SOFTIP;
- implementation of software products focused on analyses of economic activity of the enterprise, that enable managers to improve process of leading and decision making. The background for the mentioned software represent data derived from the enterprise information systems, whose basic integrated element is accounting subsystem.

Veracity and reliability of accounting data is a guarantee for relevant results of business management.

References

1. ČILIKOVÁ, O.; LÁPKOVÁ, M. 2008. Manažerske účtovníctvo. Banská Bystrica : Univerzita Mateja Bela, Ekonomická fakulta v spolupráci s OZ Ekonomia.
2. LÁTEČKOVÁ, A.; KUČERA, M. 2007. Management of agricultural production in conditions of an information society. Agricultural Economics, vol. 53, no. 8, p. 354-358.
3. LÁTEČKOVÁ, A.; ŠKORECOVÁ, E. 2003. Ekonómický softvér - informačná podpora riadenia výrobkových nákladov. Agricultural Economics, vol. 49, no. 8, p. 365-368.
4. MARIAŠ, M. a kol. 2007. Informačné systémy marketingu. Bratislava: GeoPARNAS.
5. ŠKORECOVÁ, E.; VÁRYOVA, I. 2013. Význam manažerskeho účtovníctva ako informačnej podpory podnikového manužmenetu. „Marketing, manažment, obchod a sociálne aspekty podnikania“, vol. 1, p. 484 – 492.
6. ŠLOSÁROVÁ, A. a kol. 2011. Účtovníctvo. Prvé vydanie. Bratislava: IURA EDITION, spol. s r.o.
7. TIRUNEH, W. M. et al. 2004. Vplyv informačných technológií na ekonomický rast a zamestnanosť: teoretické a empirické pohľady. Bratislava: Ústav slovenskej a svetovej ekonomiky Slovenskej akadémie vied.
8. VYMĚTAL, J. et al. 2006. Informační a znalostní management v praxi. Praha: LexisNexis CZ s.r.o.

APSKAITOS INFORMACIJA VERSLO VALDYMUI

Anna Látečková
Slovakios žemės ūkio universitetas Nitroje

Santrauka

Pagrindinė sąlyga kokybiškam verslo valdymui yra reikalingos informacijos prieinamumas. Informacini visuomenė lemia įmonių organizacines ir valdymo struktūrų pokyčių. Šie pokyčiai atsipindi įmonių informacinių sistemų, kuri tampa, kad patenkinti informacijos poreikius, struktūroje. Informacijos perdavimo sistema yra svarbi įvairių užimtum apskaita. Apskaita turi pateikti tikrą ir teisingą verslo operacijų įvairiąją apie įmonių turtą ir finansinę būklę, teikti reikalingą informaciją vadovams planuojant, valdant ir kontroliuojant verslo reikšmę, reikšmę,
akcentuojant savalaikio apskaitos informacijos prieinamumo svarbą. Atliekant tyrimą analizuota mokslinė literatūra, naudoti indukcijos ir deducijos bei pagrindinio analizės metodai. Empiriniams duomenims surinktai naudotas struktūrizuotas klausimynas, apklauziant 30 pasirinktų žemės ūkio produktų perdirbimo įmonių darbuotojus. Duomenys apdoroti naudodant pasirinktą programinę įrangą. Kad pasiekti užsibrėžtą tikslą, naudoti ir kit metodus: stebejimas, intervju su pasirinktų gaminio ir programinę įrangą kuriančių įmonių vadovais. Atlikus tyrimą konstatuota, kad įmonių vadovams reikalinga patikima, objektyvi informacija ir nuotolinė prieiga prie tokios informacijos. Verslo informacinė sistema turėtų turėti patikimumo, saugaus duomenų tvarkymo ir perdavimo reikalavimus. Apskaita kaip integruotas verslo informacinės sistemos įrankis atitinka visus nurodytus reikalavimus ir kartu su naujus technologijas yra nepakeičiamas informacijos šaltinis verslo valdymui. Norint, kad apskaita būtų naudinga verslo valdymo įrankis, būtina užtikrinti jos valdymą kartu su informacinių sistemų plėtra, programinės įrangos produktų, skirtingų įmonių ekonominei analizei, taikymu. Šie produktai leidžia vadovams tobulinti sprendimų priėmimo procesą, kartu tikslingai panaudojant apskaitos informaciją.

Reikšminiai žodžiai: informacija, informacinės technologijos, apskaita, verslo valdymas