What do enterprises pay attention to in the comprehensive budget management?

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Abstract. The concept of comprehensive budget management means that under the guidance of strategic objectives, enterprises make full and comprehensive forecasts and plans for their future business activities and corresponding financial status. In this process, through real-time monitoring of the execution process, the enterprise will constantly compare and analyze the actual completion situation with the budget target, so as to guide the improvement and adjustment of business activities without delay, in order to help managers to manage the enterprise more effectively and achieve strategic goals to the maximum extent.

Keywords: budget; management; strategic; target.

1. Comprehensive Budget Overview

Comprehensive budget management is usually carried out by the finance department, but it cannot be centered on finance (more on this later). Comprehensive budget management is to make use of the budget to plan, allocate, control and evaluate various financial and non-financial resources of various departments and units within an enterprise, so as to effectively organize and coordinate the production and operation activities of the enterprise and achieve the established business objectives [1]. Generally speaking, the comprehensive budget system consists of three parts: operating budget, capital budget and financial budget.
In recent years, pundits have talked about business management as a matter of budgeting, and when it comes to budgeting, it's as if there's nothing being done about the local budget. But the truth is that in the more than 20 years since the introduction of the full budget, there have been successful cases, but many more failures. Even if many group companies attempted comprehensive budget management, results were poor generally. Those problems can be summed up as the failure to establish a unified budget management system in advance, insufficient attention to the budget of management departments at all levels, simple and extensive planning in advance, lack of supervision and control in the event, and lack of performance appraisal afterwards, resulting in the failure to implement the budget in the end [2].

2. Comprehensive Budget Functions

Comprehensive budget is an important means to improve enterprise control, which is mainly reflected in the following functions:

2.1. Decompose and refine the abstract long-term strategic goals and plans, and then implement them. Companies have strategic plans and development goals, but this often gives the impression of being empty. The responsibility of the management, on the one hand, is to maintain the normal operation of the company, and on the other hand, to grasp the strategic direction to promote the development of the enterprise. At this time, comprehensive budget is an effective management tool, which can first transform long-term goals into short-term goals (while keeping the general direction unchanged), then distribute them to all departments, and then to each employee, so as to make corporate goals more specific, more operable and ensure the implementation and realization of strategic goals.

2.2. Optimize and integrate the limited resources to improve management efficiency. Through the budget, the company can optimize the allocation of resources (mainly human resources and financial resources) and coordinate the allocation of resources needed by various departments. Each department has its own interest demands and wants to occupy as much resources as possible in order to complete the task. Comprehensive budget management can coordinate the interest relations of each department from a strategic perspective and integrate all aspects of work into one goal. In fact, it's also a point of criticism for some operators, who say it hampers innovation and resilience and makes people think less.
2.3. Convey plans and goals through budget, and become a tool for effective communication between departments.

One of the basic functions of a comprehensive budget is to control and restrain business behavior. With a budget company, there is a set of recognized "rules of the game". This is especially important during periods of rapid corporate growth. At this time, budget is a tool for communication between superiors and subordinates. With this tool, subordinates can clearly understand the viewpoints and requirements of superiors. Through understanding, subordinates' willingness to work is motivated and realized. So a comprehensive budget can serve as a bridge to communication at all levels of the company.

2.4. Convey plans and goals through budget, and become a tool for effective communication between departments.

Businesses that don't implement a comprehensive budget often face a dilemma: business units have tasks and goals that make it easy to measure their year-end performance. However, some departments, such as finance department and office department, have not been assigned tasks in advance, so their work performance cannot be measured at the end of the year, so there is no way to assess them. Finally, relevant personnel have to get the average bonus of business personnel. So there is a psychological imbalance among business people: we are under great pressure to work hard, and we have to deduct money if we can't finish the task, while some departments have no task pressure. Under the comprehensive budget system, all departments will conduct performance appraisal according to the completion degree of relevant budgets, which will be more fair and convincing.

![Figure 2. The Functions of the Comprehensive Budget.](image)

3. The Comprehensive Budget of The Group Company

Compared with individual companies, group companies should establish a complete set of budget control system. Operating budget is a series of quantitative plans and arrangements for the overall business activities of the company. It can realize the continuation of the strategy, and at the same time, it also plays a variety of roles, such as operator, overall controller and employee guide. The business budget and the strategic plan are integrated into a planning process framework. Under this framework, the business plan is made under the guidance of the strategic plan, and then the corresponding budget plan is made after the business plan is clear [3].

The overall requirements of the comprehensive budget management of the group company include: as an investment center, the headquarters of the group puts forward the comprehensive budget framework of the proposed decision-making scheme according to the overall development strategy structure and phased objectives, and then adopts the budget organization procedure of top-down, bottom-up and top-down combination. From the perspective of market competition intensity and the ability of effectively support of human resources, production resources, technical information resources, management resources and other economic resources, the proposed decision plan is analyzed, decomposed, demonstrated, and given feedback, communicated and coordinated in all
aspects. Once the proposed plan is determined by the group headquarters and concretely implemented into the responsibility budget or responsibility target of each level member enterprise, responsible unit and responsible person, it has a mandatory binding effect, and all potential must be mobilized to strictly implement and strive to achieve.

After budget is completed, the budget goals is to become the responsibility center and every employee's targets of work, which require the group must carry on the strict control on the basis of budget, spending projects must be strictly controlled within budget during execution, revenue projects must make sure to exceed the budget in order to ensure the realization of the target profit. In the process of budget implementation, it is required to submit the budget report regularly, and the filling of the budget report must be detailed, so as to ensure that the production capacity of this system can reach the operating target, because the production capacity target is the most critical, and the financial target is just another embodiment. In other words, budgeting should be deeply involved in industrial operations, including the redesign of the budgeting system [4].

4. Complete Several Aspects of The Comprehensive Budget

4.1. To deepen understanding of the Comprehensive budget

When scholars refer to comprehensive budget, they tend to emphasize that it is a management process with full participation, comprehensive coverage and whole-process control. Full participation refers to all levels of employees, from the person in charge of the company down to the workshop workers, who must participate in the budget management, not just the leaders and financial personnel. Comprehensive coverage means that all the production, operation and management activities of the company must be brought into the budget management, including production and operation, procurement and sales, investment and financing, personnel management, etc. It emphasizes the overall concept, and every manager has the opportunity to participate in the budget management and become a part of the decision-making. The whole process control means that all the business activities of an enterprise, including the control of each link before and after the event, should be brought into the budget management system [5].

Modern enterprise management is decentralized management. Comprehensive budget represents the commitment of managers at all levels to their superiors, including managers at all levels of the company and even employees at the grass-roots level. It is a overall and comprehensive evaluation system. Through this system, all members of the company can be stimulated and restricted.

4.2. To carry out comprehensive budget management effectively

1) Formulate practical strategic planning and corporate goals.

The strategic planning is integrated with the company's goals. First, there is the strategy, then the annual business goals and plans are decomposed, and finally the annual budget is formed. If a chain is broken, the budget becomes nonsense. To sum up, it is often referred to as the "four-in-one" idea of budget management: the strategic planning of the company's decision-making level, the business plan of the company's management department, the financial budget of the company's financial department and the performance evaluation of the human resources department are integrated into an effective core management mode of the company.

2) From the perspective of business, strengthen the relevance of financial information and business information.

In reality, there are many unsuccessful cases of comprehensive budget, one of the main reasons is that the conflict between the financial department and the business department is not handled properly. As the department leading the implementation of budget, the financial department usually only looks at problems from the perspective of finance and emphasizes the control role of budget, but ignores the reality that business development requires innovation and the market environment will change rapidly. The business department will think that the financial department can not be practical, will only be self-directed, self-entertainment. Therefore, enterprises should break the barriers between business and
finance, coordinate the goal conflict between budget arrangement and business development, and ensure the scientificness and feasibility of budget preparation.

3) do a good job of budget monitoring and adjustment work.

In the environment of market competition, deviation in budget implementation is a normal phenomenon. Budget management personnel should give timely feedback on budget implementation and conduct difference analysis. Enterprises can set up a reasonable early warning range, through the comparison of indicators to achieve close monitoring of budget deviation, so as to effectively prevent risks. Budget adjustment means that the original budget loses its objectivity due to the changes in the objective environment, internal structure adjustment and personnel changes in the implementation of the budget, and the original target needs to be revised. The premise of budget adjustment is that the adverse factors exist objectively and cannot be remedied by other means. Budget adjustments are usually made from the bottom up, but budgets are serious business and adjustments must go through certain procedures and approval procedures.

4.3. To Establish a comprehensive budget management information platform

Any management activity is a process of information collection, mining, analysis and application. Comprehensive budget emphasizes the integration of information, so the whole process of budget management needs the support of information technology. The current manager can input all kinds of required data into the computer when compiling the budget, and get a variety of different budget plans, so as to work out the most suitable plan for his own enterprise through comparison. The rapid transmission of information (provided that it is accurate) can greatly save management time and cost. The system can improve the efficiency of budget execution control by imposing strong constraints on cost and cost budget control. Finally, the analysis of budget differences is faster and more accurate, and the assessment is certainly more reasonable [6].

Considering the degree of practical operation difficulty, system performance and investment cost, the characteristics of some common domestic budget systems are as follows.

Oracle Hyperion
This is a budget analysis tool of Oracle. This budget system can support modeling of 20 dimensions and calculation rules are flexible. However, there are compatibility problems with Excel plug-ins and versions, and additional modules or products are required for budget control and BI presentation.

UFIDA Budget
Yonyou is one of the most widely used financial software in China. Its budget system, which is a part of NC of Yonyou, is mainly based on Excel. Most budget analysis statements need to be developed based on code, which requires the cooperation of IT department.

F-One Planning
This is a young domestic product that invests by Chinese larch, its memory calculates real-time performance is outstanding. So its advantage is the performance, using it to open the report is very fast, financial staff can adjust the model, adjust the logic, for IT dependence and communication costs are less. The budget system supports the most dimensions of its kind so far, with 42.

SAP BPC
It is a favourite with foreign companies and large groups. Usually, enterprises that choose SAP for ERP system will take BPC with them, and the after-sales service of the old products can be guaranteed. However, the specific functions are relatively complex, and special training for users is generally required. In the later stage, when the business needs to be changed, IT personnel are also needed to adjust the logic of the system.

Tech Future
This is one of the earliest budget systems in China. As an IT-oriented traditional technical architecture, model adjustment needs to rely on the implementation of development engineer configuration, calculation rules need to be supported by IT, and there is a certain customer base.
5. Summary
For enterprises, it is not easy to realize comprehensive budget, and the process of comprehensive budget informatization cannot be solved by external consultants and software systems alone. Otherwise, there will be a "paper budget" situation. Only when we fully understand the importance of comprehensive budget in the early stage, straighten out the management needs of each business segment in the implementation process, and actively participate in the later stage, can comprehensive budget management truly become an effective tool for strategic implementation, operation management and performance evaluation.

Acknowledgments
I would like to express my gratitude to all those who helped me during the writing of this thesis. I gratefully acknowledge the help of my supervisor, Mrs. Liu Shiping, who has offered me valuable suggestions in the academic studies. In the preparation of the thesis, she has spent much time reading through each draft and provided me with inspiring advice. Without her patient instruction, insightful criticism and expert guidance, the completion of this thesis would not have been possible.

I also owe a special debt of gratitude to all the professors in Nanjing University of Science and Technology, from whose devoted teaching and enlightening lectures I have benefited and academically prepared for the thesis.

I should finally like to express my gratitude to my beloved parents who have always been helping me out of difficulties and supporting without a word of complaint.

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