

JEL M11

PROCESS-ORIENTED MANAGEMENT ACCOUNTING AS AN INFORMATION ENVIRONMENT FOR ENTERPRISE MANAGEMENT

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Abstract. The article describes theoretical aspects of a process-oriented approach to enterprise management. Main, accompanying, managerial and developmental business processes as a classification of business processes characteristic for modern enterprises is disclosed. The structure of the process approach to management and systems of process-oriented management accounting are considered. The main advantages and disadvantages using process-oriented management accounting as an information decision-making environment at all levels of enterprise management are listed too.

Keywords: process approach, management accounting, management of the organization, management system, business processes.

Modern enterprise management is becoming increasingly risky in the context of the growing influence of a rapidly changing and unpredictable business environment. It means that it's necessary to focus management's attention on the investigation of new opportunities in order to adapt the company and quickly respond to the outer changes. All the processes related to solving basic management tasks: defining the organization's goals and creating the necessary economic, organizational, technical, technological, social, psychological and other conditions for achieving the established goals become more dynamic and require flexible development and substantiation tools.

In this regard, the management of enterprises constantly tries to figure out what business processes are taking place inside, what are the costs and the level of efficiency; which business processes must be supported and strengthened, and which are worth weakening or even eliminating. As in practice, one of the possible solutions of problems is the application of process-oriented approach to enterprise management and implementing management accounting [1].

At the same time, process-oriented management accounting plays an important

role acting as an information environment. Each company manager needs to have stable access to the information environment, the purpose of which is to provide company's management with relevant information when making and developing adequate managerial decisions. Thus, process-oriented management accounting is one of the key methods for ensuring effective enterprise management.

The purpose of the article is to analyze the effectiveness of the process-oriented approach to enterprise management. For this we will need to make following steps:

- investigate theoretical aspects of a process-oriented approach to enterprise management;
- highlight the classification of the main processes observed in the framework of modern business;
- develop a process management approach and a process-oriented management accounting system;
- list the main advantages and disadvantages of using process-oriented management accounting as an information environment for managing an enterprise.

The process approach is a set of actions to management, where enterprise's activities are its processes. In order to manage it

effectively, it is necessary to control each process.

For this reason, it is necessary to take into account the main classification of processes within each organization [2]:

- main processes (production, sales, etc.);
- accompanying processes (delivery, information processing, etc.);

- management processes (administration, etc.);
- developing processes (innovation, development, etc.).

In general, the process approach to management including all its elements and steps can be displayed in Figure 1.

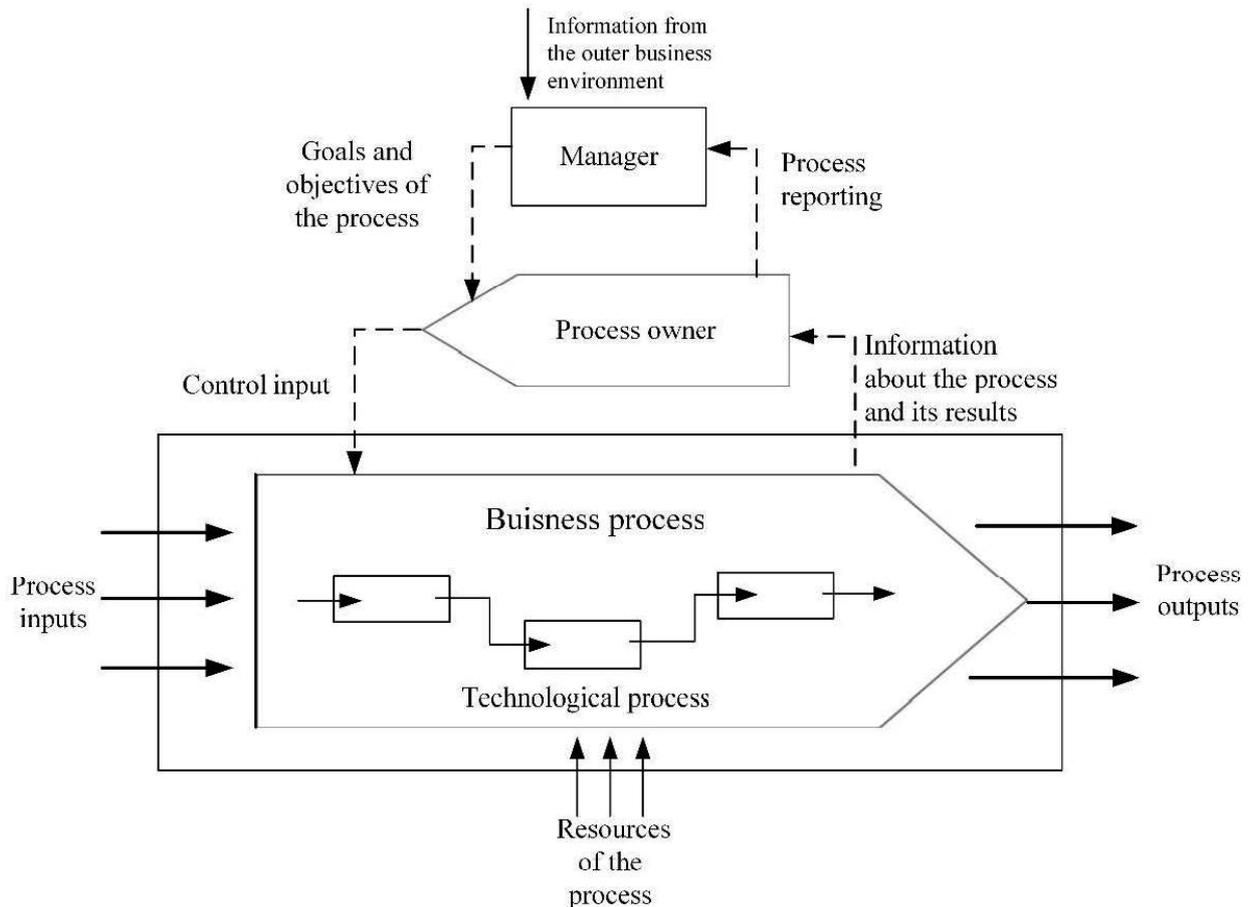


Fig. 1 Conceptual model of process-based management

Source: made by author basin on [3]

As shown in fig. 1, the key elements of the process approach are the inputs and outputs of the processes, as well as the business processes (I), which receive resources and convert them into a finished product. The feedback between the subjects of the process is also important. It is represented in the form of two contours:

- the first circuit (II) is operational (communication is carried out through the owner of the process, which has a controlling influence on the business process itself);

- the second circuit (III) is strategic (communication is carried out through the head of the enterprise (according to data provided by the owner of the process), which, in turn, sets the goals and objectives of the process.

The management of business processes as an approach to managing a company implies the need to improve both a separate process in particular and the system of processes in general. The process approach to management assumes the presence

of such mandatory elements to describe business processes as the motivation system, the rules, the owner and key performance indicators (KPI).

Basing on a process-oriented approach new management techniques and methods are spread, such as a balanced scorecard, business process engineering, operational risk management, cost management method - ABC-ABB-ABM, IT-technologies, management quality, etc. [4].

It is possible so to identify the main advantages in a process-oriented approach for an enterprise:

- focus on the quality and outcome of each process;
- close interrelation of processes in various operations;
- liquidation of unprofitable business processes;
- continuity of the management process;
- reduction of production costs and increase in the profitability of the company's business [5].

After analyzing the positive aspects of the process approach, we can outline the following facts: managers using this tool are trying to solve problems associated with a low level of enterprise management; the excessive influence of human factors and the absence of the expected reduction in production costs.

Despite this, there are some drawbacks observed in process-oriented management accounting:

- qualification level and professional competence of employees at all levels of production are a key factor in the efficiency of the entire company;
- management of mixed functional capabilities of working teams occurs;
- differences in the functional abilities of employees lead to a misunderstanding between different teams and within them.

Comparing the process approach with others (functional, project), it is worth noting that with the help of the first, an enterprise gets the opportunity to reduce its costs, eliminate unprofitable processes and focus production on quality and performance. These characteristics confirm the choice of the management system towards a process-oriented approach to enterprise management.

However, the implementation of the process approach requires certain efforts and skills. In this regard, it is necessary to approach this issue with a willingness to cardinal changes, develop a plan for introducing a process approach, provide training for the company's employees in the theory and methods of the process approach, describe all business processes of an enterprise (what resources are necessary for their implementation, what processes are interconnected how long it takes to complete tasks in a process, etc.). When determining the responsible persons of a process, it is necessary to take into account such aspects as the provision of information with them, as well as in what form the reporting on the process and the frequency of its submission will be provided. In this regard, you should pay attention to CALS technology (Continuous Acquisition and Life cycle Support), using that you can provide system information support. Using these technologies, information is provided in the form of distributed databases containing information about the production environment, products, resources, and processes of an enterprise. This is relevant when it comes to structuring large amounts of information. With the help of these technologies, it is possible to eliminate paper documents from practice and implement electronic document flow, which will significantly speed up the work and efficiency of processes, as well as ensure the relevance, availability, correctness and safety of information. The concept of CALS involves a consistent and continuous change in business processes, improving the development and design, production and operation of the product.

The application of the process-oriented approach has become more ambitious due to the development of management automation and the emergence of the possibility to use new information technologies, the development of which improves the management accounting process. The massive use of various high-tech computer equipment has become the main focus of such improvement.

One of the largest US companies Walmart uses a process-based approach to management, occupies a leading position

in the Fortune 1000 rating in 2018 [6, 7]. From this point of view, the management system built on the principles of the process approach is quite effective and efficient.

Summing up the work, it is necessary to identify the key tasks that are pursued by modern Russian companies when using process-oriented management accounting:

- formation of information on the costs and results of individual processes and types of company activities;
- calculation of products, works and services in the context of various stakeholders;

- control over the effectiveness of individual processes and activities of the company;

- evaluation of the effectiveness of business process management and the activities of a team of process managers;

- analysis of the effectiveness of the resources used;

- analysis of non-compliance with the established quality of business processes and activities;

- formation of an effective system of process-oriented management structure.

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