

Innovation of Management Accounting and Promotion of Enterprise Competitiveness

Yujie Zhang*, Shiwen Wang, Qi Wang, Yao Yi

Anhui University of Finance and Economics, Bengbu, 233030, China

*Corresponding author email: 2412145279@qq.com

Abstract

China is in the era of rapid development of big data, and the competition among enterprises is becoming more and more fierce. Simple financial accounting cannot meet the development goals of current enterprises. With the rise and development of management accounting, its work function has been gradually concerned by enterprises and society, and some enterprises have begun to realize the use of management accounting to improve their financial functions and enhance their competitiveness. In this scenario, the integration of financial accounting and management accounting is particularly important. Because the rise and development of management accounting in China is short, there are many problems in its application and development. From the perspective of innovative development of management accounting, this paper analyzes the problems of management accounting in modern enterprises, and puts forward how enterprises can use innovative ways of management accounting to enhance their competitiveness and help enterprises get long-term and steady development.

Keywords

Management accounting; Innovation; Enterprise competitiveness.

1. Introduction

With the rapid development of modern scientific information technology and Internet industry, the Internet data network is becoming perfect, stable and mature. The wave of big data development has brought new application challenges and development space to traditional accounting work, and the daily accounting methods have also changed, which is not limited to simple traditional financial accounting. In order to meet the development and requirements of business strategy of enterprises in the current data age, the field of financial accounting is developing in the direction of integration and innovative application with management accounting. Innovative management accounting makes the accounting methods and processes of Chinese enterprises more mature and perfect, and enhances the core competitiveness of enterprises.

Simple financial accounting can no longer meet the needs of enterprise development, while management accounting can give full play to the advantages of accounting management, improve the competitiveness of enterprises and seek better and long-term development. Based on the development background of the current big data era, this paper studies the innovation opportunities and challenges faced by management accounting from the perspective of promoting the integration of management accounting and financial accounting, and how enterprises should use management accounting functions to enhance their competitiveness, and discusses this[1].

Management accounting focuses on the analysis of the optimal financial decision-making of enterprises, so as to improve their internal operation processes and make them better play their benefits[2]. Management accounting requires making plans for each department, making

major decisions, controlling the financial needs caused by economic activities, recording economic affairs, investigating and reporting economic affairs, collecting and reporting management information frequently, and directly participating in the decision-making control process[3].

2. Main Functions of Management Accounting

2.1. Forecast function

Management accounting analyzes, sorts out, studies and processes the data systems of the enterprise, makes a reasonable prediction for the future business situation changes of the enterprise, improves the connection between enterprise planning and management, comprehensively analyzes the history and actual operation of the enterprise, and starts from the problems to be solved, the established goals and the overall long-term strategic goals, starting from all links and departments of the enterprise, and analyzes and sorts out the scientific basis information[4]. Only by establishing a sound and powerful operation plan or fund management strategy can we correctly exercise its forecasting functions, such as forecasting sales performance, forecasting profitability, cost forecasting and operating and capital demand.

2.2. Decision-making function

The scientific implementation of decision-making system is one of the key factors to ensure the survival, operation and stable development of enterprises. Enterprises make reasonable and correct decisions to avoid economic losses caused by wrong decisions. Only enterprises that conform to today's market and development direction can obtain strong market competitiveness[5]. Management accounting mainly makes a scientific quantitative analysis of the cost, profit level and various funds of enterprises through modern management methods, and provides scientific decision analysis for the operation of enterprises in combination with the future development of market economy to promote the healthy development of enterprises. The decision-making function of management accounting can be divided into short-term business decisions, such as production or sales process decisions, pricing and other activities, inventory and disposal decisions, long-term investment and other business decisions, such as time value and risk value, cash flow of investment projects[6].

2.3. Planning function

Enterprises use modern management accounting methods to play the role of planning their business objectives. The planning function is mainly achieved through various business budgets compiled by using modern management accounting within the enterprise. The way to realize the planning function objectives is to decompose the enterprise economic objectives determined by the management into each related budget plan on the basis of the final decision of the enterprise management, and carry out implementation and assessment according to the prepared budget[7].

2.4. Control function

In the business activities of modern enterprises, management accounting plays a basic role in regulating economic activities, tracking and supervising all production labor and business activities of enterprises, formulating scientific and feasible measurement indicators and control standards, analyzing the actual situation and the reasons for changes in plans during implementation, and putting forward corresponding countermeasures to ensure that production and business activities run within the predetermined track system[8]. The control functions of management accounting mainly include budget control, cost control (such as

standard cost control, activity-based cost management, target cost method, etc.) and responsibility accounting.

2.5. Evaluation function

The evaluation function of management accounting is to evaluate the business performance of an enterprise. In the process of actually implementing the business plan, the enterprise will have certain changes and forecast deviations from the pre-plan. Financial personnel will regularly prepare performance reports according to the specific situation of each responsible department, and compare them with the actual situation, analyze and study to find out the direction difference and quantity deviation between the planned project and the actual operation situation, so as to ensure timely adjustment, modification and enrichment of the plan[9]. And ensure that it runs steadily towards the original planned track according to the actual business situation, and evaluate the application of functions so that enterprises can reward the excellent and punish the poor, and solve and implement the economic responsibility system reasonably and efficiently.

3. The Connection between Management Accounting and Financial Accounting

3.1. Management Accounting and Financial Accounting Comparison

Management accounting is a branch of accounting system. Financial accounting carries out corresponding monitoring and accounting according to relevant financial data, while management accounting focuses on the company's financial data to predict, make decisions, control, evaluate and analyze financial information. The focus of their work is different. Financial accounting focuses on collecting data and information of enterprise economization, while management accounting pays more attention to the analysis and integration of enterprise financial information, which is more flexible and adaptable[10].

3.2. The necessity of combining management accounting with financial accounting

In today's era of big data, the economic development is highly moving towards global competition, and the market competition is becoming more and more fierce. If you want to seize market share in the unprecedented fierce competition, simple financial accounting can't meet this requirement of enterprises. Enterprises must integrate and innovate financial accounting and management accounting in order to effectively meet the requirements of enterprises to enhance their competitiveness[11]. The development trend of modern company management is the integration and innovation of management accounting and financial accounting.

4. The Main Challenges Faced by Management Accounting

4.1. Management accounting has not been highly valued by managers today.

Under the wave of big data era, the market environment is more complex and changeable. If enterprises want to seize more market share successfully, they must improve their competitiveness. Chinese enterprises still don't pay enough attention to management accounting, and they don't realize the importance of the integrated development of financial accounting and management accounting. They think that they are completely independent, which limits the overall sustainable development of enterprises.

4.2. Enterprises lack of management accounting professionals

The rise and development of management accounting in China is relatively short, and management accounting is not paid enough attention, and the professional talents of

management accounting are scarce. The financial personnel of most domestic enterprises are limited to simply understanding the knowledge of financial accounting, and only have the knowledge of handling vouchers and issuing financial statements, and lack the ability of analyzing financial data, relevant management knowledge, risk prevention and evaluation, and the idea of adapting to the development strategy in the era of big data, which leads to the untimely collection and analysis of financial data, and the lack of timely and effective feedback of information, leading to hidden dangers in the whole enterprise information development management process.

4.3. Enterprises lack investment in management accounting informatization.

The advent of the era of big data Internet and the wide application of computerized accounting have brought great convenience to the financial accounting work of enterprises, but most enterprises lack a sound management accounting system and the construction of computerized management accounting. Some enterprises still use manual accounting in management accounting, which has high accounting cost and low accuracy and efficiency. Enterprises are in the era of rapid information change, and the informatization level of enterprises determines the height of data collection and classification of management accounting, and the low informatization level can not meet the new requirements of enterprise development.

5. The Main Ways for Enterprises to Develop Innovative Management Accounting.

5.1. Correctly understand the status of management accounting and cultivate management accounting awareness.

The importance attached by the management, financial and accounting departments of enterprises to management accounting determines the final effect of the implementation of management accounting. In the big data environment, the changes in the economic environment will be more complicated and unpredictable. If enterprises want to develop in the long run, they should attach importance to the application of management accounting in enterprises, cultivate management awareness, establish management accounting research institutions, actively carry out management accounting practice, and learn and absorb the advanced technology and successful experience of western advanced countries in applying management accounting.

5.2. Enterprises should attach importance to the management of accounting talents.

The effective development of accounting needs the support of professional talents, and the development of management accounting in China is short. Enterprises should actively introduce and cultivate professional talents of management accounting, and cultivate talents with strong theoretical knowledge, rich practical experience, overall development awareness and strategic awareness. Enterprises provide management accounting professional training for financial accounting staff and management, and learn their professional theoretical knowledge, Internet technology application and accounting computerization related knowledge. Update management accounting knowledge in real time, and establish corresponding training and assessment system. Learn from the talent training experience of outstanding enterprises in western countries to train professional talents for the management accounting work of this enterprise.

5.3. Enterprises should improve the level of informatization and establish a complete management accounting system.

The in-depth development of the application of Internet technology has brought the convenience of informationization, and the accounting work has also changed from manual processing to the popularization and application of financial accounting computerization. Management accounting needs to analyze and integrate a large number of complicated data, which requires a higher level of information. Enterprises should manage the computerization of accounting to improve the timeliness and overall efficiency of accounting work quickly and effectively. To improve the internet thinking of management accounting, it is necessary to establish a set of internal automatic verification system and risk assessment system to make the data submitted by management accounting more accurate. Enterprises should establish a complete set of management accounting system in line with their own conditions to cope with the rapidly changing economic environment and rapidly updated data, effectively analyze big data, reduce risks, promote the innovation of modern management accounting in practical application, and help enterprises achieve long-term and steady development.

5.4. Enterprises should strengthen the organic integration and development of management accounting and financial accounting.

Pure financial accounting only monitors and measures the financial information of enterprises, but it is not only financial information but also non-financial information that is closely related to enterprises. Pure financial accounting relies on the past economic activities of enterprises and cannot make correct prediction and analysis. Management accounting mainly aims at the future development of enterprises, making predictions, analysis and judgments on enterprise activities, and helping management to formulate long-term strategies for the overall development of enterprises. The development direction of enterprises must be the integration of financial accounting and management accounting, which can achieve more efficient and accurate cooperation and solve many problems existing in enterprise management. Strengthen internal cohesion and organization, formulate development strategies according to the actual situation of enterprises, promote the high-speed operation efficiency of financial departments and promote the overall sustainable development of enterprises.

6. How can Management Accounting Enhance the Competitiveness of Enterprises?

6.1. Application of Target Cost Method

In the process of economic globalization today, in order to improve the market share of enterprise products, enterprises should make full use of the target cost method in management accounting. When an enterprise decides to develop a new product, it should first decide the position, share and uniqueness of the new product in the market with the cooperation of the marketing department, the sales department, the R&D department and the finance department. According to the market situation, it should investigate the price acceptable to consumers, determine the expected value of the product, and make a reasonable cost budget for production links, requiring all departments of the enterprise to control the cost in the budgeted cost. If the cost of a link exceeds the budget, analyze and adjust the link immediately until the cost of the link meets the budget requirements. By using the target cost method, the product can have specific positioning and market research, which is more in line with consumer demand, and the product profit is more obvious, saving a lot of time and money and increasing market share.

6.2. Enterprises to establish a management system for real-time information update.

The market and economic environment are changing rapidly, and enterprises need to update information in real time to stay at the forefront of the trend forever. Only by mastering market information can their competitiveness be greatly improved and occupy more market share. The information provided by management accounting must meet the specific requirements of internal management. Enterprises comprehensively use all kinds of modern information technologies to update information in time and interconnect internal control information, thus effectively reducing management risks. Management accounting collects and sorts out the latest data and information, so managers can grasp the operation and management situation and market situation at any time, and provide comprehensive, effective and detailed information for business decision-making, so as to cope with the constant changes in the economic environment, seize the opportunity of product transformation and upgrading, strengthen the level of core competition of enterprises, and accelerate the overall development of enterprises.

6.3. Enterprise management accounting innovation to improve financial functions.

Management accounting adopts a new financial operation mode, which makes the financial function glow with new vitality. The financial function measures and supervises the financial data of enterprises, supervises the data needed for investment decision-making and cost management control of enterprises, comprehensively measures, evaluates and monitors the performance of management enterprises, and uses data information to judge risks and avoid future losses. Tracing back and analyzing the causes of problems from data information, making scientific calculation and analysis and research on matters that need to be decided, and promoting the long-term development of enterprises. Some enterprises should abandon the traditional inherent management model, innovate management accounting thinking, create a new marketing model, and realize enterprise income and efficiency.

6.4. Use the responsibility accounting in management accounting to improve enterprise performance

The functions of management accounting budget and cost control provide an effective and reasonable scheme with significant economic benefits for the development of enterprises, so that the production and operation of enterprises can be carried out according to the predetermined plan and the goals can be achieved as required. We should also make use of the function of responsibility accounting in management accounting, establish an enterprise accountability mechanism, compare the implementation of the planned budget with the actual situation, use various evaluation indicators and cost behavior analysis to find out the internal reasons for the differences, clarify the economic responsibilities, and scientifically measure and evaluate the performance and achievements of various departments and responsibility centers. At the same time, establish an incentive mechanism to promote all departments to improve methods, operate efficiently, improve enterprise management and achieve strategic goals.

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