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Research Article

STRATEGIC BUDGETING IN THE ACCOUNTING AND MANAGEMENT SYSTEM OF AGRICULTURAL ENTERPRISES

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Abstract:

The current state of agrarian enterprises and organizations puts forward special conditions and new mechanisms for the production and management of this activity. The enterprises of the agrarian industry are tasked not only with the effective production of agricultural products, but also with a planned increase in their potential through budgeting. Successful implementation of tasks is closely related to solving the problems of timely and competent budgeting of agricultural production and marketing of manufactured products. This predetermines the need to form effective management and comprehensive modernization. A timely and competent approach in modern economic conditions is a comprehensive study of theoretical and practical issues of budgeting. The article provides a new concept of strategic budgeting, a new generalized direction of strategic budgeting, and offers management approaches for the development of effective solutions.

Keywords: budgeting, agricultural enterprise, management, planning

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INTRODUCTION:

The main goal of all agricultural enterprises, organizations is to make a profit in connection with current events in the global economy, as well as economic sanctions [6,8].

Organizations optimal budgeting production and marketing activities of agricultural enterprises is one of the most important components of effective management, as it provides the organization of cash flow, which is necessary for normal activities [7,9,10].

Consequently, its success or failure in a market economy [22,23] depends on the formulation and development of the budgeting system, the development of a strategy and tactics.

The problems of budgeting, management, analysis and efficiency of agricultural business are highlighted in the works of Russian economists [1,2,3,4,5], but some methods of accounting and management, including budgeting, need to be developed and supplemented.

Strategic budgeting is an expression of the intentions of agrarian enterprises, an organization aimed at achieving pre-selected goals through the distribution of generally limited resources.

Thus, the main idea of strategic budgeting is to develop the ability to adapt to the changing state of the external environment, taking into account stability and profitability.

In strategic budgeting, an important prerequisite for accounting and management activities is the accumulation of limited resources available to the agricultural enterprise with their subsequent proportional distribution for the needs of production and management.

Strategic budgeting determines priorities in the areas of agricultural business, as well as in the sales markets for agricultural products. In a broader sense, the area of strategic budgeting refers to the timely ability to recognize and implement strategic changes through accounting and management actions and timely monitoring.

The main functions of strategic budgeting are: adaptation to the external environment of an agricultural enterprise; ensuring the competitiveness of the agricultural enterprise; competent distribution of resources of an agricultural enterprise; the choice of priorities and main objectives of the agricultural enterprise; capitalization of the strengths of the agricultural enterprise; overcoming the weaknesses of the agrarian enterprise [11,12,13].

Strategic budgeting should be considered as a complex of systems, including: a management system; management accounting system; organization and planning system; corporate control system; continuous analysis system; uninterrupted monitoring system; pricing system and marketing system.

Describing the possibilities of strategic budgeting in management, the activities of an agricultural enterprise, we can conclude that the methods and approaches are very diverse, taking into account all needs.

We present strategic budgeting in two aspects: as a system and as a process. The system implies the unity of the three organizational levels of strategic budgeting: corporate; the level of the business unit, its role in the organization; boundaries of the area of operation of strategic budgeting of an agricultural enterprise (Figure 1).

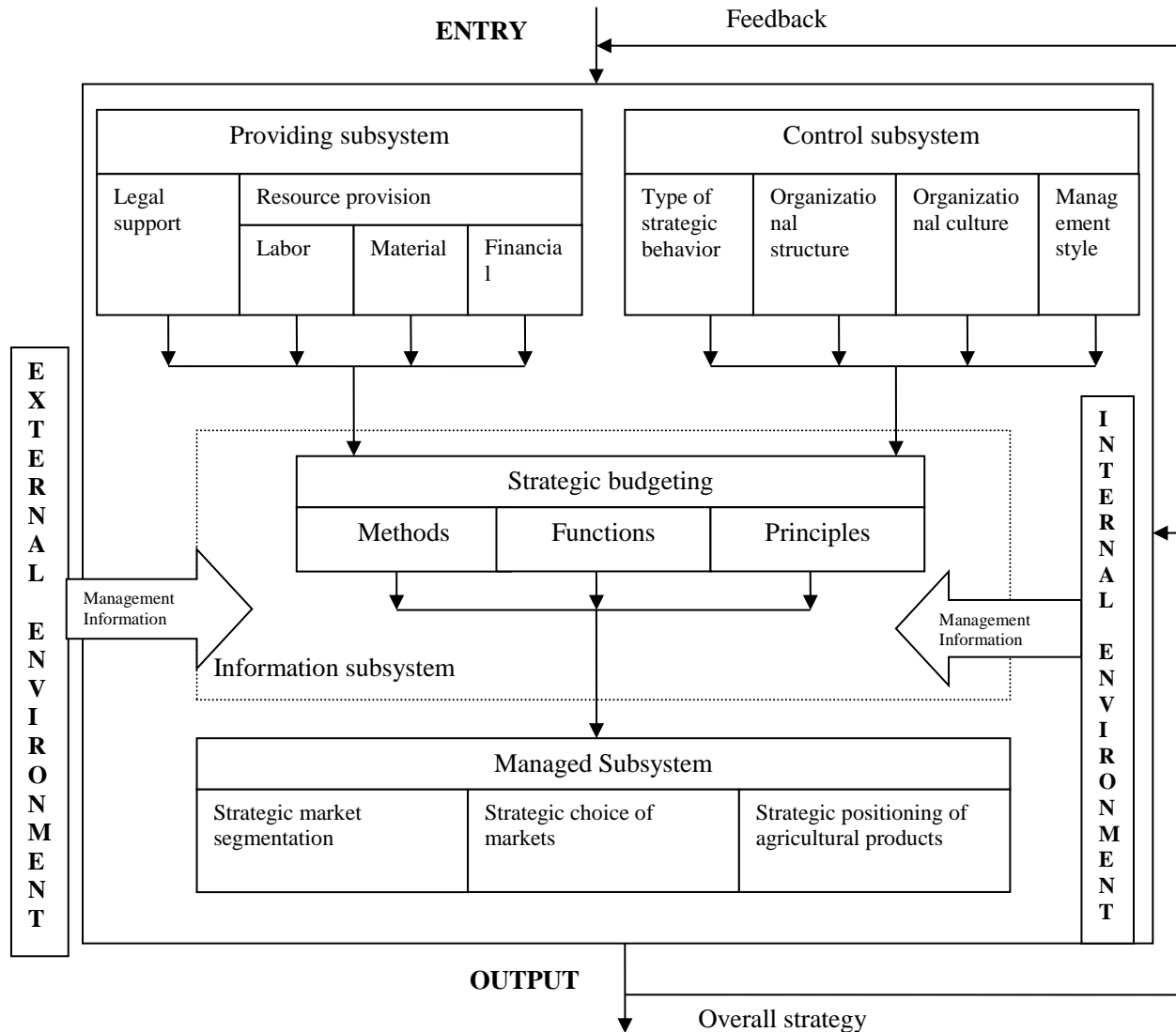


Figure 1. The system of strategic budgeting of an agricultural enterprise

The system of strategic budgeting in the accounting and management system can be represented by the following four components [15,16,17].

The system of strategic budgeting includes the resources at the organization's disposal and their linkage with the strategic objective.

The managing system of strategic budgeting involves cultural and organizational aspects of managing impact.

The strategic budgeting information system provides information for making management decisions.

The managed strategic budgeting system is aimed at

the market and assumes the SVP formula (segmentation, selection and positioning).

At the same time, the general system of strategic budgeting considers the internal environment at the same time as part of the external environment [14, 18, 19].

The process of strategic budgeting is a comprehensive study of the goals and opportunities, which consists of successive stages, including the system of strategic and current planning in the agricultural enterprise (Figure 2).

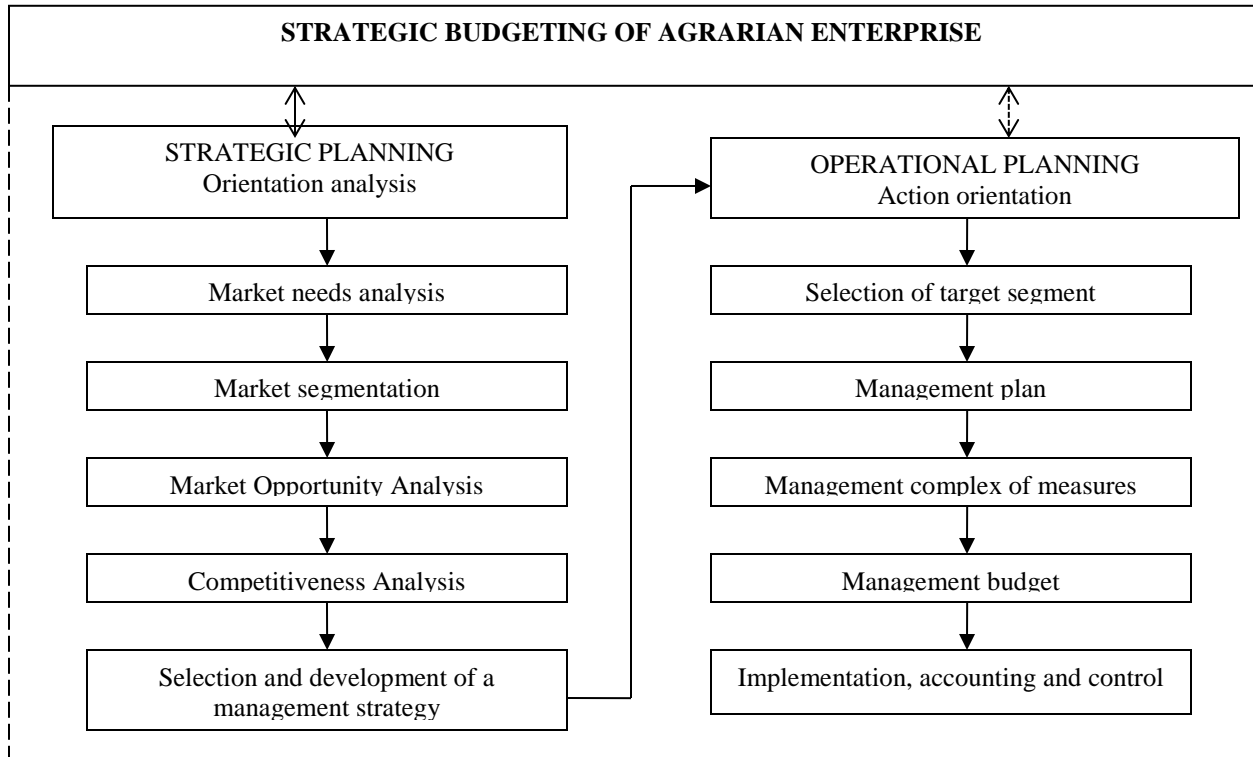


Figure 2. Sequential stages of strategic budgeting

Thus, strategic budgeting in an agricultural enterprise as a system is an adaptive concept of planning, implementing and monitoring the strategic directions of development of an agricultural enterprise based on a systematic and continuous analysis of the needs of consumer groups in order to gain sustainable competitive advantages, and implying the unity of all tactical and strategic planning systems.

In our opinion, the primary in the development of strategic budgeting is a quick and optimal management decision making, taking into account the competitors of the agricultural enterprise, certain specific conditions in the market where the agricultural enterprise operates.

The budget strategy must necessarily include the following components: management and organizational goals of the agricultural enterprise; definition of target markets of an agrarian enterprise, positioning in these markets; detailed strategic approaches [20,21].

Strategic budgeting is aimed at shaping strategic thinking, understanding and solving management

problems in the future in order to ensure the long-term development of an agricultural enterprise.

Planned, accounting, management and organizational measures that provide the desired results for the agricultural enterprise in the future, are determined and implemented with the help of strategic budgeting. Strategic budgeting creates a long-term vision of both accounting and management, as well as commercial activities due to continuous monitoring of the market.

A budgeting strategy should be connected not only with other functional strategies, but also fit into the overall corporate strategy and business strategy.

Strategic budgeting is a link between the goals of an agricultural enterprise and existing problems in the economy.

The effectiveness of strategic budgeting largely depends on the system of internal or corporate control. The relationship between budgeting, the organization of agricultural production and the system of internal (corporate) control is presented in Figure 3.

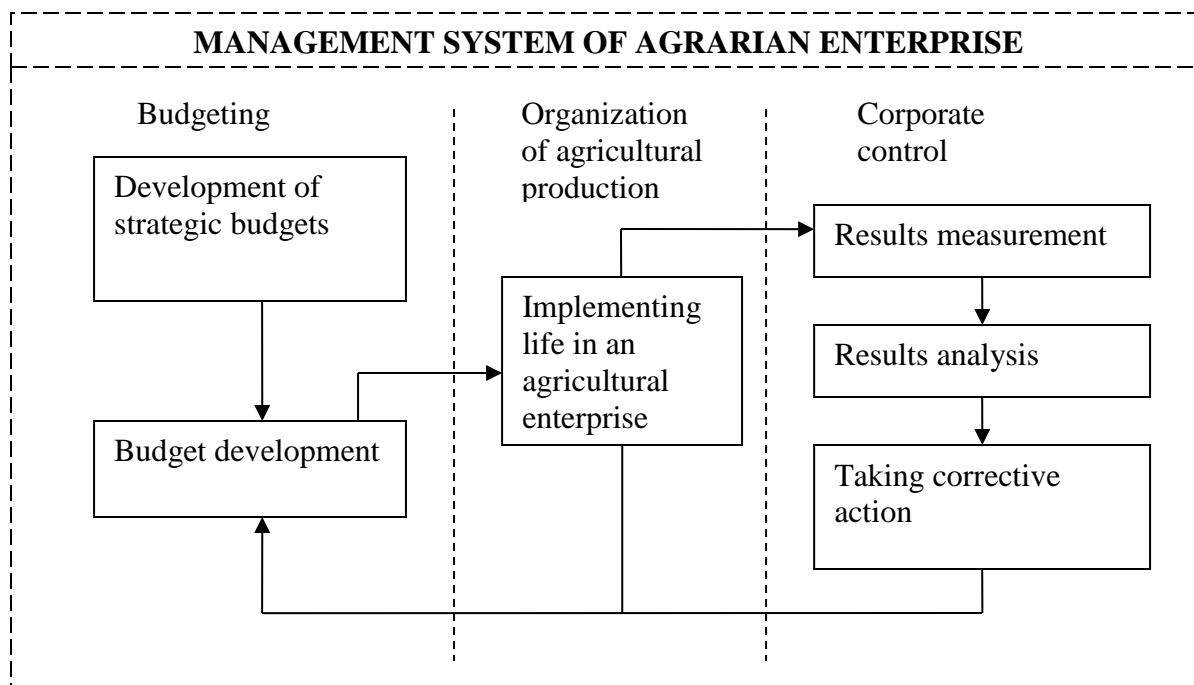


Figure 3. The relationship of the main management systems of an agricultural enterprise

The next direction to improve the budgeting system of an agricultural enterprise under management should be the improvement of the budgeting process, which should be a combination of continuous and discrete processes during the implementation of the management of an agricultural enterprise. It should be noted that when developing an algorithm for strategic budgeting, it is important to determine not only the sequence of stages, but also their investment, when each subsequent stage is included in the previous one - like the blockchain. The meaning of the embedding becomes obvious when considering feedbacks.

In practice, the development of strategic budgeting is given little attention, while the solution to current problems is too much.

The stages of the development of strategic budgeting should be reduced mainly to the development of a strategic element of a business or a strategic business unit, the so-called "portfolio analysis".

If we consider strategic budgeting from a narrower point of view and sees the management process as an integral part of management accounting and, in general, the entire corporate structure, the following steps should be distinguished [26]:

- corporate tasks - subject to accounting and management;

- corporate control - a thorough analysis of the external environment and internal elements, including the marketing mix;
- SWOT analysis and assumptions for planning and budgeting, including key indicators of success and failure of management accounting;
- objectives and strategies of budgeting, containing targets for agricultural products and markets (strategies for each of the controls)

In order to develop strategic budgeting, some points should be highlighted. Budgeting should begin with setting a goal and with its breakdown into tasks. Further, the internal and external environment, the resources of the agrarian enterprise are evaluated and a long-term forecast is compiled. Based on this, alternative scenarios of strategy strategies are developed and the most appropriate strategy is selected according to certain criteria. Strategic budgeting is embodied in concrete action plans and then implemented. This whole process is completed by checking the implementation and evaluating the effectiveness of budget programs at each of the stages.

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