

Strategic Management Accounting Is the Basis of Decision Making

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Abstract- In this article, the essence of strategic management accounting, the main directions of strategic management accounting for business analysis at various stages of the product life cycle, non-financial information created by evaluating the consumer value of the product, its main characteristics and attractiveness for customers, as well as operational and customer within the framework of business processes, issues such as business analysis tools, combination of business model elements are covered.

Keywords: Strategic management accounting, business analysis, customers, buyers, financial indicators.

1. INTRODUCTION

The main condition for ensuring competitiveness in the long term is the use of the stakeholder approach in the management of the organization, which includes taking into account and coordinating the interests of all interested groups (stakeholders) in the process of activity. In turn, the multifaceted requirements of business stakeholders, the need to find optimal ways to coordinate them today require not only a comprehensive analysis of the organization's economic activity and its economic environment, but also the wide use of business analysis tools, which it should be considered as a new, promising direction not only in the practice of the economic sphere, but also in the development of analytical science. The development and further regulation of market economic conditions, the entry of the national economy into the system of international market relations required a change of attention from providing operational management with information to strategic management. Stability of financial and economic activity is ensured by targeted monitoring of its activity, problem forecasting, and combination of financial and non-financial evaluation indicators of strategic and operational management. The means of achieving this is the formation of a single enterprise management system focused on strategic goals, which in turn requires solving a number of problems. Introducing modern management accounting, increasing production efficiency and competitiveness of manufactured products, increasing labor productivity, improving financial and economic results, automating information supply, which in principle creates the need to make new management decisions.

2. LITERATURE REVIEW

The scope of modern business analysis is flexible rules for the organization's business model and its business processes. Scholars say that the main difference of business analysis from traditional comprehensive economic analysis is that, firstly, it is a combination of internal (process) analysis and external (environmental analysis), it is based on multi-criteria evaluation, different stakeholders, organization's making timely adjustments to the business model and strategy allows to ensure its stable development.

V.E. According to Kerimov, "as an information base of strategic management, it is a strategic account that registers, summarizes and presents the information necessary for making strategic management decisions by the management apparatus of business entities.

N. V. Valebnikova also concludes: "Management accounting currently includes: production accounting; separate management accounting; modern management accounting; progressive management accounting" and links the latest trends in management accounting with strategic management accounting.

Amanollah Nejad Kalkhouran, A., Hossein Nezhad Nedaei [5], Anand, M., Sahay, B.S. and Saha, S.[6], Ashton, D., Hopper, T. and Scapens, R. [7], Kaplan, R.S.[8].

In our opinion, the implementation of the concept of business analysis in the organization requires the use of a wide variety of tools that ensure the development and implementation of effective strategies for the development of the organization, planning, accounting and management of business processes in order to create an optimal business model. Information about the organization's external business environment is important in new economic conditions, it allows the enterprise to develop a business model in response to weak signals of this external environment, taking into account not only financial, but also key indicators in customer, social, environmental and other areas gives the opportunity to change in time. In other words, ensuring the long-term competitiveness of the

business model implies the existence of an accounting and analytical system that includes the ability to take into account both internal and external factors in relation to the organization. Within such a system, external and internal analytical data are combined when choosing an alternative management decision. These data are formed on the basis of strategic management calculation. Strategic management accounting is a relatively new concept of the science of management accounting, which is determined by the need for management accounting to go beyond the internal environment of the organization and include the objects of the surrounding business environment in its scope. This is a comprehensive management accounting system, which combines a set of technologies for collecting, recording, summarizing and presenting information to support the process of strategic management decision-making, taking into account and analyzing the development of the company and the external business environment and internal factors can be defined as a field.

3. RESEARCH METHODOLOGY

The general scientific principles of research, which provide for comprehensive and systematic approaches to the study of economic relations and events in their development, as well as interdependence, served as a methodological basis for the research work. In the process of research, general scientific and special methods of research - analysis, methods, and logical, general and systematic approaches to the evaluation of economic phenomena were used. The systematic approach was used to clarify the concept of strategic management accounting, to analyze and evaluate the business process system as a basis for providing information in financial and economic activities. A comprehensive approach to the problem determined conducting research in the field of organization of strategic management accounting, accounting, management accounting, and management of enterprises of the economic network.

4. ANALYSIS AND DISCUSSION OF RESULTS

As a continuous iterative process of planning, analysis, accounting and control from the point of view of strategic management of the organization, the main purpose of strategic management accounting is to improve the quality of strategic management decisions made based on the balanced business requirements of key stakeholders about the current strategic position of the organization is the formation of an information base that collects information (Fig. 1).

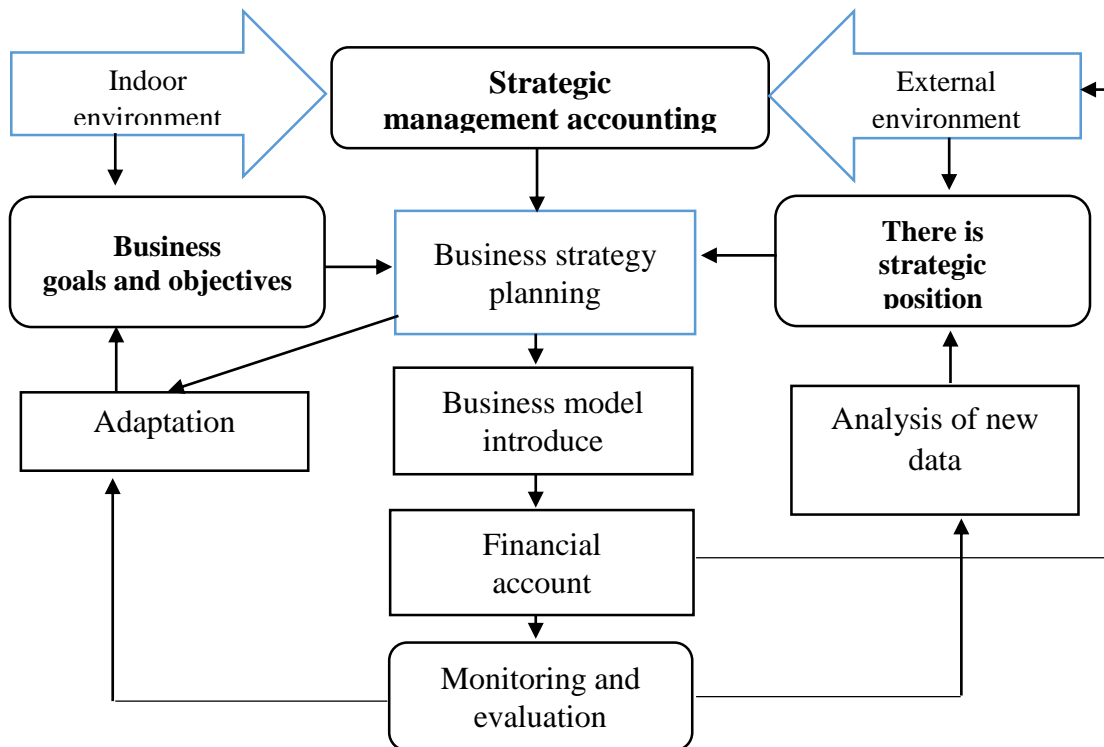


Fig.1: The main content of strategic management accounting from the point of view of strategic management of the organization

It should be noted that the purpose of the above-mentioned strategic management account corresponds to the purpose of business analysis in the organization - to identify problem areas of the business and the incompatibility of its indicators with the needs of the market and stakeholders, based on a comprehensive analysis of the economic activity of the organization and an assessment of the external market environment participation in the development of concepts, strategies, goals of specific development projects.

Thus, we emphasize once again that this strategic management account is a complete information base for business analysis in the organization. In particular, the main tasks of business analysis are to collect information about the state of markets, competitors and business processes, which will allow for the wider use of favorable opportunities to activate changes in the existing business model of the organization and to neutralize the threats affecting the activity from the external environment and synthesizing.

Similarly, the issue of quantitative accounting of changes in the relative competitive position of the organization in comparison with other market participants is of particular importance for strategic management accounting as a means of providing information for making strategic decisions. One of the main tasks of strategic management accounting is to collect detailed information about one's competitive position, to assess the potential for increasing market share and to compare the relative level of one's costs with similar costs of competitors. The approaches used within it include not only data collection, but also an analysis of the main competitors based on the collected information, their strategic position in the market, the strengths and weaknesses of their business, as well as their main competitive advantages. . To solve this problem, expert evaluation methods based on a wide range of market data are used.

The concept of the product life cycle, which forms the basis of many strategic management accounting tools, can also significantly increase the value of information about the state of markets and competitors for business analysis, which is the first step in analyzing competitors at a certain point in the product life cycle allows you to identify the areas that need attention (Table 1).

Table 1: The main areas of strategic management accounting for business analysis at different stages of the product life cycle

Product life cycle stage	An important success factor	The main direction of the analysis
Conception and implementation of innovative products	Successful development and introduction of new products	Relative and absolute levels of competitors' R&D expenditures
Increasing demand for products	Market share growth	Relative and absolute levels of competitors' marketing expenditures and corresponding changes in market share
Product maturity period	Maintain market share and sales volume	The level of relative costs of competitors and their composition

Another important direction of strategic management accounting in the organization is the preparation of relevant data for analyzing the profitability of each type of product sold by the organization. The strategic importance of such an analysis is relevant, since the decisive factor for the success of any strategic initiative is to focus primarily on product groups that can bring maximum profit in the long term. It should be noted that the quality of information provided by strategic management accounting for the analysis of the profitability of various product groups is mainly determined by the accounting and cost allocation system used. In our opinion, the use of activity-based costing (ABC) is acceptable for the purposes of business analysis based on the belief that costs are generated by activities. Therefore, activity-based costing technologies can provide strategic management accounting with more accurate information about the actual costs of products, and can be a reliable basis for making effective strategic decisions. As part of the periodic report, the introduction of various forms of reporting on product profitability based on the ABC method can increase the quality of the processes of strategic management decision-making in the field of production and sales policy of the organization.

Strategic management accounting, in particular, non-financial information created by evaluating the consumer value of the product, its main characteristics and attractiveness for buyers, as well as the operational and customer business processes, can be an important factor for the quality implementation of business analysis tools. To evaluate such non-financial indicators, it can be very useful to use various matrices of product attractiveness, the principle of creation

(Figure 2).

High Xarajatlar	The basis of the strategy is the lowest price for consumers	Maximum competitive product
	General products	The basis of the strategy is a high level of product differentiation
Lower	Lower	High

Fig.2. Product attractiveness matrix

The grouping of the main types of products obtained as a result of creating such a matrix based on the information of strategic management accounting significantly increases the validity of the main directions of investments in organizations. Another area of strategic management accounting, the data of which can be widely used in business analysis, is the evaluation of the profitability of individual customers or groups of customers. The inclusion of a customer profitability report based on the ABC method in the organization's internal reporting provides a reliable data base for evaluating alternative management decisions for revising relationships with various customer groups of the organization. In analyzing the profitability of ABC customers, an organization must consider all activities (primary and support) that it undertakes to meet the needs of its customers, from initial negotiations and contract development to after-sales service and long-term customer relations to term relationships. Cost factors for customer activities can be, for example, the number of orders or the total number of customers, the number of hours required to satisfy specific customer requirements, etc. In addition, it can be said that today more and more organizations recognize the desire to implement the concept of sustainable development as their strategic priority, which is the most important means of justifying business analysis. Sustainable development strategy means that when choosing and implementing any financial and investment decisions, the organization takes into account, among other things, the possible social and environmental consequences of their implementation both for the organization itself and for society as a whole. Such a multi-criteria approach to strategy development helps strengthen business reputation and business competitiveness, increase market capitalization, and align the interests of key stakeholders, including investors, creditors, public organizations, professional associations, environmental protection authorities, and others helps. At the same time, the desire to implement the concept of sustainable development in the modern conditions of local business activity is associated with a number of important problems, among which analysts highlight the following:

- lack of a comprehensive approach to long-term sustainability management in organizations;
- lack of development of methodology: lack of a conceptual framework, appropriate conceptual apparatus, information base, generally accepted reports, analytical tools, including indicators, and the correct methodology for their analysis, necessary for long-term sustainability management ;
- lack of accurate information about which organizations can make reasonable strategic decisions;
- lack of indicators to evaluate the effectiveness of measures to achieve long-term stability.

Thus, in order to widely introduce the concept of sustainable development, to demonstrate the organization's achievements in this way to all groups of stakeholders, to strengthen the organization's reputation in front of state institutions, and to increase the investment attractiveness of the business for owners and potential investors, local organizations, first of all, an appropriate information supply system that can reflect not only the level of achievement of the established financial and non-financial goals of sustainable development is necessary. It is strategic management accounting that has the appropriate set of tools to act as such an information system, reflecting, among other things, the environmental and social perspectives of the organization. In fact, assessing the level of achievement of sustainable development goals requires the availability of appropriate quantitative indicators, which are key indicators in strategic management accounting and are also widely used in business analysis [9].

Strategic management accounting includes the justification of relevant key performance indicators, constant monitoring of their current values and their comparison with the target level, and subsequent determination of their

target values with horizontal and vertical integration, in particular, the formation of a system of balanced indicators [10].

In other words, an organization's periodic report includes a strategic management account of the status of various environmental factors, including environmental and social aspects can provide a comprehensive approach to long-term sustainability management while meeting the information needs of a wide range of stakeholders.

The next important area of application of strategic management accounting in business analysis, in our opinion, is providing strategic control with information.

In contrast to operational control, strategic control requires not only financial information to achieve its goal, but very little information about the status of other important business perspectives (business processes, customers, personnel and development, environmental safety, etc.) requires information strategic management accounting can provide. Such information within the framework of strategic control should be converted into a "plan" to create an effective business model that will ensure a stable position of the organization in the long term. One of the most effective tools for such change is strategic plans, which are widely used in strategic management accounting. Their formation is carried out on the basis of the principles of system balance and forecasting, on the basis of the analysis of the organization's situation and development prospects, in a timely manner, by determining the areas of optimal values of target development indicators and important success factors.

The use of strategic plans based on the information of strategic management accounting within the framework of strategic control, changes in the composition and structure of value chains with a level of objectivity in which the organization participates, business-based recommendations aimed at creating an effective development strategy based on predicted changes in the external environment, allows to reflect and change information about the dynamics of customer preferences, the performance of competitors and their promising innovations, the profitability of products and customer segments. Strategic management accounting serves as a reliable information base for managing business processes.

5. CONCLUSIONS AND SUGGESTIONS

In conclusion, we emphasize the following: maintaining the efficiency of the business model inevitably involves a continuous process of changing the composition and quality of its business processes in accordance with the problems of the external economic environment. In order to ensure timely adaptation of the business to the current state of the external environment, the need to implement such changes should be determined through business analysis, which, in turn, needs an appropriate information base formed by strategic management accounting. In particular, the business model can be expressed as a combination of the following elements:

- corporate strategy and business development goals;
- a set of network and organizational structures;
- product range, customer base and their marginal loyalty, main competitors;
- methods of determining important factors of success;
- the main approaches to the selection and formalization of the main indicators of activity, the possibility of combining them into a system of balanced indicators;
- strategic indicator plans for different levels of business;
- a system of motivating employees to achieve goals.

The stability and consistency of the listed elements based on relevant information in the strategic management account can ensure the active adaptation of the business model to changing business conditions. On the other hand, inadequate business analysis information provided by insufficient strategic management accounting tools will inevitably lead to long-term loss of customer loyalty, loss of share, sales volume, and ultimately overall profit and market value of the business will come. Changing the direction of analytical thinking of the main groups of interested parties from the assessment of the current state of the business to the probable assessment of its future state, the extensive use of business analysis to justify the appropriate changes in business processes based on the information of strategic management accounting is the key to the successful operation of the organization in the long term.

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