

ACCOUNTING A CONSULTANT IN THE MANAGEMENT PROCESS

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Abstract:

Management process is a continuous activity that requires the achievement of the essential objectives of the entity. This involves knowing and understanding how should be implemented major functions of management to ensure the desired performance. Accounting, as part of the management process, specifically contribute to the value of the entity.

In this paper we want to present how accounting acts as a consultant to managers, helping them in decision making process.

Key words: *accounting, accounting information, process management, decision*

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Introduction

Whatever form of organization of an economic entity and its size, its performance management is based primarily on the use of strategic management and appropriate economic strategies. All these are used in order to achieve objectives in terms of a market economy with strong competition between undertakings, both internally and externally. Growth and development of a society can not do for themselves or inertia, without having formulated a strategy itself.

Even if a society is defined development strategy, it must be continuously adapted to new market conditions. It requires the management team to focus on ensuring profitability and company profitability. To ensure an efficient management process must ensure a well thought punctual information. The role of information system is to provide useful information and real-time management team.

Management process and decisions of managers

Specialized literature defines management process as a set of interventions that provides manager, organize, coordinate, make decisions and control his subordinates work in furtherance of the organization in terms of efficiency and social utility. Through management process aims to operate in any organization, regarded as a system, the smooth functioning of all parts thereof, dialectical relationship between the system manager and system driven.

Management process can be structured in three phases:

- Phase forecasting corresponds management forecast, characterized by setting targets for business, strategic and tactical decisions are priority, which gives a sense of anticipation.

- Operational phase - (operational management) - characterized by organizing, coordinating and training staff to achieve the objectives contained in everyday business plans and forecasts.

- The final phase - the interpretation and commensurate results (postoperative management) - is characterized by the evaluation and control objectives and criteria established in the first phase. Is of ascertaining, she completed a series of management and prepare for the following conditions.

Management process is based on information and people. Is based on information, which is the factor that directly affects the orientation towards a particular decision of managers. Is based and people, as the decisions taken by managers are implemented by people in their jurisdiction.

Information should be timely when it is available to users early enough to be used in decision making. Need current information implies that this information is regularly provided to users. (Lucian Ioan Sabau, Christmas SABĂU, Alin Emanuel Artene - Qualitative Characteristics and utility of the information in the Financial Statements Contained in making Decisions, Anal. Economics Series, Vol XVII/2011).

The overall management of an enterprise (Fig. 1) provides a flow of information and decisions. The information is provided to decision makers and their makers are directed or implemented by the staff of the department and is addressed with as the supply, production or delivery.

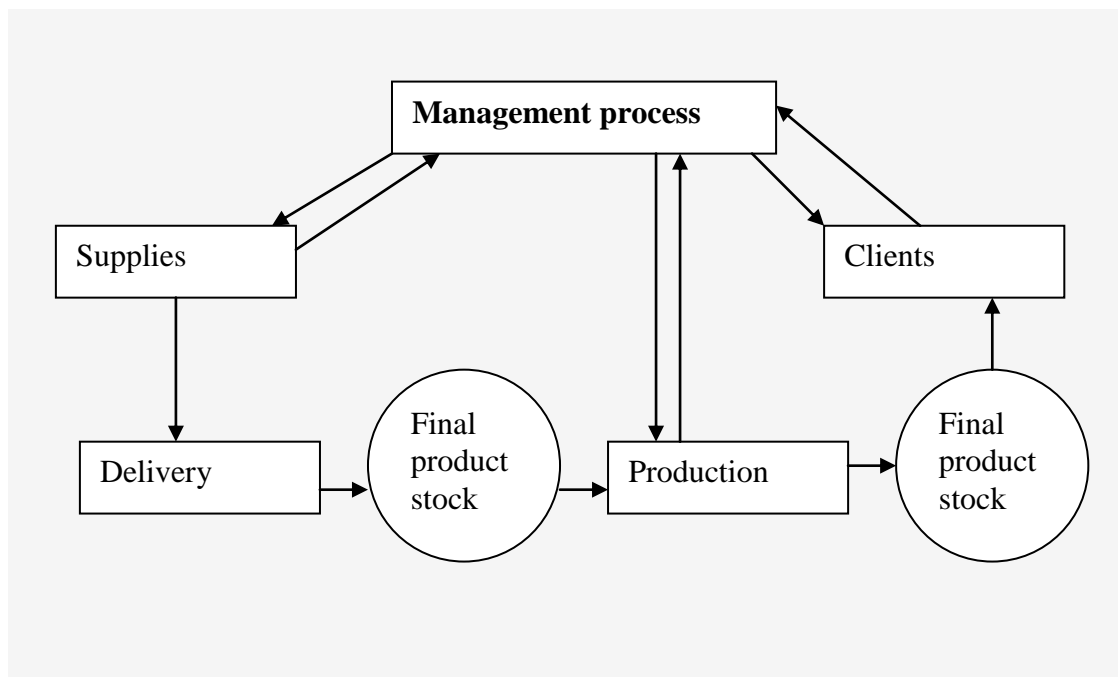


Fig. 1 – Overall management process of an enterprise

Most managers know how to think deductively, that define one or more problems, then find and evaluate different solutions. Application of information technology in management do require inductive thinking - ability to first figure out that there is a solution that can dramatically impact and then to search problems that could solve problems that the company did not know that have. (Andreia Simona MELNIC, Role of information technology in management skills, University "George Bacovia", Bacău, Romania 2008, page 256).

A decision requires a multifaceted approach in which the decision maker requires to be well informed regarding the problem and potential outcomes depending on scenario planning. (Fig. 2)

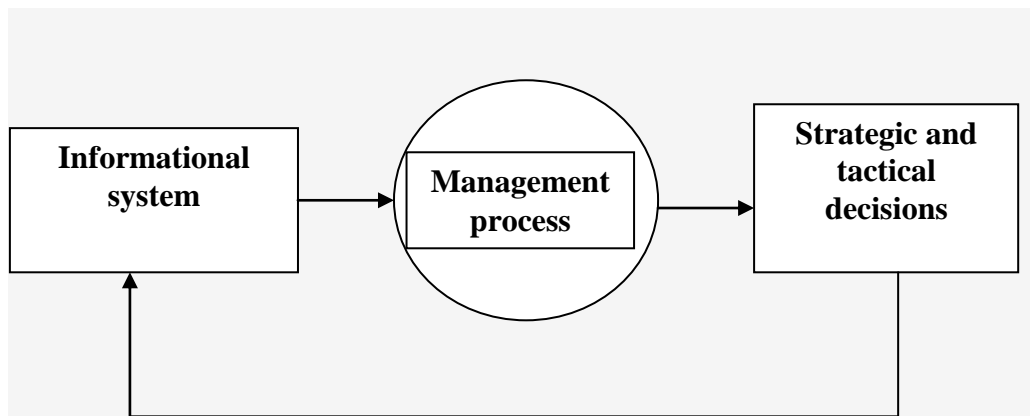


Fig. 2. Management process between information and decision

A complex decision to be taken by management of an enterprise, such as, for example, diversification of products or services offered, has many dimensions, such as technical, human, financial, organizational. A decision involves a confrontation best of results, sensitivity analysis and broadening their analysis in relation to the sensitivity obtained.

In a decision it is the optimal essential source of accounting information. This plays an advisory role in the management process

Accounting source of information in the economic entity

The overall objective of the accounting firm that is defined by the Accounting Law no. 82/1991, namely to provide a chronological and systemically record, processing and preserving published information on the financial position, financial performance and cash flows, both for their domestic needs and in relation to present and potential investors, creditors financial and commercial customers, governments and other users.

Accounting information provided useful internal requirements for company managers.

Professor M. Ristea defines accounting as "analytical representation of the internal processes of enterprises that produce qualitative and quantitative changes in the property table. Information built is intended for administrators, internal beneficiaries, who must answer the question how to allocate and use resources used by the investors to achieve performance. "

This definition highlights the fact that:

- The objective of accounting is to reflect internal relations;
- It must be organized in relation to management requirements;
- Be organized in relation to the structure of the entity;
- Be flexible, simple and quick.

In this context the main objectives and functions of accounting are:

- Costing the products (works, services), business and organizational units (divisions, departments, divisions, services, etc.)
- Determination of various margins and analytical results on products, services or activities;
- Providing accounting information required to prepare budgets;
- Providing accounting information to determine deviations between forecasts and image;
- Providing information to measure performance (profitability, productivity) in the sectors and products;

- Providing data for exercising control management;
- Long-term management decisions and coordinate the development entity.

Accounting is the starting point for the collection of information to use and involves several steps: collection - processing - communication - receiving - to use. (Dorel Mates, GEORGE CLAUDIU FEIES, Nicolae Virag, THE ROLE OF THE FINANCE-ACCOUNT SYSTEM WITHIN THE operators' PROCESS MANAGEMENT OF COMMUNITY SERVICES OF PUBLIC UTILITIES, Anal. Economics Series, Vol XVII/2011)

Accounting, the information they provide, facilitate optimizing the efficiency and effectiveness of the organization, ensuring a competitive advantage.

Conclusions

Tapping into these objectives, we have as a result a set of information that will assist managers in the management process. Before taking a decision based on financial data, managers will consult the accounting information. Accounting provides information and management process seeking the best ways to use information gained in order to take better decisions.

Such accounting is essential in making decisions. Accounting has no direct authority to implement certain decisions can be taken one person. Instead, it has influence on an individual group involved in managerial process who has direct authority to implement changes. The role of accounting is to provide information, ie, consult your accounting manager for the decision. Such accounts can be assigned to a consultant or advisor in the management process.

The difference between the management and accounting process is very well defined.

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