

Business-Planning Quality Support Factors

Gorelov D.V.

NOU VPO 'Moscow Institute of Public Administration', Moscow

Danilina E.I.

Moscow State University of Instrument Engineering and Informatics, Moscow

Malikova Y.I.

Vologda State University, Vologda

Doi:10.5901/mjss.2015.v6n3p71

Abstract

The role of IT in effective business-planning support is defined. The author shows that business-plan should contain unified information supporting high return on investments. IT should contain information that is listed in the article. The author divides this information by source: accounting and extra-accounting sources. The author also proves that company management should make decisions regarding the depth of costs and profits structure on their own. Insufficient detailing hampers valuable accounting. The author also characterizes the main features of external and internal IT and their tasks. The author proves that IT in Russian companies does not satisfy requirements of the modern stage of economic development. It is necessary to revise the scientific heritage of Soviet accounting and analytic school and also rest upon the experience of foreign counties in effective business-plan development as the author has shown.

Keywords: *enterprise, quality, business-planning, standard, algorithm, evaluation.*

Integral business-planning today plays a special role in the general system of industrial enterprise management system. It promotes development of the processes of managerial activity adaptation to business-planning.

But in practice complex character of business-planning operations is not fully understood now especially as concerned its preliminary stage, while the most important decisions regarding future activity are made on this stage.

This stage requires deep analysis and explanation of this idea. In the process of preliminary stage realization measures are carried out for adaptation of existing system of corporate management to the requirements of external environment, for necessary transformation of existing corporate structure, and for development of business-planning certification system due to processes unifying and standartization.

In the present state of Russian economic practice development it is necessary to make gradual shift from traditional project description to business-planning standards. The aim of the process is not radical transformation of old planning system but justifying the necessity of its adjustment in accordance with the requirements of market transformations of the economy.

Improvement of business-project plan development is directly correlated with the process of corporate development as a whole. Business-planning is critical for development of economy subject management system that is adequate to external environment requests and supports its long-term reliable functioning.

One of the tasks is to satisfy requirements of investors because the main aim of business-planning is capital raising for a certain project realization. The process of unification of information provided in business-plan is especially important because it allows corporate representatives and potential investors to develop the common language for better understanding of each other's aims and tasks. This approach is possible only on the ground of adaptation of information of business-plan to requirements of investor.

Different unions, natural and juridical persons, international and state financial intermediaries and institutions may act as investors. Considering the requirements of each potential investor it is possible to develop requirements to source information of business-project with investment character [1, p. 42-54]. These requirements are directly connected with investment standards that define effectiveness of investments in the scope of business-projects.

Still business-project plans that have bee developed at present are not unified as required and holders of

investment resources have too much information. So it is necessary to develop objective approaches to IT to make it fully satisfy the requests of maturing business-planning system due to integration of methodological tools that are used now for this purpose.

It is necessary to understand that the main aim of IT is provisioning corporate management (with limited number of workers) with information for carrying out enterprise productivity control procedures and justifying decisions basing of the results of this analysis. Information about fixed and direct expenses, average costs that determine cost price of products, production and sales profitability belong to this type of information.

Information sources used for corporate productivity analysis may be divided into two groups: accounting and extra-accounting.

IT development is important for corporate functioning internal reliability. Management of economy subject decides on its own how to make costs and costs centers classification and match them with a certain centers of competence and how to account for standard and partial costs. A certain types of analysis that are regularly realized by corporate management characterize the level of chart of accounts details that is necessary for a certain income item and cost.

If organization needs separating elements of fixed and direct expenses accounting database should be extended. (Semi-alternating costs may also be separated into fixed and direct.) Such extension may be required when enterprise management needs regular short-term alternative costs analysis or internal income statement with separated fixed and direct expenses. Later on card of accounts may be extended if organization needs to match costs to center of competence where they arise (or what they were related to) by their accountability in its accounting system.

There is no some sort of standard accounting structure detailing because corporate management should make decision regarding the depth of details of costs and income indicators on its own. But it is worth noticing that usually corporate accounting data is not adequately detailed that hamper valuable accounting [2]. A number of cases are known that enterprises have never revised their cards of accounts after automation. Still in economic practice there are also known the cases of unpractical investments in computer programs modernization for deeper data detailing. Anyway detailing of data that supports its regular use may be considered practical [3, 4, 5, 6]. There is no need to use expensive applications for extra-detailed presentation of information.

Detailed accounting information is important for alternative analysis of full costs. Trends of costs variations and distributions are more important for management accounting because it provides correlation between developing management control system and its aims [7, 8].

Analysis of big volumes of data both internal and external is necessary for enterprise functioning that in turn requires quality IT.

External IT is focused of the following tasks:

4. legislative legal information of the Federal level of economy management (governmental regulations and decrees, State laws). Main focus of this information is development of favorable conditions for external investors in the base of sustainable development and regulative base protecting investor's interests);
5. regional and municipal legislative legal information for settlement of the most important problems in regions. They may be related to creation and preserving jobs, dwelling provisioning to the people living in dilapidated or abnormal houses, environment protection. Settlement of these problems is necessary for creation of favorable investment conditions in regions or municipalities by lightening enterprise tax burden under the condition of fulfillment of socially valuable for region investment programs, facilities modernization by these enterprises;
6. intersectoral IT for different activities support for example in power saving;
7. information related to tax legislation, tax levy, duty and payments. Communication of tax information is critically important for correct understanding of the future return on today investments. It is necessary to keep correct correlation of federal, regional and local taxes taking into consideration possible benefits and the ways of tax optimization;
8. methodological information that defines rules and standards of investment business-projects plans development that describe methodological tools used in business-practice for calculating investment efficiency, development of final tables, etc. [9, 10].

Guidelines on evaluation of investment projects efficiency and selection of investment projects for funding is still the main legislative document for investment market. These guidelines highlight the most important aspects of analysis of investment project related to the following:

- modeling product, cash, resource and information channels;
- market state analysis and its impact on activity of enterprise that is realizing a certain business-project, its impact on ecological situation, etc.
- investment efficiency evaluation on the base of comparison of costs and returns with accepted yield and

profitability standard;

- reduction of costs and returns considering different periods to commensurable cost-effectiveness indicators;
- impact of inflation factors, delays in wage payments and other aspects that impact the value of bankroll;
- uncertainty factors and risks related to investment project realization;
- International Financial Reporting Standards as important element that shows future results of business-project plan realization.

Internal IT contains information about the company: organizational structure, technological development level, availability of qualified personnel, market share, financial provision state, realized strategy.

Availability of internal and external IT presumes development of business-project investment plan as the main task. Besides, now there is positive experience of using foreign methods of business-planning in national enterprises.

Nevertheless development of unified approach to accounting in Russian and foreign enterprises does not mean their identity. Key distinguishing features are related to higher extent of market approaches development in economic activities in foreign countries. Market activity predetermines using of a certain methodological tools most closely related to market economical methods and requests of external environment of enterprise. This approach promote constant development of internal management of a company, stimulates top-managers to use the most advanced management methods [10, 11].

So the greatest obstacle for using scientific and methodological base that is used by foreign enterprises is the lack of IT corresponding to the requests of the present stage of economical development [12, 13].

Therefore one of the most important tasks is transformation of the national experience in business theory and practice in accordance with tasks of the ongoing market transformation.

The other task of development of modern and quality business-planning system in Russian industrial enterprises is application of the new methods of gaining information about product quality, cost of production, financial results of unconventional sources that support well grounded decisions.

It is also necessary to analyze individual elements of the system as a single unit from the point of view of effectiveness of goal achievement.

Deep analysis and revision of rich scientific legacy of Soviet accounting and analytic and economic and statistics school and application of advanced tools used for effective business-plans development in advanced countries is important requirement for high quality of business-project planning.

Special attention should be paid for extending calculating methods used in Russian industrial enterprises by methodological tools that are widely used in advanced countries and its legislative consolidation and correlation with existing tax code. Main task here is reasonable matching of national experience of accounting operation conduct by main element and application of different methods of flexible development of accounting practice typical for market transformations.

Important factor of effective management of Russian industrial enterprises is flexible and optimal combination of national results and foreign experience of business-practice.

The main condition that will characterize the trends of business-planning improvement in Russia is legislative consolidation of the further development and deepening of market oriented transformations. It is also necessary to take into consideration expediency of constant effect of management system on it quality. It supposes complex analysis of information flows related to each structural unit of an enterprise and validity of their transfer in communication process. Besides this process cause the necessity of development of effective communicative networks and links that optimize information transfer in an enterprise.

Any material resources flow is directly related to information flow that in turn generates organizational and economic and methodological support for the process of investment business-projects development.

Therefore information for any management system provides information about the state of managed system necessary to obtain a certain aims. These aims are set by the management of an enterprise to provide information for the process of making grounded management decisions.

To conclude, IT in connection with methodological support for this process and improvement of organizational structure of industrial enterprise is extremely important for high quality business-planning.

References

- Danilin, V.N., E.I. Danilina and D.V. Gorelov, 2012. Management enhancement in modern economic activity. *The Problems of Regional Economy*, 2(11): 42-54.
- Gorelov, D.V., 2013. Methodological tools of business-planning quality evaluation in industrial enterprise. *Economic and*

Entrepreneurship, 5: 31-36.

Shatokhin, A.V., 2011. Study of theoretical foundations of business-planning management in innovative activity of enterprises. Regional aspects of management, economic and law of North-West Federal District of Russia, VATT 3.

Gainutdinov, A.M. and L.I. Podderegina, 2011. Business-planning. Minsk: Vysheishaya Shkola.

Strekalova, N., 2012. Business-planning. Minsk: Kniga po Trebovaniu.

Kosov, 2002. Business-plan: decision grounding. GU VShE.

Dubrovin, I.A., 2012. Business-planning in enterprise. Dashkov and Co.

Karetin, A.N., 2010. State policy in innovation management: problems and perspectives. Innovation Management, 1: 11-19.

Kerr, C., 1960. Industrialism and Industrial Man. The Problems of Labor and Management in Economic Growth. Cambridge (MA), pp: 1-207

Shaughnessy, H. and N. Vitalari, 2011. Is it Time to Rewrite the Innovation Playbook. Ten New Requirements in the Age of Hyperinnovation. www.innovationmanagement.se/2011

Kaplan, R.S. and D.P. Norton, 1996. The balanced Scorecard Translating Strategy Action. Cambridge Mass, pp: 1-234

Morgan, J., 2001. Research and experimental development statistics 1999. Economic trends, 573: 39-62

Rouach, D. and P. Santi, 2001. Competitive intelligence adds value: five intelligence attitudes. Europ. management j, 19(5): 552-559