

# ACCOUNTING AS A TOOL OF STRATEGIC MANAGEMENT OF THE DEVELOPMENT OF SOCIO-ECONOMIC SYSTEMS

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Accounting occupies one of the leading positions in the enterprise management system. It reflects the real processes of production, circulation, distribution and consumption and is an information base for characterizing the financial condition and planning of the enterprise. With the help of information provided by accounting, you can develop a strategy for the operation of the enterprise, which includes the following:

- 1) the most efficient use of available resources;
- 2) control of the current activity of the enterprise;
- 3) planning its strategy and tactics;
- 4) elimination of subjectivity in making management decisions;
- 5) forecasting indicators of enterprise development and
- 6) finding reserves to improve the efficiency of its work.

Thus, the accounting system is of great importance for the work of any enterprise, as it must provide complete, accurate and reliable information for sound management decisions by both internal and external users [1].

Thus, the accounting system in the enterprise management system performs the function of providing management staff at all levels of management, formed in accordance with common methodological principles, analytical and generalized information necessary for current and strategic planning, analysis, control and management decisions to achieve certain goals. economic activity of the enterprise.

In the process of management (management decisions) interact objects and entities, which makes it possible to consider the process of enterprise management as a management system, supplemented by regulatory tools, information and performance components, and so on. Thus, the enterprise management system is a way of interaction between management staff and executors to achieve the goals of financial and economic activities of the enterprise. The realization of the ultimate goal of the enterprise is ensured by the effective interaction of the managing and managed components of the management system, which is ensured through the implementation of its basic management functions: planning, organization, motivation, control. The accounting system has a significant influence on the performance of these functions in achieving management goals.

The influence of external and internal socio-economic environment on the economic activity of the enterprise produces a number of facts of economic life related to the processes of supply, production and sale. The versatility of these processes is due to the need to involve in the economic turnover of financial, material, labor, information and other resources, determining the subject of activity, the choice of production methods, the formation of pricing and sales policy and more.

The facts of economic life that lead to changes in the structure of economic assets and sources of their formation are identified in the accounting system as business transactions in which they are registered, systematized, grouped and summarized. Thus, an array of accounting and economic information is formed, which is used by the managed system as an information source in making management decisions [2].

Although accounting is an important element in the information system of the enterprise, in strategic management, its importance decreases due to the inability of accounting to accumulate data on the external socio-economic environment. Disintegration of accounting is manifested through a certain information limitations in the implementation of enterprise performance indicators, which necessitates the achievement of the integrity of the information system with theoretical and methodological tools, the concept of which should be based on "harmonization of all its elements: accounting, control and planning".

However, the accounting system as an information source of the process of making strategic management decisions should be considered primarily in the application of information and computer technology, which significantly increases the analytical information about objects, phenomena and processes of the internal environment.

The functioning of the accounting system at the strategic level, the main tasks of which are to meet the information needs of management staff in strategic decision-making, involves the identification of subsystems of strategic accounting and strategic analysis. Information at this level is modified by analytical procedures, which significantly increases its value for management. In addition, the traditional accounting system should ensure the identification of relevant objects for strategic management, in particular, such as the facts of economic life with uncertain consequences [3].

Accounting in the conditions of strategic management of the enterprise should correspond to the basic principles. Namely:

- accounting for the purpose of strategic management of the enterprise should not only support the process of making strategic and operational (tactical) decisions, but also take an active part in creating a strategic policy of enterprise management;
- accountants-managers who take part in creation of mission of the enterprise, strategy, strategic plan, should not during the control of the strategy to take over the powers and take over virtually all management functions;
- accounting for the purpose of strategic management of the enterprise should be a system that provides information (financial and non-financial) to employees of the enterprise at all levels of management;
- accounting for strategic management should be such management technology that is capable of self-development and change depending on changes in the external and internal environment of the enterprise.

Adherence to the basic requirements (principles) of creation and functioning of accounting for the purpose of strategic management of the enterprise will allow (together with other management technologies) to successfully implement the chosen strategy and to achieve strategic goals [4].

In the system of strategic management, given the need for strategic, atypical, global, informal, multi-purpose, long-term management decisions, decisions in conditions of uncertainty and with many criteria in the formation of its information support, we should talk about the need to build an information model of strategic management [3].

The key to a company's success is a properly chosen strategy and an effective control system for its implementation.

Understanding the strategy begins with defining the purpose and long-term activities of the company, which determine its mission.

The company's mission is transformed into specific goals, which are then embodied through appropriate corporate strategies.

A strategy is a set of policies, procedures and approaches to business to ensure long-term success.

Development and implementation of a competitive strategy is the main task of strategic management [5].

Effective strategic management requires reliable information support, which is strategic management accounting, which is a system of management accounting aimed at making strategic management decisions.

- The accounting system can meet the needs of strategic management in various ways, including:
- using accounting data to analyze the markets in which the company will operate;

- providing key information related to the selected strategies;
- providing feedback on the results achieved and their alignment with strategic goals;
- providing information on the long-term consequences of different areas of action [6].

In the field of accounting, the following possible options for the relationship of strategic management and accounting are identified:

1. The accounting system can be information support (support) of the strategic management process. This approach is the most common among domestic researchers. Its feature is the consideration of accounting as a supporting information subsystem of the strategic management system, which acts as a generator of accounting information for the development of draft strategic decisions and an information source for strategic control. Today, in Western European countries, the approach has become widespread, when accounting is considered as a comprehensive information system that describes the process of creating and implementing a strategy.

The accounting system is considered in its current form, and the information generated by it in the form of financial and management reporting can be expanded and supplemented based on the use of traditional accounting methodological tools – varying the available alternative options for estimating accounting objects, increasing the number of analytical sections, expansion of financial reporting indicators (notes to the annual reporting), development of new forms of management reporting on the basis of dedicated analytical accounts, etc. [7].

2. Strategic accounting (financial and management) is only one of the stages of strategic management, which provides a scan of the internal and external environment of the enterprise. Representatives of this approach (I.M. Bogataya, S.P. Suvorova, O.M. Shchemelev and others) distinguish a separate functional area of accounting – strategic accounting (financial and management), the further development of which necessitates significant changes in the existing accounting methodology, transformation of existing accounting principles and accounting values formed over a long historical period.

The application of this approach allows to unite in a single system of strategic accounting all existing and develop new methodological tools that will effectively ensure the process of preparation and implementation of enterprise strategy.

The main problem that causes the impossibility of effective implementation of this approach in the practice of enterprises is the lack of thorough theoretical developments on this issue, which does not allow to create theoretical and methodological prerequisites for the implementation of strategic accounting as a means of strategic management in enterprises.

3. The accounting system can be one of the tools of the strategic management system in the implementation of the function of redistribution of resources in the national economy. The founders of this approach are E.S. Hendriksen and M.F. Van-Breda, who understand the main function of accounting as the redistribution of resources in the national economy. In particular, as the authors note, financial statements provide for the occurrence of economic consequences, which are the basis for choosing the benefits of a particular group of users. Ya. V. Sokolov and I.A. Smirnova interpret the position of the authors: “... the first task accounting in accordance with the views of the authors of this book – to obtain and present to society information about the economic efficiency of economic entities and thus create an information basis for the redistribution of productive forces between efficient (highly profitable) and unprofitable sectors of the economy [8].

Thus, the accounting information disclosed in the financial statements of enterprises is a means of influencing the investment and loan decisions of its users. As the financial statements disclose the status and results of the enterprise, depending on their changes, the investment and loan policy of users of such information changes. As a result, the investment and borrowing resources available to enterprises are invested in those enterprises whose published results in the financial statements correspond to the established level of risk and profitability of investors and borrowers. Accordingly, the accounting system as a means of generating financial statements is a tool that determines the decisions of investors and borrowers, thus redistributing the available investment and borrowing resources in the financial market.

Depending on the type of enterprise strategy and the type of defined strategic goals, the accounting system can be considered as a tool for implementing the strategy. This is due to the fact that

in accordance with the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" and the National UAS, the company may apply its own accounting policy, the choice of which depends on the financial statements. As a result, accounting policy as a means of adjusting financial reporting indicators depending on the needs of owners and management of the enterprise is a strategic tool that influences the decisions of users of accounting information.

For example, to implement the financial strategy of enterprises, which is associated with the effective attraction, use and redistribution of financial resources to achieve financial goals, when formulating an order on accounting policy should use those accounting methods among the available alternatives in P (S) BU that will improve financial condition of the enterprise and will increase the efficiency of attracting financial resources [9].

The existence of this approach is confirmed by E.K. Hex, who considers the problems of building a corporate strategy for annual reporting, based on the relationship between shareholders and the actions of the company's management, which is reflected in the financial statements. For example, frequent changes in the company's accounting policy, abandonment of the provisions adopted last year, return to previous provisions indicate the existence of problems in the company's activities, which may deter potential investors. According to K.R. Herrigen, in the implementation of corporate strategy an important place is occupied by the policy of capitalization of advertising costs, research and development, other intangible assets and more. The reflection of these objects as costs or their capitalization as assets significantly affects the performance and activities of the corporation, its business reputation, which in general can be a significant obstacle / advantage in attracting additional investment resources, concluding agreements with potential partners, companies, etc.

4. The accounting system can be the object of strategic management. This approach involves the transition to the plane of the organization of accounting and concerns the analysis of further strategic prospects for the development of the accounting system at the enterprise as one of the types of information systems of the enterprise.

When applying this approach, there is a dichotomy of the role of the accounting system in the system of strategic management. On the one hand, the accounting system is used as a source of information, a means of scanning the environment of its operation, and on the other – is the object of strategic management, which will be formulated and implemented strategy, evaluated and monitored in the enterprise. In this case, the accounting information represents the results of effective or ineffective management decisions in terms of organizing the accounting system at the enterprise.

An example of such an approach is the implementation of the strategy of transition to the organization of accounting on the basis of outsourcing, which involves a set of actions and strategically planned measures that will ensure the gradual transfer of accounting functions from employees to employees of the outsourcing company.

To implement such a strategy, it is necessary to determine the goals and plans to achieve them (for example, reducing the cost of accounting procedures), detailed recommendations for their implementation at the level of the accounting system, develop a set of programs, budgets and procedures to be implemented. accounting outsourcing (search for an outsourcer company, discussion and conclusion of an agreement on the level of payment of accounting procedures, determination of their list and establishment of qualitative and quantitative requirements for their implementation, dismissal of the company's accounting service, etc.), monitoring and constant control over the chosen accounting strategy.

The analysis of the existing approaches of researchers in the accounting field on the relationship between accounting and the concept of strategic management has identified four possible relationships, each of which may be available at the present stage of development of accounting science and practice. Of particular note is the consideration of the first two approaches, which provide for the positioning of accounting as a tool for information support (complex or partial) process of development and implementation of enterprise strategies. In particular, we believe that these two approaches should be synthesized into one approach, which will involve the development of comprehensive information support for strategic management of the enterprise based on the use of existing and development of new methodological tools for accounting to deepen its strategic orientation.

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