

Introducing indicators system for strategic management (of industrial enterprises)

Umidjon U. Kostaev¹

¹*Doctor of Economics, Associate professor, Head of Planning and Economic Department SE
«Navoi MMC», Uzbekistan +998974079733*

Email: u.kostaev@ngmk.uz

ABSTRACT

The study presents the factors influencing on the strategic management of industrial enterprises with scientifically developed and approved set of indicators that assist in controlling strategic managerial records maintenance. The indicators system for organization matches the national specificity of Uzbekistan and recommended as effective controlling strategic managerial records maintenance for industrial sectors of the republic.

Keywords: strategic managerial records maintenance, external and internal factors, classification of indicators, activity evaluation, quality indicators, quantitative indicators, indicators of inside and outside environment, SWOT test.

1. INTRODUCTION

Strategic management accounting is a complex, multifaceted and comprehensive process. Although financial accounting involves specific methods and processes, the system of its implementation, a clearly regulated system of indicators that reflects accurate chronological records for a given period of time, there is not enough research for a clear system on strategic management record maintenance. The new approach proposes a very extensive assessment direction and system of indicators taking into account not only chronological processes, but also current and prospective indicators for the future that are able to foresee and show parameters. Accordingly, different methods and approaches are used in evolving new strategic management. The most popular among these are the following three groups:

1. Balanced system of indicators (Kaplan R.S., Norton DP, Fridag H.R., Schmidt V);
2. Added Economic Value Model (Yangel D., Model E.);
3. Cost accounting for activities (Yankowski KP, Mukar IF).

It is important to note that in countries with effective market economy, where strategic management is well established and maintained, they generally use the integrated system, combining these three elements.

Regardless of any or all of these three methods, a great deal of internal (micro) and external (macro) environment influences the activities of economic entities in the course of strategic management accounting, and their impact is assessed and analyzed. Therefore, we think it is expedient to give a comprehensive interpretation of the value of such indicators.

The results of scientific researches in this area show that there is no single approach, not only among theoretical scholars, but also in the practice of determining the scope of indicators that characterize its activities for the organization and maintenance of strategic management in economic entities.

For example, K.Druri justifies the grouping of indicators used to establish and maintain a strategic management accounting system:

- ✚ Indicators determining the financial future of the organization;
- ✚ indicators of consumer perspective;
- ✚ Indicators of the prospects of internal business processes;
- ✚ education, knowledge and growth prospects;

- ✚ indicators of service organization and development.

P. Attrill and E. McLean also propose to use the following indicators system for the same purpose:

- ✚ level of competitors and their profitability;
- ✚ profitability and profitability indicators of customers;
- ✚ indicators of changes in the share price and profitability;
- ✚ non-financial indicators.

A. Apcherch emphasizes that the management of an economic entity in strategic management cannot be accomplished by calculating quantitative indicators only, and therefore focusing on the financial and non-material indicators and proposes to focus the following:

- ✚ Indicators of capital profitability and net profit on the activities of segments;
- ✚ Indicators reflecting the degree of consumer orientation of business;
- ✚ Indicators reflecting the level of internal technological processes and equipment, the level of investment, the level of staff;
- ✚ Indicators of firm development;
- ✚ Indicators of adaptation to market relations;
- ✚ indicators reflecting the state of innovation.

Another group of scholars proposes to systematize the strategic management accounting parameters more broadly, and by classifying them as follows, based on their nature and nature, and their accounting features (Table 1).

Table 1. Group of key indicators of strategic management accounting

External indicators		Internal indicators	
1. Market Outlook Indicators	- market capacity; - market share	1. Financial performance directions of activity and products;	- profit (by segments and types of products); profitability; - capital profitability
2. Consumer prospect indicators	- the scope of consumers; - active consumers; - Consumer demand	2. Indicators of internal business processes	- time of the main production process; - idle time; - returned products; - processed and repaired products; - post-sale costs and costs
3. Competitive Rate Indicators	- number of competitors; - competitors' market share; - the percentage of active competitors	3. Consumer performance indicators	- the number of new consumers; - the number and dynamics of regular consumers; - Level of satisfaction with quality; - number and dynamics of objections
4. Prospectus of service and distribution channels	- number of distribution channels; - sales volume through distribution channels; - level of service on channels	4. Staff level	- time of orders execution; - retraining and advanced training; - personnel turnover
		5. Innovation indicators	- number of current developments; - number of newly introduced developments

Taking into account the recommendations and suggestion listed above the economical subjects with the consideration of our national economy, the following system of indications is being proposed to use (Table 2.)

Table 2. Strategic management accounting indicators used to evaluate the activity of economic indicators

Group class Indicator name	Classification	Name of Indication
Macro- environmental indicators	Qualitative indicators	Business confidence; The level of attention and support from the state in this sector; Regulation of competition in the industry; Crisis in the industry and the degree of responsiveness to such processes;
	Quantitative indicators	The Central Bank rate; National currency rate and its dynamics; Inflation rate and its forecast; Taxes and their forecasting; Labor market situation in the region; The level of income of the population and its dynamics; State of demographic process in the country and region;
Micro- environmental indicators	Qualitative indicators	Competitive Opportunities and Competitiveness in the Market; Level of trust and respect between partners; Relationship of society and consumers to the activity of economic entities; Consumer attitudes towards product quality and price; Condition of advertising of the subject and its products; And so on.
	Quantitative indicators	Credit interest rates and dynamics; Quantity, dynamics of suppliers of raw materials and materials, their solvency; Price of purchased materials and dynamics of their changes; Production volume; Level of introduction of new technologies; Labor market situation in the region; Solvency of product buyers; And so on.

Strategic analysis PEST analysis (Policy - Politics, Economy - Economy, Society - Society, Technology - Technology), SWOT-analysis (Strengths - Strengths, Weaknesses -) Weaknesses, Opportunities - Opportunities, Threats - Threats, as well as BCG (VKG - Boston Consulting Group) matrix, PINS (Profit Impact of Market Strategy - An Effective Market Strategy Analysis), Ansoffa Matrix (Commodity Market Matrix), From the ADL model (Arthur D. Litla mode) li, we think it is advisable to use the Maracon profitability matrix (Maracon Associates) at large.

The results of the complex analysis using these methods allow to calculate the effect of all direct and indirect external factors affecting the activity of an economic entity and, accordingly, to choose an effective strategy for the development of the entity. Collecting and analyzing the data required during the operation of these methods and models is the task of strategic management accounting. It should be noted that, despite the widespread popularity of these methods and models in countries with developed market relations, economic entities in various sectors of the economy, even economists, underestimate the effectiveness of such methods.

We propose to use the indices of the business environment in order to establish and maintain strategic management accounting (Table 3).

The table shows that most of these indicators can be used by existing financial accounting and analysis systems for strategic management accounting. At the same time, another group of indicators needs to be taken into account, summarizing, analyzing and presenting management at the appropriate level for strategic management decisions, using specific approaches, models, and matrices. Therefore, we will focus on specific features of accounting for such indicators in strategic management.

Table 3. Strategic management accounting indices of the internal environment of the business entities used Indicators

Group of Indicators	Indicators
Financial and Industrial	Profit and profitability
	Асосий воситаларнинг эскириши
	The need for key funds renew
	Dynamics of technological lines renewal
	Quality of row materials
	Optimization degree of deposits
	Circulation dynamic of the capital income
Economic and financial	Dynamics of profit, profitability indicators
	Dynamics of active liquidity
	Dynamics of indications for investment attraction
	Dynamics of fixed costs
	The dynamics of variable costs
	Dynamics of costs of administrative apparatus
	Dynamics of Commercial and Realization Costs
	Dynamics of losses and various unplanned losses
Intellectual and innovational	Knowledge of employees
	Proficiency level of specialists (foreign languages, knowledge of information technologies, etc.)
	Level of cooperation with foreign and national educational institutions, scientific institutions
	Level of participation in innovative projects, dynamics of new developments in production
	Production processes and environmental cleanliness of products
	Participation in Government and Government programs and projects
	Image and rating of business entities
Organizational and managerial	level of staff turnover, dynamics of change
	Salaries, level of incentives, performance evaluation criteria, degree of improvement
	Dynamics of internal cooperative and culture level
	Health status of the internal environment and state of performance and labor discipline, dynamics of change
Other indicators	

We believe that accounting for strategic management should focus on the development policy of the business entity in the future and, accordingly, focus on the key elements of its strategy and tactics. For this reason, many of the above-mentioned indicators determine the factors that should be taken into account in the future development of an economic entity. In particular, in order to improve the quality of products produced by an undertaking, the strategic management account should collect and analyze the following indicators:

- ❖ quantity of defective products, the reasons for which the product has become defective (or developed), the fault of which is found to be defective, the time of its elimination;
- ❖ The quality of the product and the level of customer satisfaction;

- ❖ Opportunities, reserves for further improvement of the quality of products in the business entity;
- ❖ financial support for product quality improvement and so on.

Alternatively, when the task of increasing production is to be collected and analyzed within the framework of strategic management accounting:

- ❖ market sales volume, market share, level of competitors, increase sales;
- ❖ use of existing material and technical base and technological equipment, production capacity, labor and material resources, possibilities to purchase new and modern equipment, qualification of specialists;
- ❖ Summarizing the marketing research conducted in this regard.

Likewise, when it comes to diversification of production processes (business), strategic management accounting is more broadly, namely, not only economic and financial or foreign markets, but also economic, political, international, and economic policies in the country. It is necessary to analyze, model, develop matrices by formulating matrices and propose the best of these variants. In particular, a number of years with moderate economic and political conditions will significantly ease the challenges of strategic management. This is because, in such circumstances, most macro-economic indicators (inflation, tax policy, income, product demand and supply, etc.), which affect the business entity, and which management accounting should take into account, are almost the same. , the amount of change they will not be very large.

If we look at the current level of development and development, we can see that the economic and political situation in the world is changing rapidly, and economic growth in our country is intensifying. In this case, the negative influence of external factors that may affect the business of strategic management (global and, accordingly, emergence of external threats in the export oriented market, emergence of new threats, growth dynamics of various countries) Monitoring and evaluation of sanctions, crisis situations, income decline, declining business environment, etc. shi, and to develop, it is vital to provide continuous leadership. Strategic management should take into account all of these factors, which may affect the business entity's performance, assess trends and, most importantly, develop a business strategy for the future, taking into account the current situation and the dynamics of change.

Another group of indicators, which determines the effectiveness of business activities, is its role in the domestic and foreign markets and the period of its functioning. The results of the analysis and official statistics show that at the beginning of the year many business entities are in crisis and are forced to complete their activities. We believe that the emergence of such a situation was not or was not taken into account by strategic entities in a timely manner. This is due to the fact that the management of new subjects is focused on the solution of current issues, and the most important is the consideration of the most important process - the prospective development factors of the entity and the analysis of their dynamics. At the same time, it is important to note that for such "young entrepreneurship", strategic management accounting is very important and very important. In this case, the strategic management account should provide the entrepreneur with objective historical data on the micro and macro environment (internal and external market factors, competitors' disadvantages, credit and investment opportunities, changes in debt and loan resources), and projections.

It should be noted that the scope of its activities directly influences the formation of strategic management accounting in economic entities. More precisely, the larger the business entity, the wider the scope of its activities, and the greater the number of its employees, the greater the ability to create and maintain effective strategic management accounting through the involvement of highly qualified professionals.

Likewise, the organizational structure of an economic entity also influences the strategic management accounting. The creation and maintenance of strategic management accounting creates considerable difficulties for economic entities with a linear organizational structure. The most favorable conditions for effective accounting and management of strategic management are economic entities with a linear-functional organizational structure.



2. CONCLUSION

In conclusion, The network nature of the business entity also has a direct impact on the strategic management accounting in them. For example, if every project in the construction industry is specific and the task of strategic management accounting is to comprehensively analyze the forward-looking projects implemented in the same area, the service business should be widely used. For subjects - the most important is the cost-optimization task, based on the needs of the service consumer, which is provided by cost calculation the order.

At the same time, it is important to note that accounting for strategic management is a unique case for each business entity and, accordingly, it is an important element of management of any business entity.

REFERENCES

1. Nikolaeva O.E., Alekseeva O.V. Strategic Management Upravlenchesk. - M.: LKI, 2008. - 304 pp.
2. Efremov V.S. Business strategy. Concept and method of planning: Учебное пособие. - М.: Search "Finpress", 2008. - 141 p.
3. Kochugueva MN, Moshkareva DA, Shadrina NM, Yulova S.M. Conceptual Analysis Strategic Business Logistics Business Company (s. -2012. №1 (21), -str. 84-96