

Research on the Application Status and Optimization Path of Management Accounting in Enterprises

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Abstract: Management accounting plays an important role in the development of enterprise operations. By processing and utilizing financial information, it helps to improve the effectiveness of internal control, strengthen internal management, and promote better economic benefits for enterprises. This study combines with Jingdong group as a case and analyzes the current application status of management accounting in enterprises, summarizes and explores the optimization path of management accounting, in order to provide reference for practitioners.

1. Introduction

Management accounting is an important branch of the accounting system, which can help enterprises improve their business management, directly participate in decision-making and control, provide financial information support, and help enterprises achieve better economic benefits.

Management accounting has strong professionalism and involves a wide range of work, and the quality of its work will have a significant impact on the development of enterprises. The Guiding Opinions on Comprehensively Promoting the Construction of Management Accounting System issued by the Ministry of Finance of China clearly states that a theoretical system of management accounting with Chinese characteristics should be formed in the context of the new era ^[1]. It can be seen from this that the country attaches great importance to the progress of management accounting construction. Jingdong Group was successfully listed on NASDAQ in the United States, becoming a leader in Chinese e-commerce. The application of management accounting has played a very important role in Jingdong. Jingdong's experience can give some inspiration to other e-commerce enterprises to apply management accounting.

There are still shortcomings in the current management accounting work of many enterprises. Only by facing up to the problems can more targeted solutions be proposed to help the long-term development of enterprises.

2. Basic Functions of Management Accounting

With the reform of accounting law, the functions of management accounting are further expanded in the new era. In summary, the basic functions of management accounting are mainly reflected in the following two aspects.

Firstly, planning and decision-making. In the process of enterprise operation, management accounting needs to take financial goals as the basis to help the enterprise obtain the best profits. During this process, management accountants will use various analytical methods and financial software to help evaluate the ultimate benefits of the company's business strategy and provide professional financial information to leaders. In this process, management accounting directly participates in decision-making, safeguarding the scientific nature of decisions ^[2].

Secondly, internal control and evaluation. Management accounting takes enterprise budget management as the basis, conducts performance evaluation and internal control, gradually refines and scientizes cost control, helps enterprises reduce the costs generated by various business and management activities, and guide enterprises towards standardization through performance

evaluation.

3. Current Application Status of Management Accounting in Enterprises

Management accounting helps enterprises analyze operational processes, improve internal control levels, and provide recommendations for the development of the enterprise. The application of management accounting in enterprises plays a significant role, but at present, there are still some problems that need to be solved in many enterprises' management accounting, and enterprises need to face up to the current application status.

With Jingdong Group as the case representative of the enterprise, the internal value chain of Jingdong Group mainly consists of five links: procurement and warehousing link, marketing and sales link, logistics and transportation link, payment link, feedback and after-sales link. The value chain is connected to suppliers and consumers, is closely correlated. Management accounting can be seen from the current situation of the exercise from Jingdong's internal value chain.

3.1 Imperfect Application System of Management Accounting

At present, many enterprises do not have a sound system to support the application of management accounting. The establishment of the system is mostly copied from other companies, which fails to integrate with the actual development of the enterprise and lacks practicality. The current system mostly divides various organizations of enterprises into management centers, without unified standards between departments. There is no scientific management system and work standards for enterprise decision analysis and performance evaluation, and there is a lack of corresponding basis for the implementation of management accounting work. Enterprises are also unable to assess the actual contributions of departments, and economic decisions are not scientific, resulting in unsatisfactory application effects of management accounting. In addition, some enterprise management accounting related rules and regulations have remained unchanged and have been detached from reality for many years, unable to adapt to the changes and progress of the industry, lacking innovation and practicality, which makes it difficult for management accounting to play its role.

3.2 Lack of Professional Management Accounting Talents

The quality of enterprise management accounting work is closely related to the professional ability of personnel. At present, the professional competence of enterprise management accounting varies greatly, and some personnel lack professional knowledge and awareness of learning new technologies, resulting in poor work ability, lack of recognition of management accounting and single way to acquire knowledge in work. Many financial personnel are accustomed to traditional financial management models and invest more energy in data accounting and financial statements, without properly understanding the role of management accounting^[3]. They lack understanding of new financial software and management concepts, own poor learning ability, resulting in a significant reduction in work effectiveness. In addition, some business leaders do not attach enough importance to management accounting, believing that it is sufficient for management accounting to calculate cost data well, and do not give more rights to participate in business decision-making. Management accounting is difficult to realize its own value and lacks work enthusiasm. Insufficient attention from leaders and insufficient talent reserves can lead to the loss of professional talents, and the application effect of enterprise management accounting will deteriorate, entering a vicious cycle.

4. Optimization Path of Management Accounting Application in Enterprises

4.1 Establish a Comprehensive Application System for Enterprise Management Accounting

A sound and comprehensive management accounting application system is an important foundation for ensuring the orderly progress of various work, so enterprises should also optimize the management accounting application system based on their own situation. The establishment of

the system should highlight the characteristic of “leading”. Enterprise leaders should develop more practical management systems based on the company’s development strategy and goals, taking management accounting theory as the foundation, innovating and leading the system, and involving management accounting in important work such as strategy formulation and performance evaluation [4].

The establishment of the system requires the integration of information technology. In the rapidly developing society of information technology and big data, the establishment of enterprise management accounting system also requires the use of information technology to establish a financial management system, including important systems such as cost management, financial accounting, business strategy, budget management, performance evaluation, etc., to provide strong data support for the implementation of management accounting work. By refining system modules such as budget management and cost control, we aim to push management accounting towards a more refined development direction.

For example, Jingdong’s procurement cost control improves the bargaining power by selecting suppliers, improving the procurement scale and sharing information, so as to reduces the relative cost of procurement. As shown in the Table 1, although the procurement cost of Jingdong has increased significantly in 2021 and the proportion has increased, the previous proportion has basically decreased, indicating that Jingdong's procurement cost control has certain effect, relevant measures have certain effect, and the bargaining power has also been improved, as shown in table 1.

Table 1. The procurement costs of revenue and gross profit rate of Jingdong from 2017 to 2021

Year	2017	2018	2019	2020	2021
Procurement costs of revenue(%)	85.98%	85.71%	85.37%	85.39%	86.43%
Gross profit rate	14.02%	14.28%	14.63%	14.65%	13.56%

By utilizing cloud computing, cloud storage, and other technologies to establish a timely linkage system among various departments of the enterprise, management accounting work can be carried out more conveniently and the quality of work can also be improved.

4.2 Scientifically Expand the Application Scope of Management Accounting

Against the backdrop of the continuous progress of the accounting industry, the business scope of management accounting is also constantly expanding, which is a reflection of adapting to industry changes and a manifestation of the scientific development of management accounting. The role of management accounting in enterprises cannot be ignored. Many leaders lack a correct understanding of management accounting. Therefore, in practical applications, the development strategy of the enterprise should also be taken as the basis to further expand the scope of management accounting [5]. For example, enterprises need to combine overall planning, scientifically design the workflow of management accounting, refine job responsibilities, and provide a basis for the development of management accounting work. Enterprises should also practice development concepts and goals, promote the integration of business and finance, involve management accounting in business activities, and help enterprises achieve better economic benefits by strengthening cost management.

The Ministry of Finance of China pointed out in the Comprehensive Deepening of the Application of Management Accounting and Actively Promoting the Expansion of Accounting Functions that it is necessary to actively promote the application methods of management accounting, solve key and difficult problems in development, leverage the collaborative mechanism between the government, society, and enterprises, strengthen the construction of management accounting, increase the attention of enterprises to management accounting, and provide support for economic and social development. From this, it can be seen that enterprises should create favorable conditions for the development of management accounting work, and with the support of various departments, jointly improve the application effect of management accounting.

4.3 Intensify Training Efforts to Improve the Professional Competence of Management Accounting

The effectiveness of financial application in enterprise management is directly related to the professional competence of accounting personnel. Therefore, enterprises should increase their efforts in cultivating management accounting, organize various training programs, and establish a high-quality retired management accountant to promote the progress and development of the enterprise with the power of talents ^[6]. Enterprises should optimize the functions of their accounting departments, arrange job positions, and start with talent recruitment and selection through organizational management. Professional and experienced accounting personnel should be selected to enter the positions. At the same time, professional talents can also drive the transformation of internal financial personnel and better participate in enterprise decision-making, providing guarantees for the role of management accounting. In addition, companies should strengthen their talent development mechanisms.

Enterprises should actively create learning and training opportunities for their employees, hire professionals in the industry to provide training for their accounting personnel, focus on optimizing training content, impart more accounting knowledge, apply hierarchical education methods to help improve the professional level of different personnel, so that they can all learn knowledge through training. For example, the performance evaluation of Jingdong Group is divided into financial indicators and non-financial indicators, which are more scientific and reasonable. Financial indicators refer to the income, cost, income of logistics, etc. Jingdong Group takes these financial indicators as the evaluation standard to analyze Jingdong Group's operating results, so as to find out the existing problems and make continuous improvement.

Enterprises can actively utilize online platforms to allow management accountants to flexibly choose their training time, help break down time barriers and start school anytime, so that accounting personnel can gradually develop good habits of lifelong learning. After the training is completed, the training effect can be summarized through exams ^[7]. In terms of exam content, it should be more inclined towards management accounting knowledge, increasing the proportion of this part of knowledge. In addition, emphasis should be placed on cultivating professional ethics. Due to its special functions, management accounting has an important impact on the development of enterprises. In the management, assessments and evaluations related to the company's internal control system, work responsibility, and scientific decision-making should also be integrated, making training more comprehensive and scientific, as well as identifying problems in training in a timely manner. It is beneficial for adjusting plans, truly helping management accountants improve their professional competence, and better assisting the company's progress.

5. Conclusion

With the progress and development of enterprise management, the public's understanding of management accounting has become more profound. Management accounting can help improve the quality of internal control in the development of enterprises. Through accurate analysis of economic transactions, it can provide important support for enterprise decision-making. Many companies gradually establish management accounting departments during their development process, placing greater emphasis on their functions and value.

However, there are still shortcomings in the application of management accounting in enterprises, such as an incomplete application system and a shortage of talent. In order to better address this issue and improve the effectiveness of management accounting applications, enterprises should also establish a comprehensive system for the application of management accounting, scientifically expand the scope of management accounting applications, and increase training efforts to enhance the professional competence of management accounting. Through these measures, we can further enhance and strengthen internal management, allowing management accounting to fully utilize its functions and promote the development of enterprises towards a more scientific and healthy direction.

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