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Chepka V. V.

*PhD, Prof. Kyiv National Economic University
named after Vadym Hetman*

Smakula Y. R.

audit staff, EY

Beyond budgeting – alternative of traditional budgeting

Based on current market conditions, each company tries to adapt quickly and efficiently to new changes in the environment, but with the use of traditional budgeting it is problematic, as the flexibility of the company disappears, which in the short term is a potential threat of disappearance, due to the untimely reaction of the market to need. That is why modern corporations and fast growing companies use the Beyond budgeting (BB) concept, which is an adaptive managerial model.

BB is an idea that companies need to move beyond budgeting because of the inherent flaws in budgeting especially when used to set contracts. It is argued that a range of techniques, such as rolling forecasts and market related targets, can take the place of traditional budgeting [1]. The bottom line is that instead of a detailed budget, a plan of action is being prepared, and the reporting periods are tied not to the calendar, but to the specific stages of the project's development

Outside of the budget, companies can quickly respond to threats and opportunities, adaptive organizations can work with speed and simplicity, giving employees the ability to act promptly and decisively within the framework of clear values and strategic boundaries. It is no accident that such adaptive organizations as Google, Handelsbanken and W.L. The mountains appear regularly in the lists of "best companies for work" [2].

The weaknesses of traditional budgeting processes have been the subject of much attention and many commentators. For example, such weaknesses include the following:

- Budgets prepared under traditional processes add little value and require far too much valuable management time which would be better spent elsewhere.
- Too heavy a reliance on the 'agreed' budget has an adverse impact on management behaviour, which can become dysfunctional with regard to the objectives of the organisation as a whole.
- The use of budgeting as a base for communicating corporate goals - setting objectives, continuous improvement etc - is seen as contrary to the original purpose of budgeting as a financial control mechanism.
- Most budgets are not based on a rational, causal model of resource consumption, but are often the result of protracted internal bargaining processes.
- Conformance to budget is not seen as compatible with a drive towards continuous improvement.
- Traditional budgeting processes have insufficient external focus [3].

Despite its young age as a management control system, BB has gained significant importance in recent years. The immediate advantages of BB are the

savings from not having to conduct a budgeting process of several months' length, faster response time to changes in the business environment, more time for value-adding work for the finance team, better strategic alignment of targets, measures and employee behavior, and, last but not least, the avoidance of dysfunctional effects, such as budget games.

Additionally, BB also offers several advantages in the long-term: due to the radical decentralization embodied in the concept, it promises permanent reductions in cost structure, more capable front-line employees, more loyal customers and more innovation

Nevertheless, it is not without criticism on its own. Without having a strict framework, such as the one previously provided by the traditional budgets, it is said that companies can easily lose direction. "Change in mindset" often goes along with a loss of control and, therefore, organizations struggle at balancing the need for control (provided by traditional budgets) with the need for flexibility (provided by BB principles) [4]. Without a budget, especially in post-Soviet companies, there is no overall framework of control which allows companies to plan, co-ordinate and control their activities. There is a lack of a road map which details where a business is and where it wants to go. Budgets may be very deeply ingrained in an organisation's fabric and operating culture. It may be very difficult or impractical for organisations to adopt the culture of decentralisation on which successful BB depends.

Consequently, the implementation of BB cannot be considered as one universal approach which is applicable for all organizations, but rather needs to be adapted to the company's specific prerequisites and needs

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Чернова В.В.,

к.е.н., начальник відділу контролінгу ПАТ «Одескабель»,

викладач кафедри економіки підприємства та

організації підприємницької діяльності ОНЕУ

Впровадження та використання автоматизованої системи управління підприємством “SteERP” на прикладі ПАТ «Одескабель»

Функціонування більшості середніх та великих підприємств пов'язано із вирішенням багатьох щоденних завдань, до яких належать виконання планів продаж, формування оптимального плану виробництва, своєчасна та якісна закупівля сировини та матеріалів, управління персоналом тощо. Крім того діяльність керівництва та усіх підрозділів підприємства повинні бути націлені на успішне досягнення різних цілей: максимізація прибутку, підвищення рентабельності продажу, зниження собівартості продукції, забезпечення якості виробництва, ефективне використання парку обладнання та економне