

Research on Lean Management Strategies of Financial Budget in Electric Power Enterprises

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Abstract: With the profound changes in the internal and external economic environment and the continuous deepening of the reform of the power system, the business model of power enterprises has undergone a complete transformation. The traditional financial budget management and control model has gradually exposed many deficiencies, which is difficult to meet the development needs of power enterprises. It is particularly necessary to explore the lean management strategy of enterprise financial budget. Based on this, this paper deeply expounds the necessity of financial budget lean management, analyzes the problems existing in financial budget management in detail, and puts forward the financial budget lean management strategies, in order to promote the sustainable development of enterprises.

Keywords: Financial Budget; Lean Management Strategies; Electric Power Enterprises

Introduction

With the deepening of the reform of the electricity price market and the establishment of the power grid agent purchase mechanism, the business model and business focus of power enterprises have changed accordingly. The profit model has been transformed into the “3+1” model of permitted income sources, and the business focus has been transformed into the “enhancing effective assets and consolidating the foundation of nuclear prices” internally, and “increasing supply and expanding sales and implementing permitted income” externally. This requires electric power enterprises to carry out financial budget management innovation in combination with their own actual situation, and constantly promote the development of lean management mode, so as to reduce the cost of enterprises and improve the overall efficiency.

1. The necessity of financial budget lean management

1.1 Help to enhance the competitiveness of enterprises

By optimizing the lean management model of financial budget and coordinating the arrangement of business activities, higher economic benefits can be created for enterprises. Through the establishment of a cash flow-oriented cost project budget control mechanism, scientific measurement of input capacity, linkage monitoring of budget execution, and dynamic adjustment of outflow budget, it can deepen the input-output efficiency evaluation and help enterprises improve the efficiency of capital use. By coordinating the allocation of cost project expenditure and dynamically adjusting according to the actual operation of the enterprise, the allocation efficiency of resources can be further improved, which is conducive to improving the comprehensive competitiveness of the enterprise.^[1]

1.2 Help to prevent business risks.

By deepening the lean arrangement of financial budget and standardizing the review of cost projects, the business risks of enterprises can be avoided from the source. In the budget preparation stage, it is necessary to clarify the division of responsibilities of various departments of the enterprise, formulate the work plans of each link in detail, and strengthen the compliance and necessity audit of cost expenditure, so as to effectively prevent the risk of compliance according to law. In the budget implementation stage, a reasonable matching of income cost schedule can effectively avoid the risk of cost overruns. In the budget evaluation stage, by analyzing the implementation deviation of the financial budget, the problems in the process of cost control are found in time, and the corrective measures are formulated synchronously to reduce the probability of risk occurrence and realize the overall cost control goal of the enterprise.

1.3 Help to improve the level of management.

By optimizing the lean adjustment of financial budget, it can better adapt to the changes of external environment, so as to effectively improve the management level of enterprises. According to the actual operation and development of enterprises, dynamic adjustment of cost control objectives, effective pre-event and in-event control of cost expenditure activities can ensure the consistency of financial budget and decision-making implementation objectives. By decomposing the target cost layer by layer, we can make all levels and links of the enterprise effectively participate in the budget management work, ensure the rigid implementation of the financial budget, and effectively improve the management level of the enterprise.

2. Problems in financial budget management

2.1 Financial budget preparation is not fine enough

In the financial budget management of electric power enterprises, it is necessary to scientifically compile the annual budgets to ensure the smooth development of financial budget management.^[2] However, from the actual management situation of the enterprise, the management of the enterprise does not pay enough attention to the financial budget management, it is only a pure financial behavior. When budgeting, it often relies on historical data to mechanically fill in, ignoring the actual business changes of the enterprise, resulting in the cost forecast is not comprehensive and specific. In addition, the financial budget of enterprises only controls the total cost, which weakens the reasonable compliance audit of various expenditures, and to a certain extent leads to the failure of financial budget management to give full play to its functions.

2.2 Budget execution supervision system is not perfect

Establishing and improving the financial budget execution progress management system can timely find the deviation in the process of budget execution, and timely formulate corrective measures to improve it, and promote the realization of the overall financial budget goal of the enterprise. However, the financial budget execution supervision system of electric power enterprises is not perfect. Due to the lack of a perfect organizational system, there must be some loopholes in the implementation supervision, often ignoring the budget execution deviation, failing to adjust the financial budget in time according to the actual development of the enterprise, bringing more challenges to the financial budget management of electric power enterprises.

2.3 Budget results assessment is not perfect

A complete evaluation standard is an important guarantee for the effective implementation of financial budget. However, although most enterprises have incorporated the financial budget into the performance evaluation index of the enterprise, and given the corresponding evaluation results for the completion of the financial budget, most of them apply the inherent standards of the previous year, failing to revise and improve according to the actual business development of the enterprise. The powers and responsibilities between departments have not been clarified, and the phenomenon of overlapping powers and responsibilities often occurs, which makes some employees prevaricate each other and fail to implement personal responsibilities, resulting in budget assessment not playing a practical role, which is not conducive to the long-term development of financial budget management.

2.4 The level of budget control information needs to be improved

With the continuous development of information technology in China, strengthening the information construction of cost control and carrying out financial budget management with the help of information technology can play a multiplier role, so as to further improve the level of enterprise cost control.^[3] However, most of the power grid enterprises rely on the ERP system for daily business accounting, but the cost of the system is only used for financial budget control and early warning. Although it can effectively avoid financial budget overruns, it cannot analyze the progress of budget implementation in real time, and cannot help enterprises identify the cost projects with slow budget

implementation in time.

3. Financial budget lean management strategy

3.1 Establish a sense of lean cost management

Improve the awareness of cost control of enterprise managers. In the field of financial management of modern enterprises, the cost management consciousness of enterprise managers directly determines the level of enterprise cost management ability.^[4] In order to further improve the effectiveness of lean management and control of enterprise financial budget, managers should establish the concept of lean cost management, establish and improve the lean management and control mode of the whole process financial budget, and infiltrate the cost management consciousness into all aspects of enterprise production and operation.

3.2 Improve the financial budget lean management mechanism

Strengthen budget execution tracking and formulate corrective measures in a timely manner. Strengthen the lean management of the whole staff, the whole business and the whole process cost, carry out the tracking analysis of the budget implementation on a quarterly basis, establish the awareness of the whole staff management and control, and further reduce the company's cost. To strengthen the management and control of cost projects, regularly organize the implementation analysis and supervision and inspection of cost project plans, track the cost accounting of various departments, timely analyze the causes of project implementation deviations, and strengthen the company's cost project management and control capabilities.

3.3 Improve the level of budget management informationization

Strengthen the construction of information infrastructure. Establish and improve the financial budget information supervision mechanism.^[5] With the help of the information system, the basic data is summarized and analyzed, and the original manual operation mode is replaced, so as to improve the security of financial information and the convenience of call, so as to promote resource sharing and improve the efficiency of financial data. In addition, we will carry out information technology training for financial management personnel, hire external experts for technical guidance, enrich the knowledge reserve of financial management personnel, enable them to quickly and skillfully master the system operation process, innovate traditional management concepts, and realize the management innovation of financial costs.

4. Conclusion

To sum up, in order to ensure the sustainable development of power enterprises, it is imperative to optimize the lean management mode of financial budget. Taking budget control as the starting point, by optimizing the budget control process, strengthening the whole process control of the financial budget 'reporting-auditing-issuing-tracking-evaluation', optimizing the cost arrangement strategy, promoting the lean distribution and fine control of production costs, continuously reducing inefficient and ineffective input, gradually improving the input-output efficiency, and laying a solid foundation for the sustainable development of power enterprises.

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