



BUSINESS BUDGET AS A SUPPORT TOOL FOR DECISION-MAKING FOR IMPERATRIZ / MA WOOD CARRIERS

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SUMMARY

The present work aimed to present, analyze and understand the positive and / or negative aspects of the business budget as a decision-making tool for the wood transporters in the city of Imperatriz - MA.

For this study, documentary research survey data was used to identify the perception of companies regarding the use of the corporate budget. The research envisioned the General objective: If companies use the corporate budget for decision making. As well as the specific ones that were: a) analyzing the advantages and difficulties in using the budget; b) highlight the types of quotes that carriers use. The survey results confirmed that the business budget is indeed an effective tool to assist timber transport companies in the decision-making process

Keywords: planning; budgeting and decision-making.

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1. INTRODUCTION

This article allows a reflection on the business budget as a tool to support decision-making for wood transporters in Imperatriz - MA, since the budget is a simple tool, where you can obtain even in the short term valuable information for making of decisions, being a fundamental part for the management of any enterprise regardless of the size or industry.

The wood transporters from Imperatriz - MA, work on a 24-hour basis, transporting eucalyptus to the pulp mill installed in the city for about 4 years, and in addition to coordinating operations, they still have high costs for maintaining forest implements, where every penny less makes a big difference.

In this context, the following question arises that guides this work: do companies use the corporate budget for decision making? It will probably be found that companies actually use the tool, so we seek to investigate the decision-making process of these carriers, using budgeting as a tool to support management. Also having as specific objectives: a) to analyze the advantages and difficulties in the use of the budget; b) highlight the types of quotes that carriers use.

2 THEORETICAL FRAMEWORK

2.1 Budget History

Since cavemen, mankind has the need to budget, due to the need to stock up on food for the winter periods, primitive men have already developed this practice.

According to Lunkes (2003, p. 35) the word "budget" has its origin linked to a fabric bag called *fi scus* and used by the ancient Romans to collect taxes. Subsequently, the term was used to refer to the treasury exchanges and also the employees who used them. In France, the term was known as *bougue* or *bouquette* and, probably between the years 1400 to 1450, the term *bougett* was included in the English vocabulary.

In the 18th century, the Prime Minister carried the government's spending plans to Parliament in a large leather bag, calling this ceremony "opening of the

budget". In 1800, the word budget was incorporated into the English dictionary.

The budgetary practices adopted today had their origins in the 19th century, when changes took place with the objective of obtaining greater control over all expenses.

2.2 Budget in Brazil

In Brazil, the concept and budgetary practices started in the public sector as evidenced (LEITE et al. 2008, p.60).

In Brazil, the budget, too, had its application, primarily, in public administration since the creation of the Erário Régio and the Finance Council in 1808, with the arrival of D. João VI. Subsequently, the 1824 Constitution provided that the Ministry of Finance should receive budgets related to its expenses from other ministries. The 1891 Constitution, on the other hand, delegated to the National Congress the budget for revenue and the fixing of expenses annually. However, Law no. 4320/64 became the main guiding and disciplining instrument for the budget preparation and execution process. Recently, the Fiscal Responsibility Law nº. 101/2000, known as LRF,

Currently in the public administration what guarantees the budgetary execution according to the planning is the Fiscal Responsibility Law, where it obliges the manager to apply the resources according to their destination previously established in the budget, returning to historical evidence for Lunkes (2003), the budget became the focus of studies in Brazil from the 1940s, but it reached its peak only in the 1970s, when companies started to adopt it more frequently, in view of this Schubert (1985, p. 5) states what:

From 1971 onwards, we implemented in large private companies and in public companies, through work or consultancy contracts, the budgetary, accounting and integrated cost systems and within the principles of the program-budget, which combined with electronic processing, presented a mass of first-rate management information.

From this period, with the attempts to organize the Brazilian economy with the economic plans that aimed at controlling inflation, the organizations had a scenario in which it was possible to carry out budgetary planning.

2.3 Budget

According to the Aurélio dictionary, the word budget has two meanings: 1. Act or effect of budgeting; 2. Calculation of income and expenses. People know these meanings in the practice of daily life, daily when shopping we are making small budgets and at the end of the month the balance between income and expenses will point to the financial health of the family, according to (CARNEIRO, 2015) the business budget is the projection of revenues and expenses that an organization prepares for a certain period of time in this context, Lunkes 2008, (apud GOMES, 2010, p. 84) states that:

The budget can be defined as a plan of the operational processes for a given period. It is a representative form of the economic and financial objectives to be achieved by the organization. They also allow the calculation of results by area of responsibility, playing a controlling role through cost and accounting systems. The budget is present throughout the administrative cycle. It can be defined in broad terms, as a systematic and formal approach to the execution of planning, execution and control responsibilities.

The budget is an integral tool in the control and operational planning process of any organization, regardless of the industry or size. As a rule, companies seek to plan and control their operational activities through budgeting techniques. The tasks are formalized and systematized so that they can be performed normally, during the company's process.

So, the budget is based on the elaboration of a company action plan, according to the objectives, goals and action policies in the short, medium and long terms.

3 MEDOTOLOGICAL PROCEDURES

3.1 Types of Research

In order to determine the importance of the business budget as a tool to support decision making for timber transport companies in Imperatriz / MA, the type of research adopted was exploratory, which is supported by bibliographic analyzes.

According to Malhotra (2001), exploratory research aims to study a topic on which the researcher does not have sufficient knowledge, in order to obtain a greater understanding of the object.

Bibliographic research was used to clarify and assemble terms related to the subject in question, developed from the consultation of material already prepared, such as articles, books, newspapers, magazines, monographs, theses, among others.

The qualitative and quantitative approach was applied with the application of a questionnaire, because like any research, the case study starts with the formulation of a problem. (GIL, 2010).

3.2 Universe and Sample

The universe of research adopted is the total number of wood carriers existing in the city of Imperatriz - MA, which are currently 3 (three) according to a consultation with the logistics manager of the pulp mill.

3.3 Data Collection

For this work, data were collected through a questionnaire sent by e-mail.

4. ANALYSIS AND DISCUSSIONS OF RESULTS

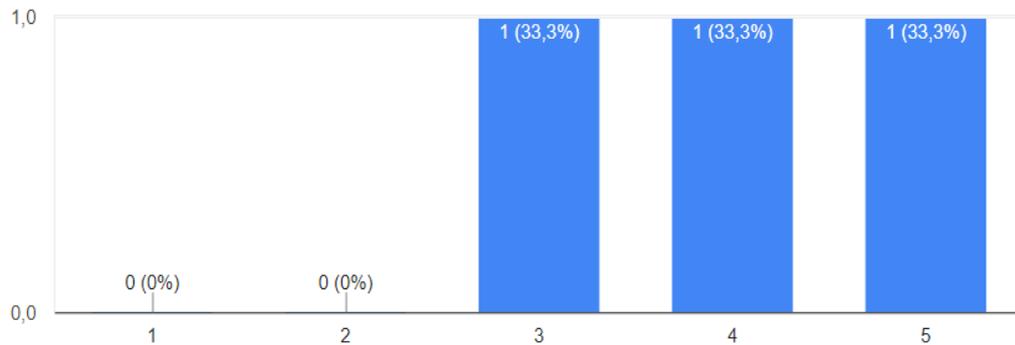
4.1 Quantitative and Qualitative Research

Of the total of 3 (three) transporters that work with the transport of wood to the pulp mill, the survey was carried out in all.

In order to obtain a subjective view / opinion of the importance of the corporate budget for managers and / or analysts who work directly with budgets, an open question was included in the questionnaire.

The questionnaire was developed with questions on a linear scale, where the interviewee could choose options from 1 to 5 that represent: 1 I don't totally agree, 2 I don't partially agree, 3 neutral, 4 partially agree, 5 totally agree.

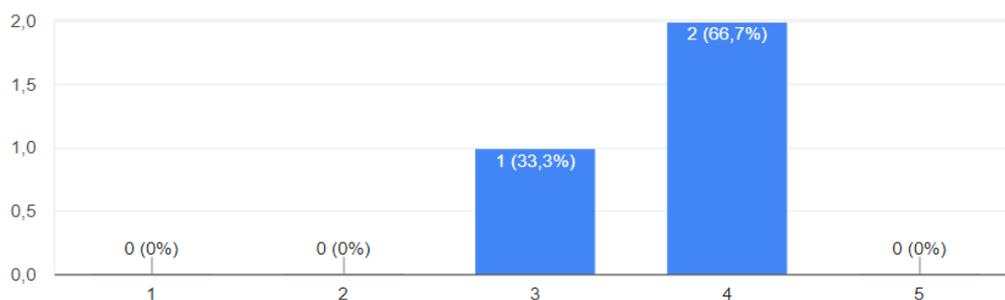
1 - Is the Business Budget important for decision making in the company?



Graphic 1

The data in Graph 1 shows that 66.7% of the surveyed companies agree either partially or totally that the budget is an important instrument in the decision-making process, it is known that the budget is a planning and control tool, since companies seek to plan in advance their actions regarding the financial resources that will be used in the execution of their operational activities.

2 - Is the budget checked and updated frequently in order to assess the company's performance?

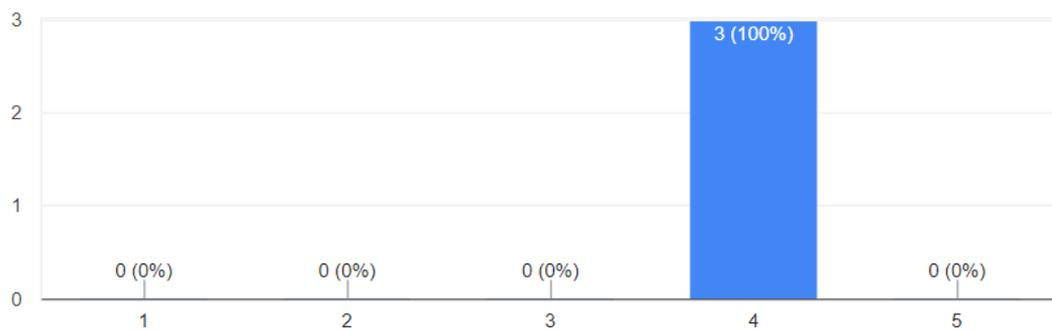


Graph 2

Graph 2 shows that of the three responses, two partially agree, and one company was neutral. It is understood that the budget has the primary purpose of

monitoring the performance of the company in order to ensure that possible deviations are analyzed and controlled, thus, it is necessary to monitor it in detail, in order to ensure that the established results are achieved and that the company is able to achieve the stipulated results.

3 - Does the organization compare the actual results for the period with the planned results?

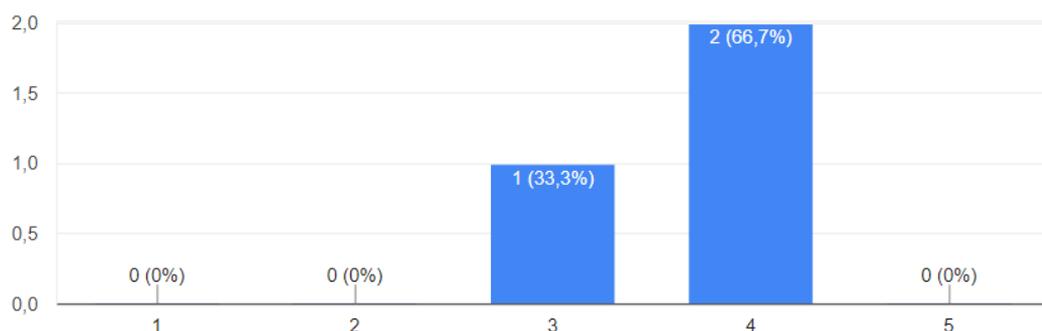


Graph 3

Graph 3 shows that 100% of the surveyed companies partially agree when it comes to comparing the results achieved with the planned results. It is essential that companies do not only budget planning, but, above all, that they do not neglect the systematic monitoring of results, since the budget is not only used to forecast future spending, but is also used to evaluate past spending, in order to minimize possible failures during the process.

4 - The advantages of the budget for the organization are:

a) Does it help to assess the organization's performance?

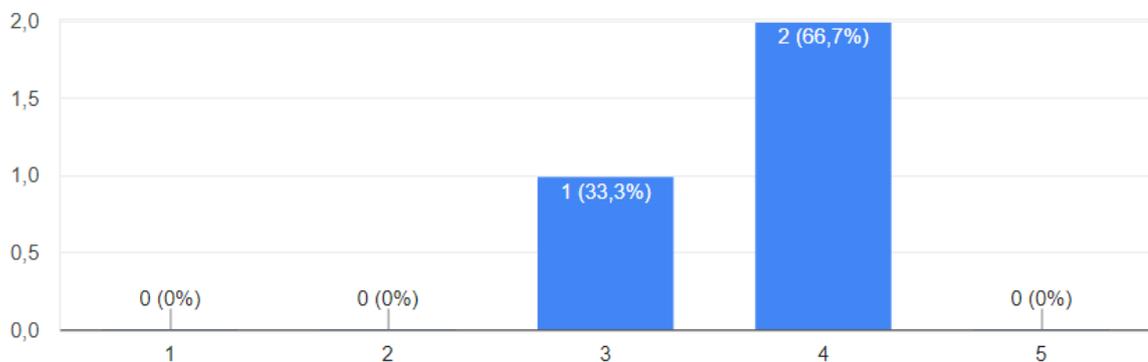


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Graph 4

According to graph 4, it is observed that 66.7% of the companies partially agree with the statement that the business budget helps to evaluate the organization's performance. It can be said that the budget is considered one of the pillars of any organization's strategic planning, due to its scope and its effectiveness in terms of strategic levels.

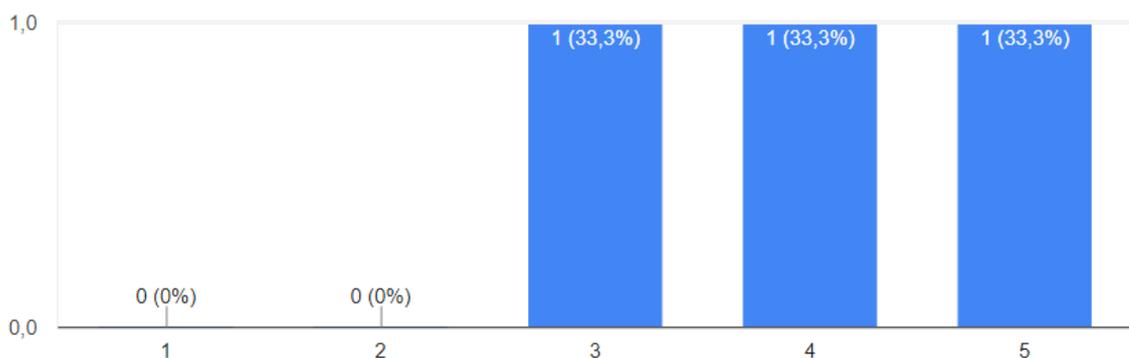
b) Establish clear goals to be met?



Graph 5

As shown in Graph 5, it can be seen that 66.7% of the surveyed carriers partially agree that one of the advantages of the budget provides the establishment of clear goals to be met. Therefore, it fulfills its purpose, that is, to assist managers in carrying out their activities.

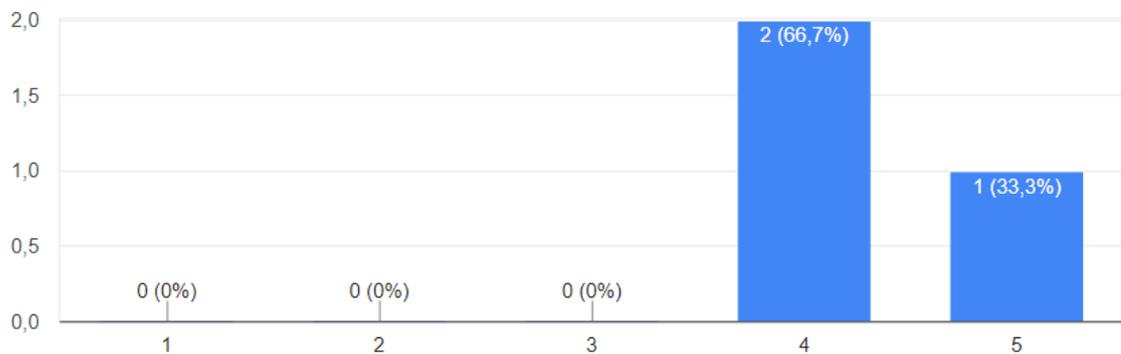
c) Does it help to establish profit targets?



Graph 6

According to graph 6, it can be seen that 66.7% of the companies agree partially or totally, with the statement that the business budget helps to establish profit objectives as the budgeted values aim to minimize and maximize profits from the company.

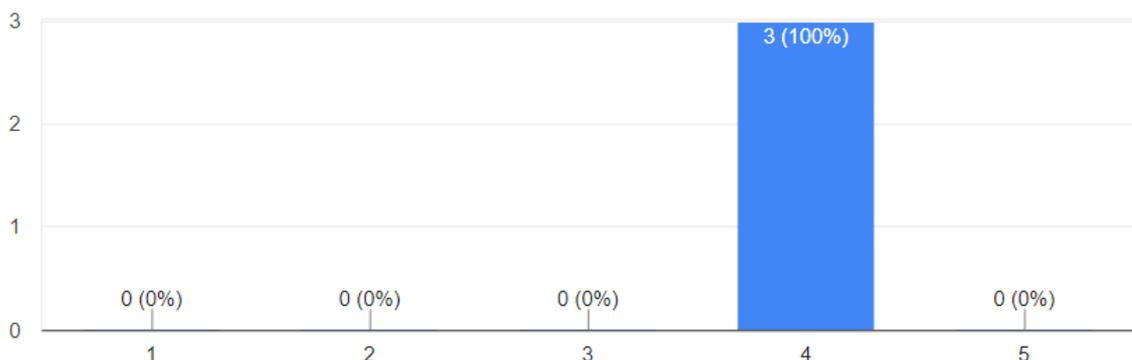
d) Does it make it possible to see future performance?



Graph 7

Graph 7 shows that 100% of the companies agree partially or totally about the possibility of seeing the future performance by the business budget. The budget is configured as an effective tool to assist managers in decision making, due to the wealth of information contained therein. Furthermore, it points to actions established in the long and medium and long term, enabling a holistic view of the company.

e) Does it allow the comparison of the results achieved with the pre-established goals?

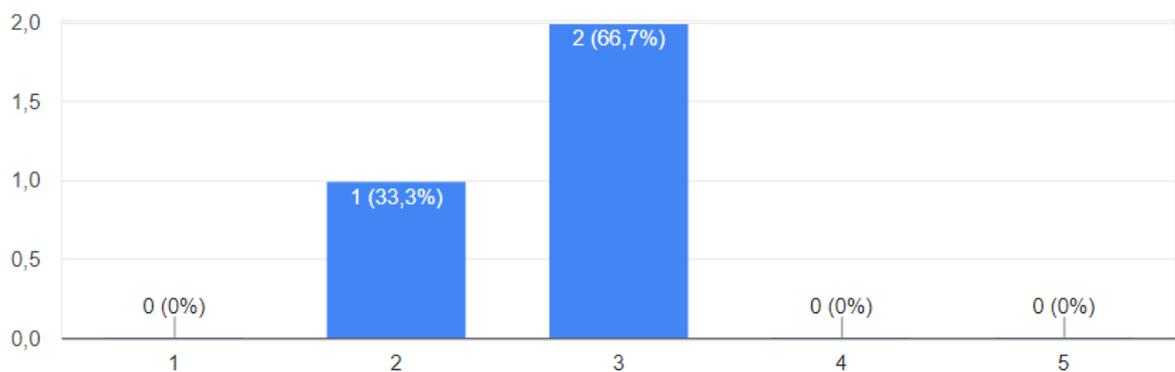


Graph 8

It can be seen in Graph 8 that 100% of the companies surveyed partially agree that they compare the results achieved with the goals previously established, this shows that through the result the manager can make more assertive decisions.

5 - There are limitations / difficulties in the budgeting process, such as:

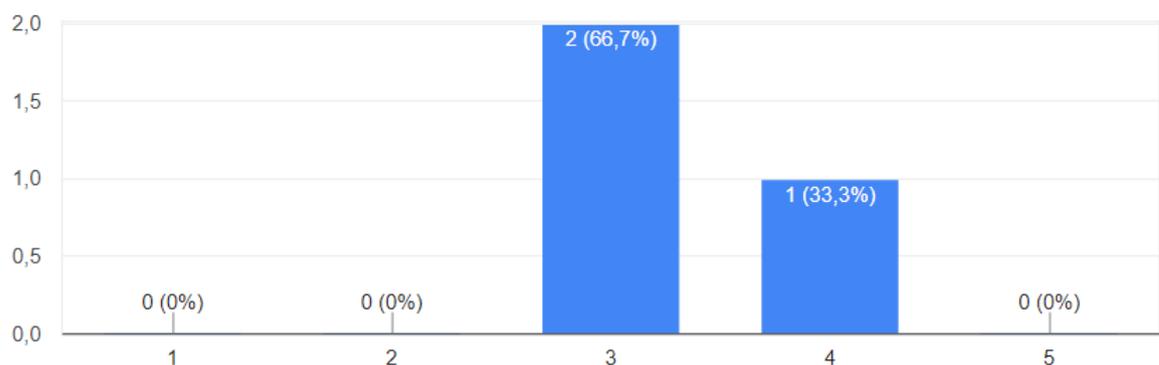
a) Does its use increase the cost to the organization?



Graph 9

As shown in Graph 9, when asked whether the business budget increases the cost of the organization, 66.7% will remain neutral and 33.3% did not partially agree. The budget is not intended to increase the organization's operating costs, on the contrary, it aims to provide greater financial control, better distribution of responsibilities, in addition to reducing the margins of management errors.

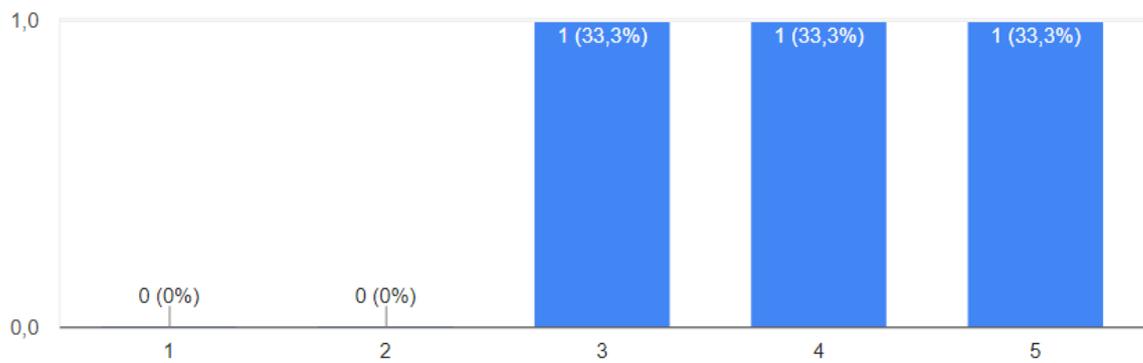
b) Can your standardization lead to a lack of organizational flexibility (plaster the company)?



Graph 10

The data in Graph 10 show that when asked about the possibility of plastering processes through the budget, two were neutral and one partially agreed, which demonstrates that in some aspect the budget can generate a lack of organizational flexibility in the companies surveyed.

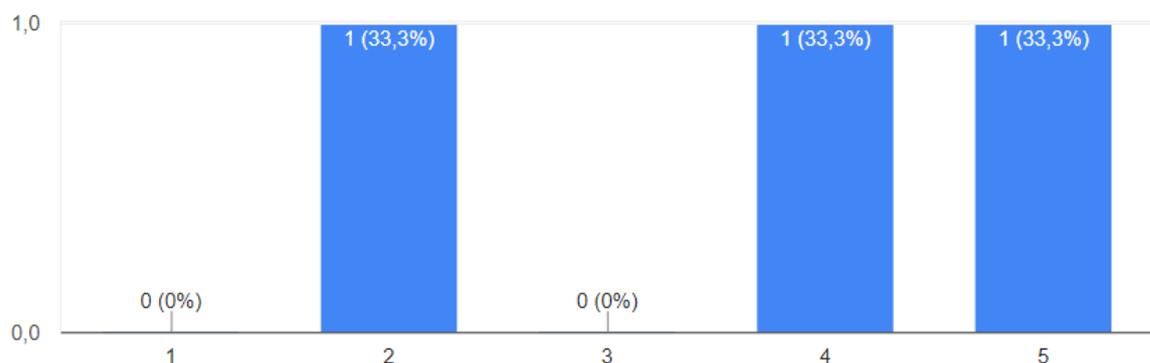
c) Are the data contained in the budget subject to errors because they are estimated?



Graph 11

On whether the data contained in the budgets may contain errors because they are estimated 1 company was neutral, one partially agreed and one fully agreed. It is important to stress that the budget is subject to uncertainty and flaws, so it is necessary to have a safety margin, to prevent a possible forecast error.

d) Do the results appear slowly since the benefits will be seen in the following year?

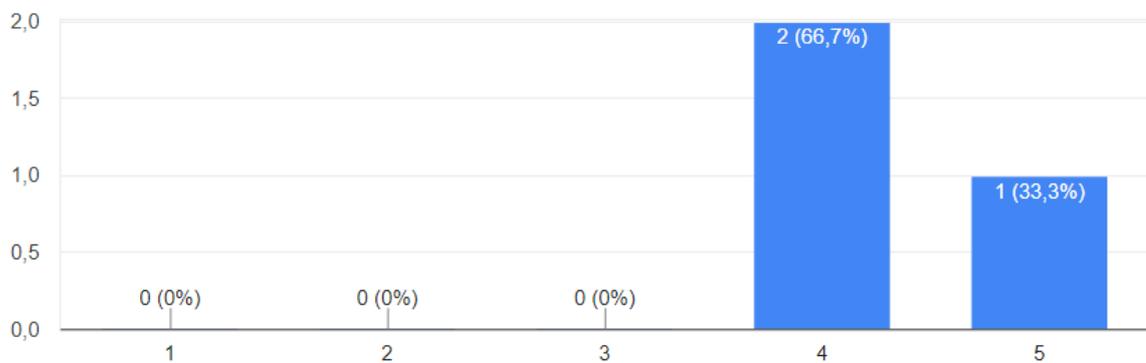


Graph 12

Business Budget as a Decision Support Tool for Imperatriz / MA Wood Transporters

According to graph 12, of the companies surveyed when asked about the results appear slowly with the use of the budget, one did not partially agree, one partially agreed and one totally agreed, this result shows that the results of the business budget come slowly according to their use .

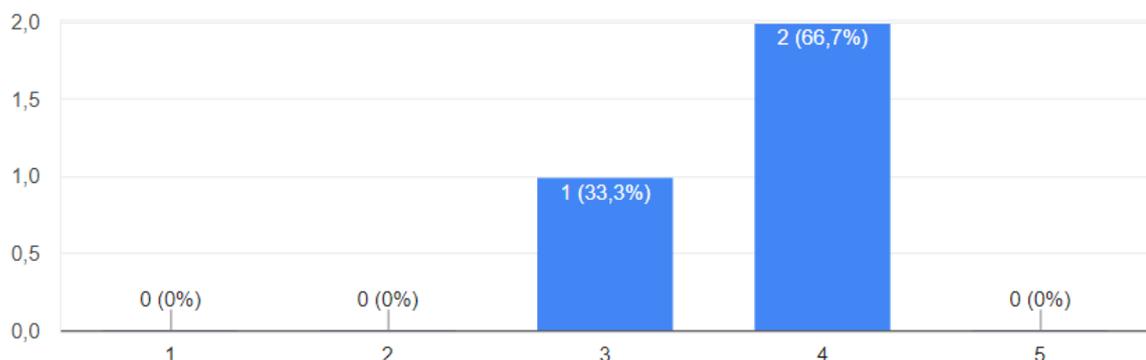
6 - The budget must not take the place of the Administration, it must be an instrument to support decision making;



Graph 13

According to graph 13, the budget should not take the place of administration, it should be a support tool decision-making, the three companies surveyed, agreed partially or totally, which shows that management has a fundamental role in conducting the business and the budget should be used as a tool.

7 - The budget is compared over time to identify whether the company has

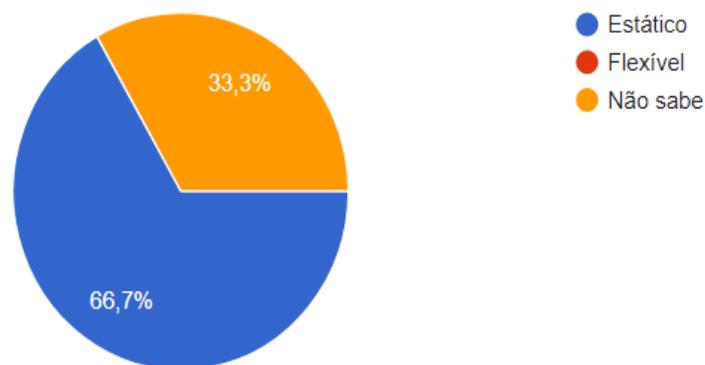


Graph 14

evolved or declined in recent fiscal years.

It can be seen in Graph 14 that 2 of the respondents partially agree with the statement, one is neutral, that is, most compare the budget and thus verify over time whether the company has evolved or declined, being able to use this information to make decisions. decision. It should be noted that the budget is a projection of future actions and its preparation depends on the effective participation of all those involved in the process.

8 - Does the Organization use a budget?

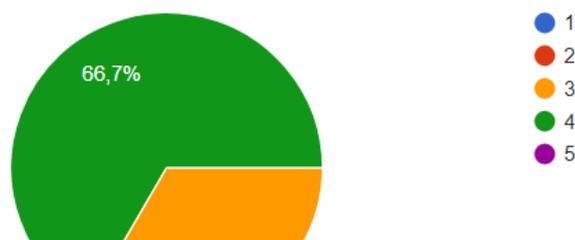


Graph 15

When asked if the company uses a budget, two will inform that they use the static method, which is one that does not accept changes during the fiscal year, and one does not know. Padoveze (2010) clarifies that the static budget is one whose administration does not allow changes in budget pieces, however, it should be noted that the changing environment in which organizations are inserted makes it difficult to use this type of budget.

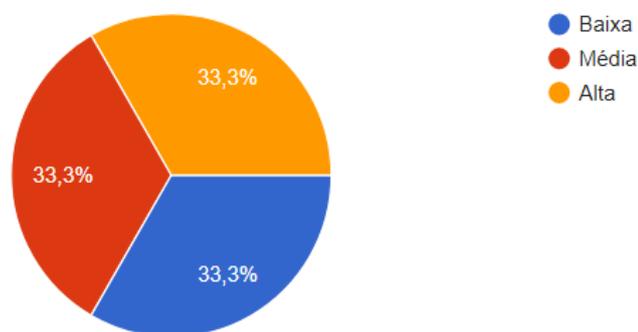
9 - From 0 to 5, how would you rate the utility of the company's budget for decision making?

REGMPE, Brasil-



When asked to assess the budget by assigning scores from 1 to 5, regarding the utility of the company's budget for decision making, two assessed it with a grade 4 and one assessed it with a grade 3, the grades assigned are quite acceptable and show that the companies really use budget.

10 - How effective is the organization's budget?



Graph 17

It can be seen in Graph 17, that the three carriers surveyed, one evaluated the effectiveness of the budget as low, one as medium and one as high, which demonstrates that even with good grades in the previous graph, there was an evaluation of the budget effectiveness as low .

11 - Comment in your own words, what is the importance of the corporate budget for the organization?

Interviewee 1: Keep the company in line with the expectations of the operations.

Interviewee 2: Fundamental to the company's sustainability in its demands.

Interviewee 3: Corporate budgeting is about strategic planning to achieve objectives and goals that the company aims to achieve. Thus guiding corporate governance in obtaining positivity along the way of the company.

5 FINAL CONSIDERATIONS

Based on the information obtained during the preparation of this scientific article, the business budget is an essential tool for decision-making for timber carriers in the city of Imperatriz - MA, it is capable of generating important information for managers to take more actions assertive, reducing waste of resources and projected the future earnings / profits of the organization.

The wood transporters from Imperatriz - MA that were the object of study of this work use the business budget and see it as important for decision making.

As for the advantages of the corporate budget evidenced by the carriers, it helps to evaluate the performance of the organization, contributes to the establishment of clear goals, makes it possible to see the performance in the future, in addition to allowing the comparison of results in different periods.

Regarding the challenges in its implementation, the surveyed companies showed the possibility of plastering the organization, about the results appearing slowly, because only through comparisons between periods can one have information to contribute to decision making.

In view of the results, this work reached its general and specific objective, where it found that the wood carriers use the business budget regardless of its advantages and limitations.

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ANNEXES

Instructions for responding to the alternatives below:

- 1 - I totally disagree;
- 2 - Partially disagree;
- 3 - Neither disagree nor agree.
- 4 - I partially agree;
- 5 - I totally agree.

| Questions | 1 | 2 | 3 | 4 | 5 |
|--|----------|----------|----------|----------|----------|
| 1 - Is the Business Budget important for decision making in the company? | | | | | |
| 2 - Is the budget checked and updated frequently in order to assess the company's performance? | | | | | |
| 3 - Does the organization compare the actual results for the period with the planned results? | | | | | |
| 4 - The advantages of the budget for the organization are: | | | | | |
| a) Does it help to assess the organization's performance? | | | | | |
| b) Establish clear goals to be met? | | | | | |
| c) Does it help to establish profit targets? | | | | | |
| d) Does it make it possible to see future performance? | | | | | |
| e) Does it allow the comparison of the results achieved with the pre-established goals? | | | | | |
| 5 - There are limitations / difficulties in the budgeting process, such as: | | | | | |
| a) Does its use increase the cost to the organization? | | | | | |

| | | | | | |
|--|--|--|--|--|--|
| b) Can your standardization lead to a lack of organizational flexibility (plaster the company)? | | | | | |
| c) Are the data contained in the budget subject to errors because they are estimated? | | | | | |
| d) Do the results appear slowly since the benefits will be seen in the following year? | | | | | |
| 6 - The budget must not take the place of the Administration, it must be an instrument to support decision making; | | | | | |
| 7 - The budget is compared over time to identify whether the company has evolved or declined in recent fiscal years. | | | | | |

For the questions below, indicate which best suits the reality of the company in which you work.

8 - Does the Organization use a budget?

Static Flexible Don't know

9 - From 0 to 5, how would you rate the utility of the company's budget for decision making?

1 2 3 4 5

10 - How effective is the organization's budget?

Low Medium High

11 - Comment in your own words, what is the importance of the corporate budget for the organization?