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FINANCING ACCOUNTING MANAGEMENT IN MICRO AND SMALL COMPANIES

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Summary:

Micro and small companies have been calling the attention of the Brazilian economy for several decades, due to their potential to generate jobs and income, contributing to the reduction of social inequalities, with economic growth at the municipal, regional and national level, generating not only jobs, but opportunities in times of recession. Given their importance for the country's socioeconomic scenario, these companies need to minimize the risks of bankruptcy, carrying out efficient planning and making the right decisions.financial accounting management, emerges as an important instrument for the entrepreneur, as it allows decision making with greater security, performing financial analyzes to identify the performance of your company in relation to the past, in relation to the competition, making the right decisions, based on reliable accounting and financial records. This bibliographic study aims to to discuss the influence of the use of financial accounting management for the growth and development of micro and small companies. To this end, the steps proposed by authors such as: Azevedo, Leone (2011); Gazzoni (2013); Silva (2015); Gomes (2015), among others. It was found that: not only do large organizations need to manage their finances well, based on reliable management instruments, but also small companies. And that financial accounting management is able to contribute positively to the growth and development of micro and small companies, directly influencing their financial results, and consequently their competitiveness and permanence in the globalized market.

Key words: Financial accounting management. Micro and small companies. Decision-making process.

1. INTRODUCTION

The business world has evolved rapidly, where new technologies are used and paradigms are constantly broken. The birth and growth of a business environment implies initial investments and permanent generation of profits, for its partners and owners, as well as the generation of jobs, income and economic movement.

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In this way, micro and small companies (MSEs) have occupied a prominent place today, due to their significant participation in jobs and income, contributing to the reduction of social inequalities, quality of life and economic growth at the municipal, regional and national level. Although they are the main generators of jobs and income in Brazil, they are the ones that suffer the most as a result of inefficient financial management. In view of their high mortality rates, as they do not support market pressures.This high mortality rate is mainly due to poor management of financial resources, lack of skills to deal with company figures, and to carry out efficient planning.

The choice to discuss this topic is the result of observation and studies in micro and small companies and of the practice as an accounting professional, seeing, therefore, the need for more knowledge and accounting and financial applicability by the managers of the MSEs. Therefore, the objective is: to discuss the influence of the use of financial accounting management for the growth and development of micro and small companies. For this purpose, bibliographic research was used, following the steps proposed by authors such as: Azevedo, Leone (2011); Gazzoni (2013); Silva (2015); Gomes (2015), among others.

Faced with the challenges of effective management that are based on results, managers need to make decisions quickly and efficiently, in order to develop their business. These decisions must be based on the economic and financial health of the organization and based on information that can be compared with previous data, reliable, timely, and easily understood by its users.

2 MICRO AND SMALL COMPANIES IN BRAZIL

In Brazil, micro and small companies (MSEs) have been of great economic relevance, as they are an alternative of occupation and income for many entrepreneurs. According to the Brazilian Institute of Geography and Statistics, they consist of “an alternative for formal or informal employment, for a large portion of the surplus workforce, generally with little qualification, who cannot find employment in larger companies” (IBGE, 2010, p. 15).

They have been calling the attention of the Brazilian economy for a long time, due to their potential to generate jobs and income, contributing to the reduction of social inequalities, with economic growth at the municipal, regional and national levels, generating not only jobs, but opportunities in times of recession.

The positive development of the Brazilian economy in the period from 2000 to 2011, combined with credit policies, leveraged the growth of MSEs, confirming their expressive participation in the productive structure in the national scenario. According to the Brazilian Micro and Small Business Support Service, an increase in the number of enterprises was observed during this period, with the aforementioned companies representing a total of 99% of establishments, half of formal jobs in the private sector not including the agricultural sector, and part of significant amount of wages paid to workers (SEBRAE, 2014).

In the same period there was a growth from 4.2 million to 6.3 million in the number of MSEs, in percentage terms it is possible to speak of a 50% growth. In the period from 2000 to 2005, they were responsible for 2.4 million jobs in Brazil, equivalent to an average annual growth of 5.1%, with an increase between the years 2005 to 2011, generating 4 , 6 million new jobs, which represents an average growth of 5.9% per year (SEBRAE, 2013).

With regard to the commercial sector in 2014, they accounted for 53.4% of the Gross Domestic Product (GDP, being the main generators of the wealth produced in the Brazilian trade). In the industrial sector, it accounted for 22.5% of GDP, approaching medium-sized companies and in the services sector it comprised more than a third of national production, adding up to a total of 36.3% (SILVA et al., 2015).

They are responsible for 60% of jobs and 20% of the Brazilian Gross Domestic Product (GDP) (SEBRAE, 2012). It is important to emphasize that micro and small companies are more sensitive or susceptible to risk, because in periods of economic turbulence, they are the first to enter into financial difficulties and are also the last to mitigate the economic disorder, that is, in financial difficulties these companies are the first to feel the consequences and the last to recover.

These companies provide the opportunity that through an initiative can transform lives, through the implementation of businesses and the generation of jobs and income. They consist of one of the main pillars of support for the economy in Brazil, either due to the great capacity to generate employment, or the number of geographically devolved establishments. Presenting itself as the economic agent of great flexibility, capable of providing a certain dynamism to the market, which represents significant advantages from a socioeconomic point of view(SILVA, 2010, p. 6).

3 SME FINANCIAL RESOURCE MANAGEMENT

In Brazil, MSEs are usually family businesses, where the owner and manager are the same person, with little knowledge about the project's financial management and the decision-making is done intuitively, without basing itself on the numbers. Thus, empirical financial management predominates, not only due to the lack of access to technologies and information, which for many years was configured as reasons, but due to high costs and the lack of planning.

Although it is of fundamental importance for the Brazilian economy, as it generates jobs and income, the mortality rate of these companies presents considerable numbers, according to SEBRAE research (2013) seven out of ten companies close their activities in less than five years of operation , as they do not support market pressures.

Esmeraldo (2012) attributes this high mortality rate mainly to the poor management of financial resources and the lack of skills to deal with company figures and carry out efficient planning. The survival of a business is not limited to good cash on hand, nor good commercialization, requiring concern with financial and operational planning, however, many managers are not prepared to carry out this planning.

Small companies need strategies to remain competitive in the market in which they operate. And maximizing this competitiveness requires greater efficiency in the management of business resources, lower prices and higher quality, being, therefore, a challenge to the entrepreneur. The current scenario no longer allows business management to be carried out on the basis of empiricism.

As described by Gazzoni (2013), financial problems may arise from limitations of information for the decision-making process. Managing a company requires, among other things, tools capable of monitoring and providing the necessary subsidies for making the right decision.

Regardless of the size of the company, managing your finances efficiently and effectively is essential for your permanence in the market, which increasingly requires from managers dynamism, financial balance and creativity to ensure the growth and development of their companies.

Efficient management includes elements such as market knowledge, cash and investment controls, structured planning, knowledge of the competition, among other elements. According to Gomes (2015), success in financial management depends on knowledge about working capital management, planning, use of cash control tools, requiring such elements to be part of the routine of business managers, contributing to the reduction of increases mortality rates. It is evident that good financial management is essential for micro and small companies, and its influence on its permanence in the market.

3.1 Accounting-financial management

The economic scenario in Brazil has allowed micro and small companies to operate in different segments, and the accounting professional contributes significantly to the permanence of these companies in the market, having a well-defined role in the global economy and a very dynamic work field, which should provide users of accounting services information on the equity situation of the organization that will support decision making.

For Azevedo (2010) theaccounting-financial information is essential for the management of current businesses and for planning for the future, aiming to subsidize the decision-making process. The financial statements and other information intended for shareholders and the different groups of interested users offer relevant elements for the assessment of the company's risks and potential returns.

It is noteworthy that as important as knowing how the company behaved in the past, based on accounting and financial information, is knowing what to do in the future, planning, creating strategies to face periods of crisis, that is, making use of management financial accounting for growth and organizational development.

According to Longenecker (2012), administrators must make use of accurate, relevant and timely information if they want to make good decisions. That is

> [...] managers need to have accurate, meaningful and timely information if they want to make good decisions. This is particularly true when it comes to the need for financial information about the company's operations. Experience suggests that a lack of aptitude in accounting systems is a basic factor of failure among small businesses.

It should be noted that financial accounting management emerges as an important instrument for the entrepreneur, as it enables decision-making with greater security, performing financial analyzes to identify the performance of your company in relation to the past, in relation to the competition, taking the sound decisions, based on reliable accounting and financial records.

Financial analysis can be defined as a process of meditation on accounting statements, which seeks to carry out an assessment of the company's situation in its operational, economic and financial aspects. According to Silva (2010, p.6) "the financial analysis of a company consists of a thorough examination of the financial data available on it, as well as of the endogenous and exogenous conditions that affect it financially". Therefore, it serves to evaluate previous decisions and assist in financial planning and decision making.

4 METHODOLOGY

The study made use of bibliographic research, therefore making use of materials already published to analyze relevant aspects of the topic under discussion. The collection of information involved searching different databases in the search for published works. The criterion for selecting them was the close and consistent relationship of the titles with the theme addressed. Publications in Portuguese, dated from 2011 to 2016 were includedapproaching the theme, excluding those with a date lower than 2011 and written in a foreign language.

The descriptors used in the search were: financial accounting management, micro and small companies and decision making. Data collection filtered a total of 17 articles, 11 of which were discarded because they did not meet the inclusive criteria. The selected publications are arranged in the topic of results and discussion, with their respective authors, year of publication, theme and objectives. The analysis of the selected works generated discussions in order to meet the proposed objectives.

4 RESULTS AND DISCUSSION

The discussion was carried out based on 6 (six) articles, 5 (five) of which were classified as field studies, and 1 (one) as bibliographic. The authors, their respective years of publication and the results were shown in Table 1.

There was a certain homogeneity in the studies, with regard to considering financial accounting management as important for organizations, and pointing it out as a tool little used by managers. A gap was noted for the years 2012, where no reports were found that obeyed the descriptors established by this work. The scientific production on the theme in question being more accentuated in the years 2014 and 2015, based on the established inclusion and exclusion criteria.

Table 1- Description of the articles used in the review

Author / year	Title	Goals

Cangussú, et al. 2016	Accounting management in small business: analysis of managers in the city of Hortolândia - SP	Analyze the relevance of accounting for such managers, verifying whether they consider Accounting important for Micro and Small Enterprises to be perennial, observing what are the factors that contribute to the longevity of an organization, understanding whether they are related to accounting management and assessing whether the companies that use this instrument are more substantiated than those that do not use it.
Formenti; Martins (2015)	Analysis of Financial Management in Micro and Small Companies in Osasco.	Identify the Financial Management model adopted.
Casali, Treter (2015)	The importance of using financial management in micro companies in the city of Cruz Alta	Perform a diagnosis of financial management in micro-enterprises in the city of Cruz Alta / RS, as a competitive advantage in the regional economic scenario.
Martins (2014)	The Use of Financial Management Tools in Companies: Analysis of Micro and Small Companies in the City of Pato Branco in Southwest Paraná.	Check with micro and small companies in the city of Pato Branco - PR, which financial management tools are used as a way of helping entrepreneurs in controlling and making decisions.
Berber, Andrade (2013)	Accounting management and economic financial analysis in small organizations.	Present to stakeholders a simplified view of the benefits of practicing accounting management and structured financial-economic analysis in a small organization, as well as the main accounting management instruments and financial-economic indexes needed to assist in the management of these companies.
Azevedo; Leone (2011)	Financial management practices in micro and small companies: a descriptive study in cashew nut industries in the state of Rio Grande do Norte.	Analyze financial management practices in micro and small cashew nut industries in Rio Grande do Norte.

Source: Author's production (2016).

The study carried out by Azevedo and Leone (2011) in the state of Rio Grande do Norte, observed that the financial management of the organizations surveyed, has its practices and criteria governed by empiricism, having as main factor the lack of technical training of its managers, in the regards financial planning and organizational control.

Nevertheless, Casali and Treter (2015) showed that the vast majority of companies face difficulties in carrying out financial management, and points out the lack of technical knowledge, and the lack of knowledge of the benefits for the management process, as the main reasons that lead to its not realization.

The exposed by Azevedo and Leone, Casali and Treter leads to the reflection of the managers' need to use the accounting tools to their advantage in the organizational scope, considering that the vast majority of the MSE managers have not yet awakened to the need to manage in a efficient the finances of your enterprise based on technical and systematic knowledge.

Given the importance of these companies to the Brazilian economic scenario, it is no longer permissible that their management is based on empiricism and good business acumen. Cangussu, et al. (2016) observed that a holistic view of managers could ensure that micro and small companies stay longer in the market. The population they surveyed showed some unpreparedness in the use of accounting information for financial management and planning. They also found little knowledge of the accounting and financial tools and processes, and that when used they are done randomly and unevenly, since they prioritize those of lesser importance and underestimate those that are essential to the decision-making process.

The results obtained by Martins (2014) denote the use of some financial management tool by the managers of the 403 micro and small companies studied in the city of Pato Branco in the Southwest of Paraná, citing as an example: inventory control, bank control, control of accounts payable and receivable, control of expenses, etc., to assist them in the control of processes. However, it draws attention to the lack of knowledge and interest among managers in the use of this information in company decisions.

The data obtained by Formenti and Martins (2015) in research carried out in micro and small companies in the city of Osasco corroborate those obtained by Martins (2014), pointing out that most of the companies surveyed make use of some tool that helps them in the management financial.

The study by Formenti and Martins found that more than 80% of organizations carry out some type of financial control, be it through electronic spreadsheets or computerized system. And they pointed out as the main difficulties encountered in financial management the high tax burden, the strong competition and the lack of qualified labor.

Even though 80% of the companies make use of some control tool, the authors warn that such financial controls are made, in most cases, in a simplified way, without rigors or criteria, which maximizes the possibility of error, of data analysis, and loss of profitability.

It is noted that it is not enough just to have management and control instruments at hand, it is necessary to know how to use them efficiently, strictly obeying the function for which they are intended. Only investing in technology, contrary to what many managers think, does not guarantee the effectiveness of management processes, given that the great differential of companies today is in people. An efficient and effective company, needs a manager who fully understands it, who faithfully performs the administrative functions of planning, organizing, directing and controlling and who has technical knowledge and awareness of the benefits of accounting information for the decision-making process.

Barber and Andrade (2013) against what was exposed by Martins (2014) emphasize that reliable data are the basis of all accounting management, highlighting the role of accountant and manager for the reliability of information. Reiterating its role in the analysis of the information provided by accounting, both qualitative and quantitative information that can make all the difference in decision making.

Azevedo and Leone consider that the efficiency of an institution's financial sector goes through the qualification of its managers who must use the methods and theories of financial management as a factor of competitiveness in the market.

It appears that not only large organizations need to manage their finances well, based on reliable management instruments, but also small companies. Regardless of their size, they must plan according to their reality and their needs, establishing goals and priorities in the enterprise, establishing an orderly set of control actions, and correcting errors, in order to obtain better economic, financial and financial results. managerial.

“Financial management is of fundamental importance for companies, especially for those that participate in a globalized market, whose competition determines the management rules, becoming a competitive advantage and constant growth” (CASALI, TRETER, 2015, p. 20). Martins (2014) reaffirms the disposition by Casali, Treter, pointing out that rarely a company will reach its objectives without having knowledge of the methods that can contribute to the decision-making process and to management in general.

It is not enough just that managers have such tools at their fingertips, they need to know how to use them, and maximize their functionalities in favor of the company. The managers of micro and small companies do not need to be financial and accounting scientists to effectively manage their ventures, however, they need to let go of the empiricism, the simplistic view that just having capital to invest and the market to explore is enough to ensure the success. They need to be familiar with the information provided by Management and Financial Accounting, to know how to interpret it and use it for the benefit of their enterprise.

The current economic model and the demands of the increasingly competitive market, require entrepreneurs to perform professionally, that is, the implementation of management practices appropriate to the stage the company is in, making the few resources available for growth.

6 FINAL CONSIDERATIONS

In response to the proposed objective, it is possible to affirm based on the information obtained in the six analyzed articles, and in the entire bibliography consulted that financial accounting management is able to contribute positively to the growth and development of micro and small companies, directly influencing financial results and consequently in their competitiveness and permanence in the globalized market.

An independent enterprise in the segment in which it operates, it seeks to maximize resources. In the face of economic changes, managers are faced with the challenge not only of expanding their businesses, but also of keeping them competitive in the market. Efficient accounting and financial management makes it possible to reduce risks and make better decisions by management.

It is suggested in future works the field study in micro and small companies to know the financial accounting tools used by them, the way these tools are used and their contributions to the decision-making process. Bearing in mind that it is not enough just to know its importance, common sense is necessary in knowing how to use these in the daily life of the organization.

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