



Proper Accounting is Vital for Sustainable Business Growth

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Abstract

This study explains the role of accounting in business growth. In addition, this study clarifies how accounting offers support for business process. This paper demonstrates the types of services that perform by accounting. The research indicates how accounting information can be used in order to meet the needs of a business, make right decisions, and improve the company's profitability. This article also examines why business organization often needs a way to keep score when conducting business operations. How accounting usually fits this need because it allows to company to create financial reports that enable business owners and managers to review the efficiency of operations. The conclusion of this study shows the importance of using accounting as a sophisticated financial management system for business organization's performance, growth, and expansion.

Keywords: Accounting Services, Accounting tools, Accounting systems, Accounting procedures, Accounting information.

Hypothesis

When there are proper accounting services, functions, and systems in a business enterprise, it can have better management control, make right decisions, access new markets, and maximize profits. This may be the main factor in order to determine how to improve business performance in the business world.

Research Questions

1. What is the vital role of accounting in business growth?
2. Why some basic accounting services and financial awareness are essential for survival?
3. How can appropriate accounting routines play a leading role in establishing an efficient business process management (BPM) for creating a sustainable competitive advantage?

Objective of the Study

The objectives of the study are to conduct a research concerning the role of accounting in business growth and identify how accounting services are required to fill the needs of the successful business. This study is necessary in order to assess the accounting functions that use to direct and control operating activities of business. This paper therefore attempts to prove that accounting is a key aspect that should take into account when doing business.

The Role of Accounting in Business

Manage a business effectively is the basic factor to the survival and growth of the business. At present, the process of starting and managing a business requires a lot of analysis, accuracy, and objectivity. Therefore, the key to successful business management is to perform its functions based on effective accounting systems that provide the potential growth and financial viability of the business. Despite the importance of accounting in the business process management (BPM), this area is often misunderstood and poorly implemented, primarily because people focus on the outputs rather than the process of management. Accounting is often called "the language of business" because it plays an important role in business management by helping in track of financial information for business functions. The role of accounting is to provide an accurate financial information about the business to the investors, business owners, managers, and other stakeholders in order for them to make better business decisions (Collins & Shemko, 2009). It also allows each business to translate raw numbers into an understandable statement about profitability and performance. Accounting provides a statement showing mode of trade in business for a specific period. Both internal and external users rely on the accounting information in order to determine the business' present and future direction. Every business organization considers its accounting department reliable source for financial advice. Thus, the role of accounting is major in business in order to keep track of the money, analyze performance, make decisions, and stay in legal status.

Accounting Strategies for Growing a Business

Accounting is an important business function companies use to gather, record, and analyze financial information. This financial information often provides detailed information regarding business operations. Companies may also use historical financial information to plan new strategies for growing business operations. Developing a growth strategy centered on financial information may give business owners and managers reasonable expectations for future operations. Owners and managers may also use financial information to determine where to make improvements in their businesses.

When business management chooses proper accounting procedures, this will produce accurate financial statements that are important to attract lending institutions, creditors, and investors (Leichti, 1981). Therefore, accounting is an important business operation that should be practiced correctly by entrepreneurs. Keeping track of business finances gives the management an overview of the overall operation and profitability of the business. It helps owners and managers to determine where the money goes and gives them details for potential growth and analysis for increase in return of investment. Successful companies know how important accounting is.

The financial status of business owners affects their decisions. This makes it critical to have proper accounting and financial management for growing a business. Business owners and managers should have a proper way to gather, document, and analyze the financial information because it helps them to gauge how their business is working. It also makes it easy for management to predict the financial position of a business in future.

Bibliography

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