

Effective Measures for Business Enterprises to Strengthen Comprehensive Budget Management

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Abstract: In today's complex and volatile market environment, businesses are confronted with increasingly fierce competition and numerous uncertainties. As a crucial tool for achieving strategic objectives, optimizing resource allocation, and enhancing operational efficiency, comprehensive budget management has become ever more vital. This article explores effective measures for commercial enterprises to strengthen comprehensive budget management within the context of business administration. By analyzing the current status and existing issues in corporate budget management, and integrating relevant theories with practical experience, it proposes specific improvement strategies covering budget preparation, execution control, performance evaluation and incentives, as well as digital infrastructure development. These recommendations aim to provide a reference for businesses to elevate their comprehensive budget management capabilities, thereby facilitating sustainable corporate growth.

Keywords: commercial enterprise; comprehensive budget management; budget preparation; execution control; assessment and incentive

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1. Introduction

1.1. Research Background

With the advancement of global economic integration and the intensification of market competition, the business environment has grown increasingly complex and uncertain. Factors such as the growing diversity of consumer demands, evolving market dynamics, and emerging supply chain risks have raised higher requirements for corporate management capabilities. Comprehensive budget management, as a holistic management tool, enables enterprises to integrate resources, clarify objectives, and coordinate actions, thereby enhancing market competitiveness and risk resilience. However, many businesses still face challenges in comprehensive budget management, including unreasonable budget planning, inadequate execution, and underdeveloped evaluation mechanisms, which hinder the full realization of budget management's potential^[1].

1.2. Research Significance

Exploring effective measures for commercial enterprises to strengthen comprehensive budget management holds significant theoretical and practical importance. Theoretically, this research enriches and refines the theoretical framework of comprehensive budget management, offering fresh perspectives and innovative approaches for its implementation. Practically, it provides actionable solutions to help businesses address existing challenges in budget management, enhance

operational efficiency and effectiveness, ultimately elevate overall management standards and economic performance, and foster sustainable corporate development.

1.3. Research Content and Methods

This study explores effective strategies for commercial enterprises to enhance comprehensive budget management. It analyzes the current status and existing challenges in this field, while proposing improvement measures across budget preparation, execution control, performance evaluation, incentive mechanisms, and digital infrastructure development. By employing literature review and case analysis methodologies, the research synthesizes domestic and international academic papers, industry reports, and corporate case studies. Through integrating advanced theoretical frameworks with practical experience, it develops targeted and actionable solutions tailored to the specific operational realities of commercial enterprises ^[2].

2. Theoretical Basis of Comprehensive Budget Management in Commercial Enterprises

2.1. The Concept of Comprehensive Budget Management

Comprehensive budget management refers to a series of management activities where enterprises, guided by strategic objectives, conduct comprehensive forecasting, planning, organization, coordination, and control over business operations, investment activities, and financing activities within a specific future period. Centered on budgeting, this approach optimizes resource allocation, effectively achieves operational goals, and maintains reasonable risk control through the preparation, execution, monitoring, adjustment, and evaluation of budgets for all economic activities ^[3].

2.2. Characteristics of Comprehensive Budget Management

Comprehensive budget management is characterized by comprehensiveness, systematicness, strategic orientation, and dynamic responsiveness. Its comprehensiveness ensures the budget covers all economic activities of an enterprise, spanning all departments and operational processes. The systematic nature establishes a cohesive framework where interconnected components interact and check each other. Strategic focus aligns with corporate objectives, providing assurance for strategic implementation. Dynamic adjustment capability requires timely modifications in response to evolving market conditions and business operations.

2.3. The Importance of Comprehensive Budget Management in Commercial Enterprises

For commercial enterprises, comprehensive budget management holds significant importance. Firstly, it helps companies clarify operational objectives by breaking down strategic goals into specific budgetary targets, ensuring all business activities align with these goals. Secondly, it optimizes resource allocation through budget preparation and execution, enabling rational distribution of capital, human resources, and materials to enhance efficiency. Thirdly, it strengthens internal controls by monitoring budget implementation, promptly identifying and resolving operational issues while mitigating risks ^[4]. Finally, it provides a basis for performance evaluation by comparing budget metrics with actual results, allowing departments and employees to assess work achievements and motivating staff to perform proactively.

3. The Current Situation and Existing Problems of Comprehensive Budget Management in Commercial Enterprises

3.1. Unreasonable Budget Preparation

- (1) The budgeting method is monotonous. Many commercial enterprises still use the traditional incremental budgeting method, which simply adjusts based on historical data. This method does not fully consider changes in the market

environment and business conditions, easily leading to a disconnect between the budget and actual situations, and a lack of scientificity and rationality in the budget.

- (2) The budget preparation lacks full staff participation. In some commercial enterprises, budget preparation is considered the business department's responsibility, with low participation from other departments. The business department has insufficient understanding and support for the budget, resulting in a mismatch between budget preparation and the actual needs of the business, and weak operability of the budget.
- (3) The disconnect between budgeting and corporate strategy. Some commercial enterprises fail to adequately consider their strategic objectives during budget preparation, resulting in budget targets inconsistent with long-term development plans. Budgeting has become merely a financial control tool rather than serving as a strategic support mechanism for corporate implementation ^[5].

3.2. Poor Control Over Budget Implementation

- (1) The budget implementation process lacks effective monitoring. Although some commercial enterprises have prepared the budget, there is no effective monitoring mechanism during budget implementation, making it impossible to timely grasp the implementation status. When deviations occur in budget implementation, they cannot be found and corrected in a timely manner, resulting in the loss of budget control ^[6].
- (2) Irregular budget adjustment. During budget implementation, adjustments are inevitable due to changes in the market environment and business conditions. However, some commercial enterprises lack standardized procedures and systems for budget adjustment, with arbitrary adjustments affecting the seriousness and authority of the budget.
- (3) Insufficient coordination and cooperation among departments. Comprehensive budget management requires close collaboration between all departments within an enterprise. However, in practice, some commercial enterprises face information barriers and poor communication between departments, leading to buck-passing during budget execution. This undermines the efficiency and effectiveness of budget management.

3.3. Imperfect Assessment and Incentive Mechanism

- (1) Unreasonable assessment indicators. Some commercial enterprises pay too much attention to financial indicators in the budget assessment process, while ignoring the importance of non-financial indicators. The setting of assessment indicators lacks scientificity and targeting, failing to comprehensively and objectively evaluate the work performance of departments and employees.
- (2) The assessment results are disconnected from the incentive mechanism. Although some commercial enterprises have carried out budget assessments, the assessment results are not effectively linked to incentive mechanisms such as employees' salaries and promotions, resulting in low enthusiasm of employees for budget management and failure to fully exert the incentive effect of budget assessment.
- (3) Lack of an effective feedback mechanism. After the budget assessment, some commercial enterprises do not timely feedback the assessment results to relevant departments and employees, nor put forward improvement suggestions for existing problems, causing the budget assessment to lose its due significance ^[7].

3.4. Lagging Information Construction

- (1) The budget management information system is imperfect. Many commercial enterprises still rely on manual operations and simple spreadsheets for budget management, lacking a professional budget management information system. This leads to low efficiency in the budget preparation, execution, and monitoring process, and difficulty in guaranteeing data accuracy.
- (2) Lack of information sharing. Due to the lack of a unified information platform, information between various departments in enterprises cannot be shared in a timely manner, resulting in information asymmetry during budget

management and affecting the scientificity and effectiveness of budget management.

4. Effective Measures for Commercial Enterprises to Strengthen Comprehensive Budget Management

4.1. Optimizing Budget Preparation

- (1) Businesses should adopt scientific budgeting methods tailored to their specific circumstances. Beyond traditional incremental budgeting, they can utilize advanced approaches like zero-based budgeting, rolling budgeting, and flexible budgeting. For instance, new ventures or businesses with significant market fluctuations may adopt zero-based budgeting to create budgets from scratch while fully considering all influencing factors. Seasonally sensitive operations can benefit from rolling budgeting, allowing for real-time adjustments based on actual performance^[8].
- (2) Enhance full participation. Budget preparation is not just the finance department's job—it requires active involvement from all corporate units and employees. Companies should strengthen awareness campaigns and training programs to deepen staff understanding of budget management. By encouraging business units to actively participate in the budgeting process, organizations can fully leverage their professional expertise and experience, ensuring budgets better align with actual operational needs.
- (3) Enhance the alignment between budgeting and corporate strategy. Commercial enterprises should closely integrate budget planning with strategic objectives, establishing annual budget targets based on these goals and breaking them down into specific metrics for each department and operational unit. During budget preparation, companies must thoroughly consider long-term development plans and evolving market conditions to ensure budgets effectively support strategic implementation^[9].

4.2. Strengthening Control Over Budget Implementation

- (1) Establish and improve the budget monitoring mechanism. Commercial enterprises should develop a comprehensive, multi-level budget monitoring system to strengthen real-time oversight of budget execution. This can be achieved by establishing dedicated budget monitoring departments or positions, utilizing information technology tools to collect and analyze budget implementation data promptly, identify deviations in budget execution processes, and take corrective measures in a timely manner^[10].
- (2) Establish standardized budget adjustment procedures. Enterprises should develop rigorous budget adjustment protocols that clearly define eligibility criteria, implementation processes, and approval authorities. When significant changes in market conditions or operational circumstances necessitate budget adjustments, applications and approvals must be processed through established procedures to ensure both the rationality and integrity of budget modifications.
- (3) Enhance interdepartmental coordination. Enterprises should establish effective communication and coordination mechanisms to break down information barriers between departments, promoting information sharing and collaboration. During budget execution, all departments must work closely together to promptly resolve issues and ensure the achievement of budget targets.

4.3. Improving the Assessment and Incentive Mechanism

- (1) Develop a scientifically sound evaluation system. Commercial enterprises should establish a comprehensive assessment framework guided by strategic objectives, encompassing both financial and non-financial metrics. Financial indicators may include sales volume, profit margins, and cost structures, while non-financial metrics could involve customer satisfaction ratings, market share performance, and employee engagement levels. The evaluation criteria must demonstrate operational feasibility, measurable outcomes, and targeted focus to provide a

holistic and objective assessment of departmental and individual performance^[11].

- (2) Establish a linkage mechanism between assessment outcomes and incentive systems. Companies should closely integrate budget evaluation results with employee compensation, promotions, training programs, and other incentive measures to fully leverage the motivational impact of performance evaluations. Departments and employees demonstrating strong budget execution should receive corresponding rewards, while those failing to meet targets must undergo accountability reviews. This process should include analyzing root causes and developing targeted improvement plans.
- (3) Strengthen feedback and application of assessment results. Enterprises should timely provide budget assessment results to relevant departments and employees, and listen to their opinions and suggestions. At the same time, they should conduct in-depth analysis of the assessment results, summarize experience and lessons, and provide a reference for the next year's budget preparation and management^[12].

4.4. Promoting Information Technology Construction

- (1) Businesses should invest in digital infrastructure by implementing professional budget management systems to automate and digitize all stages of budget preparation, execution, monitoring, and analysis. These systems enhance budget management efficiency and accuracy while enabling real-time data sharing and dynamic oversight.
- (2) Establish a unified information sharing platform. Enterprises should integrate internal information resources and create a centralized platform to enable real-time data exchange across departments. This initiative helps break down information silos, enhances transparency and information symmetry, thereby providing more accurate and timely support for budget management.

5. Case Analysis

5.1. Case Enterprise Profile

A large chain commercial enterprise, mainly engaged in department stores, supermarkets, catering and other businesses, has set up stores in many cities across the country. With the intensification of market competition, the enterprise has realized the importance of comprehensive budget management and started to strengthen it^[13].

5.2. The Problems Existing in the Comprehensive Budget Management of the Enterprise

- (1) The budget preparation method is single, mainly using the incremental budget method, resulting in a large deviation between the budget and the actual situation.
- (2) There is a lack of effective monitoring in the budget implementation process, and insufficient coordination between various departments, resulting in low efficiency of budget implementation.
- (3) The assessment and incentive mechanism is imperfect, the assessment index is unreasonable, the correlation with employees' salary and promotion is not high, and employees are not motivated to participate in budget management.
- (4) The construction of information technology lags behind, the budget management mainly relies on manual operation, the data processing efficiency is low, and the information sharing is not smooth.

5.3. Improvement Measures Taken

- (1) Optimize the budgeting method and adopt a combination of zero-based budgeting and rolling budgeting to make the budget more scientific and reasonable.
- (2) Establish a sound budget monitoring mechanism, use information means to strengthen the real-time monitoring of the budget implementation process, and timely find and solve problems.

- (3) Improve the assessment and incentive mechanism, design scientific and reasonable assessment indicators, link the assessment results with employees' salary, promotion and other factors, and improve the enthusiasm of employees.
- (4) Promote the construction of information, introduce a professional budget management information system, establish a unified information sharing platform, and improve the efficiency and effectiveness of budget management.

5.4. Implementation Effect

Through implementing these improvements, the company has significantly enhanced its comprehensive budget management capabilities. The budget preparation process has become more scientifically sound and reasonable, with noticeable reductions in deviations from actual conditions. Budget execution efficiency has improved, and interdepartmental coordination has become smoother. Employees' initiative and enthusiasm have been fully unleashed, leading to marked improvements in the company's economic performance ^[14].

6. Conclusion and Prospect

6.1. Conclusion

Comprehensive budget management serves as a vital tool for commercial enterprises to achieve strategic objectives and enhance operational efficiency. However, current practices in this area still face challenges including irrational budget planning, inadequate execution controls, underdeveloped performance evaluation mechanisms, and lagging digital infrastructure development ^[15]. By implementing measures such as optimizing budget formulation, strengthening execution oversight, refining incentive systems, and advancing IT infrastructure upgrades, businesses can effectively strengthen their comprehensive budget management capabilities, thereby boosting market competitiveness and economic returns.

6.2. Outlook

With the continuous advancement of information technology and evolving market conditions, commercial enterprises will face new opportunities and challenges in comprehensive budget management. Moving forward, businesses should enhance digital infrastructure for budgeting by leveraging advanced technologies like big data and AI to boost intelligent decision-making capabilities. They must deepen integration with corporate strategies and operational processes to achieve refined, real-time budgeting. Furthermore, cultivating budget management awareness and skills among employees, while fostering a collaborative culture where everyone participates in budget planning, will drive the enterprise's comprehensive budget management to new heights.

Disclosure statement

The author declares no conflict of interest.

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