

SOFTWARE SOLUTIONS AS A MODEL OF ORGANIZATIONAL COMMUNICATION AND BUSINESS AND FINANCIAL DECISION-MAKING

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Abstract—The development of information and communication technologies, which has been inspired by the advance of computer hardware and software solutions, has influenced the improvement of organizational management and business activities. Software solutions on the contemporary market provide a wide range of options designed to improve organizational communication and business and financial activities. This way, through the implementation of software solutions, the process of communication and business and financial decision-making is facilitated for overall organizational management. The purpose of the present study is to identify and explain various kinds of software solutions that provide effective organizational communication and business and financial decision-making within companies.

Keywords—software solutions, organizational communication, business and financial decision, accounting information systems.

I. INTRODUCTION

THE balanced functioning of organizational and business systems in the conditions of contemporary environmental complexity requires better adaptation of organizational management. Due to the environment requirements, organizations receive constantly increasing body of data that leads to the growing difficulty of organizational communication and decision making processes.

The company's management needs to have sufficient, accurate and timely information in order to make successful business and financial decisions. Information is one of the prerequisites for effective business management and a strategic instrument that provides companies an opportunity to gain competitive advantage [1].

Today's business practically in any sphere or industry is based mostly on managing information and business processes. The use of information technology (IT) makes any company more competitive by improving its manageability and adaptability to constantly changing market conditions [2]. The grown significance of software solutions has already proven their vital

contribution for the achievement of organization goals. Software solutions provide great value to a wide range of both internal and external organization activities.

The appearance of software solutions has had an important impact on all aspects of organizational life and has revolutionized the way organizations are managed. Due to the software solutions, large amounts of data can be circulated. This data should constantly be controlled and analyzed in order to ensure that organization members would be provided with timely and accurate information for the most effective and efficient functioning [3].

Nowadays software systems are incorporated into all aspects of modern life and have high potential of positive influence on business activities and strategies. Systems software serves as a mediator between hardware and functional applications (Application software). Acquisition of alternative software can be implemented in different ways – by purchase, rent, use of open code software, use of software as a service, outsourcing software or development of software in the company [4].

According to the recent research provided by the SAP company, the dynamics of expenditures on such kind of software solution as ERP-system in the BRICS countries (Brazil, Russia, India, China, South Africa) reflects an increase in their use in various types of companies [5].

II. SOFTWARE SOLUTIONS AS A MODEL OF ORGANIZATIONAL COMMUNICATION

Effective organizational communication, both internal and external, based on the correct and intelligent use of information is one of the most important competitive advantages of any contemporary organization. Organizational communication refers to the complete set of messages exchanged between the members of an organization, and between the organization and its environment [6]. It is mainly focused on the organizational structure and communication processes within an organization [7].

Constantly developing modern information technology offers organizations various software solutions and applications that serve an essential and necessary tool for

the successful functioning of an organization in endlessly changing environment. In order to arrange business processes within an organization into a well-run balanced system there are a number of required criteria one of which is managing and sharing information. This is due to the fact that majority of business processes are based on information that is gathered, stored, summarized and interpreted for the organizational use.

Software solutions of such companies as SAP, Oracle, Microsoft and others allow managing these information-based processes, providing constant access to the collected information and summarize it for decision making. These software solutions facilitate the flow of information and create a unique communication system through integrating information and different business processes. In other words, software solutions allow implementing specific and business-tailored concept of a corporate system based on an integrated technological platform.

The timely arrival of accurate, verified and analyzed information is especially important for managers to perform tasks that involve planning, organizing, directing and controlling and to make appropriate decisions and determine successful strategies. Therefore, one of the main objectives of such software solutions is to provide decision-makers with reliable information on an operational basis [8].

Implementation of software solutions in the functioning of an organization leads to various kinds of changes. First of all, these are the changes on the informational level that can be seen in the increased amount of information used for decision making, improved quality of information, higher credibility of information analysis and so forth. These changes lead to operational production changes such as better collaboration among the organization units, improved control of organization units' activities, reduced number of administrative staff and/or outsourcing companies, faster delivery and marketing processes, more timely response to the environment etc. Therefore, it can be said that software solutions do not only facilitate the information flow and improve communication channels, but also have a positive effect on the functioning of the organization structure and business processes [9]. It, therefore, becomes obvious that effective organizational communication through software solutions enhances the overall effectiveness of an organization.

Methods and tools based on Internet technologies have been developed in the last years to support not only communication, but also activities related to work processes and decision-making [10].

III. SOFTWARE SOLUTIONS AS A MODEL OF BUSINESS AND FINANCIAL DECISION-MAKING

Business decision-making requires availability of the necessary and essential information on a timely basis. Therefore, companies have to accurately and constantly record all events with the help of new techniques in the collection, processing, storage and use of information. For that matter, it is necessary to create some

prerequisites for the successful design, construction and implementation of integrated information systems, which are based on the use of information-communication technology [1].

There are different systems of management support [4]. Some of them will be presented hereafter. The ERP systems, if examined in more detail, involve different functional modules even so companies rarely use them. Functional modules such as accounting and financial management are used mostly in all companies. The most common ERP systems are SAP, Oracle, Microsoft Dynamics and others.

SAP AG (Systeme, Anwendungen und Produkte) is Europe's largest software company and the third-biggest in the world (after Microsoft and IBM), based in Walldorf, Germany. The company was founded in 1972 and nowadays is a leader in offering joint business solutions. Over recent years, such SAP software solution as SAP R/3 had been one of the leading ERP software.

This kind of software solution grants complete functions that are virtually integrated into all major business processes within a company. Lately, SAP developed a family of mySAP products that can be seen as an advanced version of R/3. Therefore, SAP now provides upgrades for R/3 to mySAP for current R/3 customers. One of the main advantages of mySAP ERP is that the solution supports key business processes: mySAP ERP Financials, mySAP ERP Operations, mySAP ERP Human Capital Management, and mySAP ERP Corporate Service [11, pp. 513].

Oracle was founded in 1977 and became the first database management system that incorporated the SQL language. In addition to that, Oracle is also the first software company that has offered hundred percent Internet-enabled company software across its entire product line: database, business applications, and application development and decision support tools. Today, Oracle is one of the leading software suppliers for information management in the world [11, pp. 515].

Oracle acquired PeopleSoft in 2005 and in 2007 SAP acquired OutlookSoft soon after Oracle had purchased Hyperion.

Besides SAP and Oracle, Microsoft is another famous company that develops software solutions. Microsoft Dynamics is a family of integrated business applications for small and medium organizations and departments of large companies. This software solution offers applications and services for retailers, manufacturers, wholesale distributors, and service companies. It includes Dynamics GP, Dynamics AX, Dynamics SL, and others. These solutions can be incorporated with widely used productivity applications, like Microsoft Office, and technologies such as Microsoft Windows Server System and Microsoft.NET [11, pp. 515].

Since the information is of high importance for the company management, the existence of a modern comprehensive database is significant for the control and financial company reporting [12]. The field that combines accounting practice and information systems is called accounting information system [13]. In general,

AIS (Accounting Information Systems) research has progressed to the point where it examines the interconnectedness of the concepts and phenomena that are related to both information technology and accounting. The research is mainly focused on the effects of the IT on general management and its specific use in accounting. In addition to that, the research has also examined various aspects related to communication and information reporting quality and data reliability, decision-making and control and the use of IT within and between organizations [14].

The progress of information technology has opened the possibility to create and use accounting information in management [15]. Accounting information system is a tool designed to assist in management and control in areas related to economic and financial position of a company. In other words, AIS is known as a system for collecting and recording of transactions and providing financial information for decision-making [16].

In carrying out business activities, management mainly depends on accounting information systems. The business and financial decisions are made mostly on the ground of various computerized decision aids and it is a widespread practice in accounting [17, 18, 19]. Prior research indicates that the use of decision aids results in decision-making benefits and biases [20].

Management is interested in accounting information for planning and making business and financial decisions. This is due to the fact that the purpose of management is monitoring, controlling and undertaking corrective activities if the business does not develop in predicted manner. Accounting software enables automatization of processing, recording, managing, storage and access to different types of business and financial transactions. It represents a strong mechanism of company for modernization of vital financial processes, as well as carrying out formal procedures for collection, maintenance and presentation of financial data. In accounting system of Serbian companies, frequently the use of software solutions is rented [4].

CONCLUSION

Companies that operate in the conditions of the contemporary business depend on information systems. The development of information and communication technologies, inspired by the advance of computer hardware and software solutions, has impacted the advance of organizational management. The company management should have an effective information system in order to make business and financial decisions in accordance with the projected goals.

The successful functioning of any organization relies on the access to accurate, timeous and reliable information that would lead to optimal decision-making. The main purpose of business software is supporting business processes and its activities and help changing the way business is performed. Due to the numerous possibilities provided by software solutions the most important processes of organizational functioning such as maintaining financial control and managing financial and

other reports, customer relationship management, supply chain management and other processes become easier to fulfill and less demanding time and money. This, in its turn, is made possible thanks to effective organizational communication provided by software solutions. Subject to the existence of such competitive advantage organizations can promptly respond to constant internal and external business demands. Therefore, practical implementation of software solutions at this time is a prerequisite for increasing effectiveness of the organization management and of organization functioning as a whole.

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