

THE PERFORMANCE REFLECTION INTO THE TOURISM COMPANIES THROUGH THE ACTIVITY BASED COSTING SYSTEM

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ABSTRACT. Having in mind the causes of the tourism companies profitableness improvement, the Activity Based Costing method tries and succeeds in realizing the obtaining of real costs, by eliminating the arbitrary ways of distributing the common costs, of a way of substantially improving the separation between the direct and common costs and a precise boundary between the actions that form the activity operations. If the managers would have in mind in their decisions the ABC method's principles, than we would be able to notice the company's profitableness improvement since the first steps of the implementation. In time, the managers would notice some effects that put them in advantage towards the competition such as: costs reduction, products or services loss reduction. The ABC method is an alternative to the traditional methods. It is a model for costs determination that identifies the costs blocks, or the activity centers from a company and allocates the costs to the products and services, based on the number of events or transactions involved in the process of obtaining the products and services.

ВЛИЯНИЕ ВЪРХУ ПРОИЗВОДИТЕЛНОСТТА НА ТУРИСТИЧЕСКИТЕ ФИРМИ ЧРЕЗ ЦЕНОВА СИСТЕМА

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РЕЗЮМЕ: С цел повишаване рентабилността на туристическите фирми е целесъобразно да се въведе метод, базиращ се на определена ценова система. Това води до достигане на реални цени, елиминирайки тяхното производно определение. Чрез този метод се отделят преките от общите разходи на туристическата фирма, което повишава нейната печалба, без да растат цените на продуктите и услугите за клиентите. Методът е алтернативен на познатите вече традиционни методи. Той представлява модел за определяне на разходите,отделяйки разходите от отделните центрове(спа и др.) от цените на продуктите и услугите. Използва се броят на събитията и транзакциите в процеса на получаване на продукти и услуги.

Having in mind the causes of the tourism companies profitableness improvement, the Activity Based Costing method tries and succeeds in realizing the obtenance of real costs, by eliminating the arbitrary ways of distributing the common costs, of a way of substantially improving the separation between the direct and common costs and a precise boundary between the actions that form the activity operations. If the managers would have in mind in their decisions the ABC method's principles, than we would be able to notice the company's profitableness improvement since the first steps of the implementation. In time, the managers would notice some effects that put them in advantage towards the competition such as: costs reduction, products or services loss reduction.

The ABC method is one of the ways of refining the cost system. In this way, there must be ensured a better appreciation of the lack of uniformity in resource consumption. The increased competitiveness and the progress from the information technology have accelerated these processes. There are more ways of refining the cost system:

- the classification of a higher par as possible of the cost as direct costs;

- the creation of homogenous centers, in which all costs have the same relation cause-effect with the allocation base.

In the ABC concept, the tourism companies must identify the factors that induce every main activity, the activities costs and the ways the activities are connected to products or services.

The ABC method is an alternative to the traditional methods. It is a model for costs determination that identifies the costs blocks, or the activity centers from a company and allocates the costs to the products and services, based on the number of events or transactions involved in the process of obtaining the products and services.

The ABC method offers some costs information much more relevant and accurate than the traditional methods. As an effect of an analogy between the traditional methods and the ABC method we can clearly distinguish the contribution from the information point of view, advantages that rely on the much more complex investigation of the multiple causes that affect the costs, the extinction of the differences between the variable and constant costs, the multiple production objects and costs, and the determination of the right price or charge in the case of a lower activity level.

The ABC method develops (expands) the model of the analysis centers used for the cost accumulation. But instead of concentrating its attention only on the responsible centers, the ABC system is also based on tracking the activities developed with the company's resources.

The ABC method supplies two ways of reducing the costs: it helps identifying the opportunities of a real cost reduction (through the cost drivers) and it supplies simulative actions of the cost reduction impact. Through the established cost effect relation between the activity, cost driver and resource consumption it can be measured and controlled the quality cost and the essential non quality for the tourism activity.

The Activity Based Costing method allows the precise analysis on the impact the activities have on the real profitability according to a certain purpose and the precise identification of the costs, the produced effects by the new activities and their allocation way on the customers.

The advantages admitted by the tourism companies of this method are: the possibility of cost reduction, the changing of the marketing decisions, the budgeting activity, the performance measurement and control and cost manipulation. The conclusion of all studies show that the ABC method enjoys a good fame and that the companies use at least part of its ideas, even though there are a few companies that fully use them.

The ABC method is focused on the real cost behavior nature, reaching in this way to the identification of the activities that produce no economic value.

The ABC model gives in this way answer to the inherent subjectivity of the common costs repartition. The repartition procedures based on the tight relation between realizing different activities and products or services seem to eliminate most of their subjectivism.

By using distribution methods less arbitrary, the cost determined through the ABC method would be more pertinent. We must also underline that the declared purpose of the method is not to obtain an exact cost. In this way we determined that from a structure of 30% direct costs and 70% common costs to have 70% traceable costs and 30% non traceable costs. The ABC utility is actually more connected to the comprehension than the cost accuracy.

In the management plan, the fundamental advantages of the ABC method do not rely on the cost calculation from the accountant point of view but in the vision of the company's structure (Guedj 2000):

- the company is an amount of continuous processes, a multitude of relation between the customer and supplier with the objective the final customer satisfaction;
- the development of projects by missions (transversal);
- the cost control and measurement are not enough any more, it is needed for a staff dynamic and training;
- the problem of the value perceived by the customers is actually the knowledge of the performance causes;
- the cost reduction can have negative effects so we must act on the causes not only on the consequences.

The ABC method allows the comparison between more company's departments regarding the performance level reached for an activity and reflects the impact of a taken decision over other activities that are part of another company's department. This improvement of the financial information quality can allow best decisions regarding the product or service policy.

Theoretically, the ABC method has renewed the problem of the normative research in the managerial accounting because it has generated conceptual and methodological debates regarding the classification, cause identification, the prognosis and control of common costs.

The ABC method allows to obtain more pertinent costs, more flexible calculus, the better comprehension of the way the added value is created, but its final objective is the decision activity and performance improvement.

In a synthesis it results that the different possibilities offered by the ABC method and that are focused on the performance management are:

- the costs reduction way analysis by the reduction of the component number or by limiting the certain series;
- the improved responsibility level for the managers regarding the expenses level, especially for the support activities;
- a better knowledge for the launch costs of new products or services;
- the determination of indicators needed in a quality management and the knowledge of the costs involved by these activity;
- try to estimate the resources consumption for every product or service;
- it can also be used in the results analysis;
- it allows that a large part of the common costs to be related to the activity and production process;
- it can avoid the conflict between the decision costs and the control costs and by this it results a reliable base for establishing the price policies.

The staff from tourism companies can use the ABC method in order to identify the areas in which they could obtain cost reduction and the ways to obtain these reduction. The managers establish objectives to reduce the costs in different areas of activity, by expressing these objectives in terms of cost reduction on a certain allocation base.

The elaboration of an analysis of the factors responsible for the costs (costs drivers and allocation basis) it allows the identification of a lot of opportunities of improving the way are executed different activities. The managers can evaluate the possibility of reducing or even eliminate certain activities.

The ABC method introduction helps the employees to understand the costs, that can allow them to analyze and identify and identify the activities without value and also to improve the system.

The Activity Based Costing method allows the precise analysis of the impact the activities have on the real profitability, function of a certain purpose, and also the

precise cost identification of the produced effects by the new activities and their way of allocation on customers.

Obviously, the ABC systems are superior to the traditional costs determination systems in the terms of exact costs determination. The products and services diversity are in favor of using much more complex systems such as ABC. Eventually, as the percentage of common costs grows in the company's costs structure, also grows the level of deformation as an effect of using simple allocation basis of the common costs.

Most of the companies that implemented successfully the ABC system maintain two cost determination systems for safety: one for the financial accounting and the preparation of monthly profit reports, by using the traditional systems and an ABC system, separately for the strategic decisions.

The ABC method is actually one of the most adequate instruments of perfecting a system of evidence and costs determination used successfully in a lot of economy sectors and of course in the close future with great success in the tourism activity also.

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