



GLOBAL ACCOUNT MANAGEMENT AND FINANCIAL SYSTEM IN MULTINATIONAL CORPORATIONS

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ABSTRACT

The coordination of customer administration across national limits usually alluded to as global account administration has developed as a standout amongst the most predominant corporate reactions to the globalization of markets. While global account administration is plainly a vital critical issue for some MNCs, it has so far pulled in little research enthusiasm for the field of International Business. The reason for this research, in like manner, is to offer a few bits of knowledge into how global account administration functions in MNCs and to create and test suggestions in regards to its adequacy. We additionally talk about the more extensive ramifications of global account administration for the field of international business. Global account administration is characterized as "an organizational shape and process in multinational companies by which the overall exercises serving a given multinational customer are composed halfway by one individual or group inside the supplying company." In this article we will study about the Global account management and Financial systems in Multinational Corporations.

I. INTRODUCTION

The idea is straightforward, and from a customer's viewpoint, it is intended to be primary since it accommodates them a solitary purpose of contact with the merchant organization. However, from the merchant's point of view, its execution is every now and again tricky. Much of the time, global account administration is built up close to a current nation based deals organization, so for the sales representatives in those nations, it speaks to a risk to their self-rule. A considerable lot of the cases we contemplated included power battles between nation deals ministers and global account supervisors in characterizing who "claimed" the critical accounts. Such battles include more than regional pride since clear customer possession is the rule fundamental the control and reward system for the business function.

Relatedly, numerous MNCs likewise recognized issues in estimating the performance of single accounts on an overall premise, something required for characterizing suitable motivation systems. So while global account administration positively makes some vital marketing challenges (e.g., as far as the consistency of item and administration attributes across nations), the significant issues have all the earmarks of being organizational. As needs are, the spotlight in this research is on global account administration as an organizational advancement. Likewise, with any organizational advancement (e.g., lattice administration,

cross-functional teams) the test from an examination point of view is to utilize existing hypothetical focal points to comprehend the marvel, and in this way to pick up a superior comprehension of its uses and impediments. In This research, we apply two hypothetical points of view.

To start with, we display global account administration as a method for expanding the information preparing limit of the organization because of expanded information handling requests. Second, we utilize asset reliance hypothesis to propose that global account administration might be an apparatus for developing or abusing the merchant's energy position versus the customer. Utilizing information gathered from 106 diverse global account directors we test theories relating attributes of the seller and customer organizations to account performance, from the two points of view. Generally speaking, the outcomes demonstrate that both are vital separately. Furthermore, prove is exhibited for a collaboration impact in which the viability of structures for expanding information handling is contingent upon the nearness of high customer dependence.

II. FREQUENCY OF COMMUNICATION BY GLOBAL ACCOUNT MANAGER

The frequency of communication between people does not show the quality of that communication, but rather it gives a feeling of where needs lie, and is in this manner demonstrative of the streams of information.

In this manner, we requested that global account ministers show how frequently they conversed with countless individuals in the customer firm and in their own particular firm. Once more, the accentuation is on the stream of information into and inside the organization and that, *ceteris paribus*, and the more noteworthy the stream of information, the better the performance of the account. Research has demonstrated that regular contacts between the groups associated with critical thinking exercises prompts quicker and more successful arrangements. Concentrates on venture teams have additionally recognized a critical positive connection amid group performance and the frequency and breadth of communication both inside and outside the group.

Internal support system

Internal support systems are vital for empowering global account ministers to carry out their employees adequately. Information systems that enable the firm to decide the productivity of an individual customer are of awesome significance, as are internal courses in which global account supervisors share thoughts and associations with each other. These components are again firmly identified with the compelling stream of information inside the merchant firm, and like this, they are proposed to have a connection to the performance of the account.

Measure account performance

Two different measures of account performance were developed. In the course of the exploratory part of the research we identified thirteen different aspects of performance. Factor analysis of the responses revealed two distinct factors. The items loading onto each factor were averaged to create the two performance measures as follows.

Efficiency and sales growth

Respondents were asked to indicate the extent to which the following had occurred since the establishment of the global account:

- (1) Coordination of sales to customer operations around the world,
- (2) More efficient use of salespeople's time in serving customer,
- (3) Reduced cost of sales to customer,
- (4) Growth in sales to customer worldwide,
- (5) Cross-selling into divisions of customer operation that we were formerly weak in,
- (6) Greater control of relationship with customer,
- (7) Increased responsiveness to customer's specific needs,
- (8) Tailoring of product/service to local market demands.

Partnership with customer

Respondents were asked to indicate the extent to which the following had occurred since the establishment of the global account:

- (1) Joint innovation projects with customer,
- (2) Access to leading-edge practises undertaken by customer,
- (3) Tapping into new product ideas suggested by customer,
- (4) Creation of a long-term relationship.

Frequency of communication

In the questionnaire we asked the global account managers the frequency with which they communicated with nine different individuals or units, as follows:

- (1) Other members of global account team,
- (2) Senior executives responsible for overseeing the global account,

- (3) Country sales / marketing managers,
- (4) Other global account managers,
- (5) Business unit managers,
- (6) The lead contact in the customer firm,
- (7) Country contacts e.g. purchasing managers,
- (8) Senior executives in the customer firm, and
- (9) Technical personnel in the customer firm.

These reactions arrived at the midpoint of to make develop. Before getting into the factual investigation, it merits giving a few experiences, from our meetings, into how global accounts are organized. Three unmistakable methodologies are regularly utilized. The first is a customary nation based deals organization with the GAM going about as an internal facilitator across nations. In this structure, the GAM has no formal expert, and accounts are as yet claimed by national deals supervisors. The second is a grid game plan, whereby the GAM reports outside the current line organization to a headquarters-based official, and obligation regarding the global account is shared between the GAM and the national deals administrators being referred to. The third is a customer-centred organization, in which the key accounts are hauled out of the customary line organization and oversaw only by GAMs, with nation based business people concerned just with usage issues.

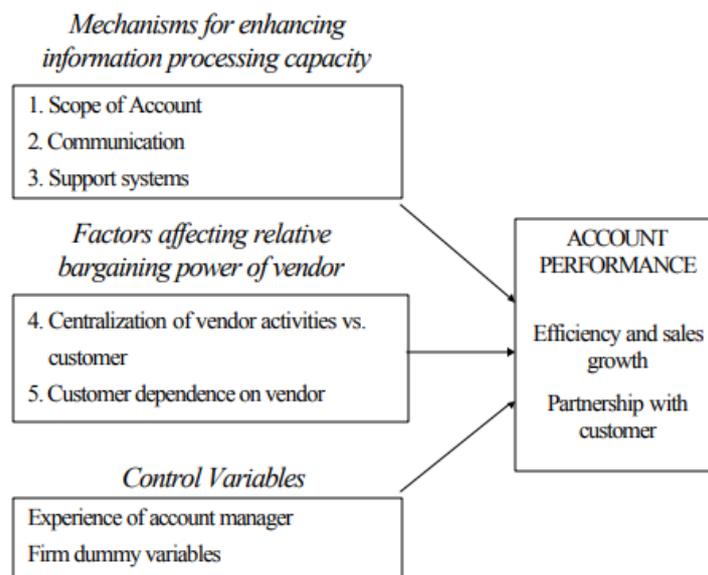


Figure 1: Global Account Performance Model

III. IMPACT OF TECHNOLOGY ON ACCOUNT AND FINANCE

Account in MNC bank

Table 1: Account in MNC bank

Account in MNC bank	
Yes	No
125	75

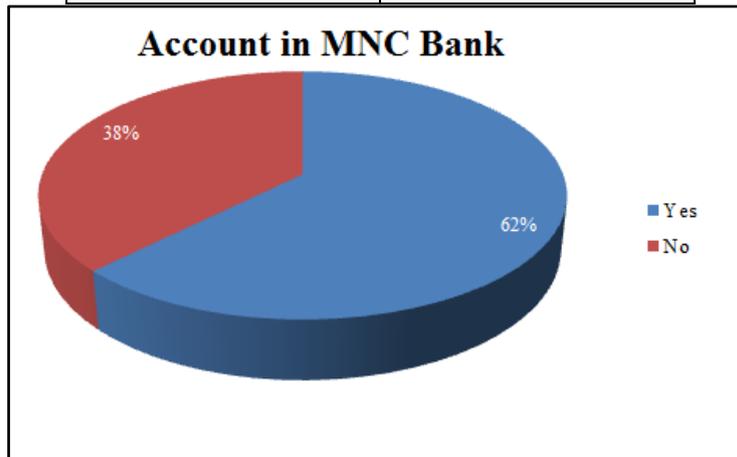


Figure 2: Account in MNC bank

IV. IMPACT OF TECHNOLOGY ON ACCOUNT AND FINANCE IN MNC BANKS

Financial market recommendations for less industrialized economies, especially in the wake of the on-going financial emergencies, have incorporated a push for more global financial competition. The passage of multinational banks (MNBs) into creating economies should make more market teach for domestic banks, therefore making them more effective, and upgrading financial stability. Utilizing information from the BIS and the IMF, we take a gander at the effect of MNBs using a loan supply and on financial stability in less industrialized economies. MNBs centre their exercises dominantly around serving MNCs, and on giving services that domestic banks can't offer to domestic partnerships, and high total assets person. This expanded competition in certain okay market fragments allures domestic banks to bring down their credit presentation in the beginning times of universal financial competition. Notwithstanding, as MNBs proceed to work and to develop their market partakes in less industrialized economies, domestic banks turn out to be more sure with the new aggressive circumstance, in the end expanding their advances, particularly to the venture area. The two outcomes of expanded global financial competition - early credit crunches, and later credit development - can have genuine ramifications as brought down business venture or financial insecurities, except if sufficient regulatory and supervisory structures are introduced.

Global account and financial administration by using technologies in MNC

IT empowers firm to globalize their operations and accomplish foreign revenues and foreign profits through three components – value chain configuration, value chain coordination, and neighbourhood responsiveness. Value chain coordination alludes to the coordination of comparative value chain exercises, (for example, acquisition or production) crosswise over various geographic areas, and includes the management of data to settle on choices identified with the exercises and the management of information and assets important to play out the exercises. IT systems encourage value chain coordination and information courses through arrangement of rich transmission channels and learning management systems for exchange and retention of learning by base camp and auxiliaries.

International" financial administration system in the light of emerging technologies which is used in MNC

Value chain configuration alludes to the way in which firms assemble the ability to perform value chain activities internationally and scatter those activities crosswise over various geographic areas. By reconfiguring its value chain activities, a firm can accomplish efficiencies through incorporated managerial coordination, control of assets, and execution estimation, and can deliver and enhance in ease markets and offer in exceptional yield markets. Firms can utilize IT to separate data and information parts of production sources of info and business processes, and move those segments far and wide to play out each value chain action in the area where it can be best refined. IT systems enable MNCs to regard backups as part pieces, which enable firms to find activities crosswise over auxiliaries and topographies as proper. In neighbourhood responsiveness, firms actualize changes in product highlights, production and conveyance approaches, publicizing messages and valuing to tailor for nearby markets. IT systems are a fundamental part of neighbourhood responsiveness. Firms can utilize their IT and interchanges design to draw together marketing, research and development (R&D), and production specialists with the novel abilities and information of a specific nearby market, which enables the firm to react and adjust with products and services that are custom-made for clients in that market. To begin with, typologies with a set number of choices will be unable to clarify the full arrangement of contemplations firms use to sort out their foreign auxiliaries and worldwide IT operations. Second, IT has expanded the capacity of firms to at the same time accomplish a level of worldwide efficiencies and neighbourhood responsiveness, which is the customary procedure trade-offs. As more firms utilize IT to seek after worldwide efficiencies and nearby responsiveness, customary systems progressively end up obscured.

Impact of technology for accounting and financing in MNC

Accounting is an instrument and a question in globalization yet its effect and sign isn't uniform crosswise over in MNC companies. This paper surveys commitments on globalization and its effect on accounting in MNC, and distinguishes vital research holes. It inspects the part of accounting in changing development strategies, from state free enterprise through neo-liberal market-based to great administration approaches. It at that point considers

particular accounting issues, namely the dispersion of International Accounting Standards (now International Financial Reporting Standards) and how they advance global neo-radicalism; the development of the accounting calling in MNC notwithstanding competition from Northern global accounting firms and expert affiliations; accounting issues in state-claimed organizations, and privatized and multinational corporations; government accounting changes and the revival of the state; social and ecological accounting issues; and the ascent of non-administrative organizations and their accounting and responsibility. The dialog and conclusions think about accomplishments to date and imperative territories requiring further development.

V. FINANCIAL STATEMENT FRAMEWORK FOR MULTINATIONAL COMPANIES

Multi-National Companies (MNCs) have turned out to be veritable and most imperative instruments and establishments for economic development, social change, technology, dynamism and basically, new thoughts. MNCs work inside the settings of ecological factors in areas other than their home-base nations. MNCs in India have their cause in areas other than India, however, subject next to the factors in their nations of origin, to factors in India. MNCs are a type of gathering of self-ruling working units under a removed control. The idea of MNCs is stretched out to depict a relationship like a parent and auxiliary shape in which the parent company operates past the shores of the nation of origin through offshoots in another nation for exercises including the generation of merchandise and enterprises. The MNCs, however transnational, is tried by their capacity to control more than thirty (30%) percent of the global gross products outside their nations of origin. This definition surmises that an MNC can't be so depicted if the parent group can't control thirty (30%) percent or more of the global gross products. Be that as it may, what is of intrigue is that the MNCs work in nations other than their nations of root. To this end, it is contemplated to feel that MNCs are far-fetched the same as far as sizes, types, structures, complexities, and functions. Likewise, the controls practiced over these companies are still covered in contention in accounting writing.

Also, the difficulties postured by the earth where the MNCs companies and also the progressions in that tend to influence the focal control exercises over the MNCs. Furthermore, there is an interaction of subsisting structure in India where the MNCs work and that of the nations of origin of these companies. The Indian Generally Accepted Accounting Principles (GAAPs) and the renditions of GAAPs in different nations tend to encroach on the exercises of MNCs in India. There is no uncertainty, along these lines, that the Indian MNCs work in perplexing and testing situations running from the legitimate, political, social, innovative and economic impacts, among others. This bunch of difficulties, bordering on subsisting systems and different difficulties, prompt accounting rehearses that catch the MNCs structure set up. Contentions are pervasive that the U.S. GAAP are utilized by the U.S. MNCs in India while, Indian companies are constrained to utilize Indian GAAPs. The ramifications of these "contentions" are the generation of numerous accounting reports

which might be intended to serve different governments-the home and host nations. Given the assortment of reports, foreign investors may need to battle with understanding the substance of the financial statements of the MNCs.

VI. CONCLUSION

In the most recent decades, nations around the globe have turned out to be all the more financially integrated, driven by the potential advantages of financial globalization. One of the principal advantages of financial globalization is the development of the financial sector. Financial markets wind up further and more modern when they integrate with world markets, expanding the business options for borrowers and investors. Financial markets operating in a global domain empower international risk expansion and encourage utilization smoothing. Albeit financial globalization has a few potential advantages, financial globalization likewise postures new difficulties. The emergencies of the 1990s, after numerous nations changed their financial system, have addressed to some degree the increases of globalization. Nations wind up presented to outer stuns and emergencies, generated in their own particular country, as well as from disease impacts. In the underlying phases of progression, if the correct framework isn't in or set up, financial advancement can prompt expanded risks. Numerous nations are now halfway open, and the prospect is for the expanded globalization of financial markets. Incomprehensibly, the expanded globalization can lessen the degree of risk broadening, because integrated financial markets tend to be more connected. Sound macroeconomic and financial fundamentals are key in bringing down the likelihood of emergencies and disease and to have the capacity to oversee emergencies all the more viable.

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