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A STUDY ABOUT THE INFLUENCE OF MANAGEMENT ACCOUNTING PRACTICES ON STRATEGIC PLANNING AND DECISION-MAKING PROCESS IN SMALL AND MEDIUM ENTERPRISES IN KERALA

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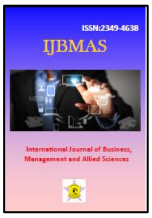

ABSTRACT

This study examines the impact of management accounting practices (MAPs) on the strategic planning and decision-making processes of small and medium-sized firms (SMEs) located in Kerala. SMEs have a crucial impact on Kerala's economy. However, they frequently encounter challenges in strategic management as a result of limited resources and less structured organizational frameworks. The research seeks to determine the degree to which different MAPs, such as budgeting, cost accounting, and strategic management accounting such as value chain analysis and balance scorecard are utilized by these businesses and how they influence strategic decision-making and planning. Data was collected from a broad sample of SMEs in Kerala using a mixed-methods approach that involved both quantitative surveys and qualitative interviews. The results indicate that although traditional management accounting practices are widely utilized, the implementation of more sophisticated methods such as activity-based costing and balanced scorecards is restricted. Additionally, the study emphasizes the important contribution of owners and managers in making decisions and the influence of contextual factors, such as the regional business environment and enhancing the awareness about MAPs, so as to increase the performance of the organization. The study provides recommendations for optimizing the utilization of MAPs to enhance strategic planning and decision-making in Kerala's SMEs. It suggests the implementation of tailored training and support programs to address this requirement.

Keywords: SMEs, Management Accounting Practices, Strategic Planning, Balance Scorecard, Decision Making.

1. INTRODUCTION

Accounting is a fundamental component of every organization irrespective of it being private or public sector. The significance of accounting is attributed to numerous elements and applications, and there are various arguments that assert its essentiality for a multitude of reasons. Traditional management accounting techniques were designed to provide information to assist managers in making internal decisions within a company. Consequently, the focus of management accounting systems has likewise been mostly inward-facing. It is crucial to acknowledge that decision making is a fundamental part of a corporate organization. The significance of decision-making is linked to several crucial factors that allow the organization to accomplish its objectives (Butterfield, E., 2016). In order to improve the quality of management accounting information for managers, it was required to broaden the focus to include the external environment of the organization. This led to the development of the idea of strategic management accounting. Strategic Management Accounting refers to the gathering of management accounting data about a company and its competitors, which is then utilized to formulate and track the business strategy **(Simmonds. K., 1991).** The SMA, or Strategic Management Accounting, is a comprehensive suite of accounting tools that delivers precise and timely information to support various decision-making requirements of an enterprise. These include target costing, strategic costing, competitors accounting, strategic decision-making, consumer accounting, planning, control, performance management, and evaluation **(Alsoboa, S., Al Khattab, A., & Al-Rawad, M., 2015).** In the current economic environment, characterized by intense competition, managers of small and medium-sized enterprises (SMEs) are compelled to develop and implement effective business procedures and strategies aimed at maximizing profitability for their organizations **(Ramljak, B., & RogosiC, A., 2012).**

Implementing management accounting practices (MAPs) in strategic planning can give a business a long-lasting competitive edge over its competitors. The concept of MAPs in strategic planning and decision making has gained international attention as a novel approach to providing both financial and non-financial information for strategic initiatives and positioning in SMEs. The primary aim of the study is to analyze the impact of management accounting practices on the strategic planning and decision-making process in small and medium firms in Kerala.

1.1 MANAGEMENT ACCOUNTING Vs STRATEGIC PLANNING AND DECISION MAKING – CONCEPT

Management Accounting can be defined as accounting that is focused on management or accounting that is related to the function of management. The dynamic transformation of the corporate landscape in recent times has had a profound impact on management accounting practices and the function of management accountants inside organizations. The field of management accounting should transition from its traditional administrative role to a more strategic one, shifting its focus from being just number crunchers to becoming valuable business partners. The primary objective of management accounting has consistently been to enhance the performance and profitability of a company by furnishing pertinent information for the purposes of planning, controlling, and decision making. Management accounting is a crucial component of the management process in an organization. It supplies vital information to the business for its planning, evaluation, control, and decision-making activities. Managers acquire the necessary tools to perform their functions through the use of management accounting **(Christina Wiwik Sunarni 2013)**.

Management accountants have transitioned from being just record keepers of past performance to becoming valuable contributors to management teams. The management accountant should possess exceptional skills and have a crucial role within the management team **(Cooper, Robin. (1998).** Management accountants are currently undergoing a transformation from being mere number crunchers to being financial and strategic managers. The management accountant function in a company can be categorized into four types: doer, administrator, conceptor and actor. A management accountant assumes the role of an administrator when they do administrative or bookkeeping duties, such as recording transactions or serving as a cashier. A management accountant is responsible for executing the accounting system in the day-to-day operational activities. The subsequent position is that of a conceptor. A management accountant can be categorized as a conceptor if they possess a higher level of grasp of accounting concepts, but these concepts have not yet gained significance inside the firm. A management accountant can play a role in the strategic level of a company, either by actively participating in the development of strategies or by providing information to top-level managers to assist in strategic decision planning and decision making **(Devie, et al., 2008).**

1.2 BENEFITS OF STRATEGIC PLANNING IN SMEs

Effective strategic management can yield numerous advantages for an organization. Arguably, the most significant advantage is an increased profitability. While previous research has indicated that strategic management does not consistently lead to higher profitability, a considerable amount of current studies have indicated that a well-crafted strategic management system for small and medium-sized enterprises (SMEs) can enhance earnings. Organizations can derive several benefits, apart from financial gains, through the implementation of strategic management programs. Strategic management has the potential to enhance the dedication of individuals inside an organization to achieve long-term objectives. Enhanced dedication typically accompanies engagement in establishing objectives and strategies for achieving those objectives.

1.3 STRATEGIC MANAGEMENT ACCOUNTING TECHNIQUES IN SMEs

Several SMA strategies have been created in recent decades, and academics have classified these techniques in SMEs as either internally focused or externally focused. The first category is Costing, the second category is Planning, Control, and Performance Measurement, the third category is Strategic Decision-Making, the fourth category is Competitor Accounting, and the fifth category is Customer Accounting.

The third category encompasses strategic planning and decision-making, which involves the following factors:

- **Strategic Costing (Strategic Cost Management):** It refers to the process of analyzing and managing costs in a strategic manner. Strategic costing technique is synonymous with Strategic Cost Management (SCM). This technique aims to evaluate the financial consequences of different managerial actions by utilizing cost data to develop effective strategies that can provide a significant competitive edge. This technique utilizes cost data to inform strategic decision-making with an external and future-oriented focus. When employed correctly, this strategy can yield substantial advantages for the firm.
- **Strategic pricing:** Strategic pricing in small and medium-sized enterprises (SMEs) entails analyzing key elements such as price elasticity, competitor price reactions, market expansion, pricing decision-making expertise and economies of scale.
- **Brand valuation:** This includes brand value budgeting and brand monitoring, involves formally calculating the worth of a brand. This approach emphasizes that spending on brand-related activities should be seen as an investment rather than an expense, stressing the future-oriented and long-term focus of this technique **(Cadez, S., & Guilding, C. (2007).**

1.4 ROLE OF MANAGEMENT ACCOUNTING IN STRATEGIC DECISION-MAKING

For an economic activity to be carried out effectively, it is essential that the decision-making process, implementation, and execution control are all grounded in operational, precise, and comprehensive information. In this environment, there is a requirement for accounting management to supply essential information, while simultaneously serving the managerial needs of management accounting (**Iacob, C., Karim, A. A., 2013**). Strategic decision-making entails the careful selection of the most optimal course of action in order to effectively accomplish the aims and objectives of an organization. Management accounting is essential in this process. It offers crucial data on the financial performance of SMEs, enabling the identification of opportunities and threats, the evaluation of options, and informed decision-making. Management accounting plays a crucial role in facilitating strategic planning decision-making through various means:

- **Cost Analysis:** Management accounting data is crucial for discovering possibilities to decrease expenses, enhance productivity, and boost profitability. Through the examination of the expenses associated with each operational task, small and medium-sized enterprise (SME) owners and managers can make well-informed choices regarding the distribution of resources and the enhancement of procedures.
- **Profitability Analysis of Products and Services:** Assessing the profitability of products and services is crucial for every organization. Thoroughly produced management accounts offer crucial information that aids in identifying the most lucrative items and services, as well as those that are not generating profits. Through the analysis of product and service profitability, organizations can make well-informed decisions regarding which products and services to prioritize and which ones to terminate.
- **Investment Appraisal:** Besides analyzing product or service-specific information, management accounting can also evaluate the financial performance of business units. This knowledge is crucial for assessing investment opportunities in more intricate enterprises. Through the analysis of the financial performance of potential investments, the firm may make well-informed judgments regarding which investments to pursue and which ones to reject.
- **Performance Evaluation:** Management accounting can generate data that aids in assessing the efficacy of business initiatives and making necessary adjustments. Management accounting practice not only evaluates the financial performance of individual business units, but also aids the company in identifying weaknesses and making educated decisions to enhance performance.
- **Financial Planning and Prediction:** The data generated in a collection of management accounts encompasses the financial performance of the business. Consequently, this information is utilized to construct budgets and predictions. These tools are crucial for strategizing and overseeing corporate operations. Budgets and forecasts assist SMEs in establishing objectives, distributing resources, and overseeing performance. Additionally, they empower firms to forecast future trends and adapt their plans accordingly.

1.5 STRATEGIC MANAGEMENT ACCOUNTING

SMA refers to the process of providing and analyzing management accounting data pertaining to the organization and its rivals. This data is used to build and monitor business strategy. Strategic management accounting is utilizing accounting information to effectively manage an organization's strategy and achieve excellence. Strategic management accounting focuses on both internal and external information. It helps management in identifying, collecting, selecting, and analyzing accounting data that is relevant to external factors. It also utilizes budgets as a means of managing and controlling the organization. Additionally, it takes into account the rapidly changing business environment and how it impacts changes in business strategy.

Strategic Management Accounting in SMEs

Small and Medium Enterprises (SMEs) play a significant role in driving economic development and progress in the state of Kerala. Strategic management accounting (SMA) tools have the ability to impact managerial decisions, alter strategies, and influence the performance of a corporation through their comprehensive practices. Nevertheless, according to previous studies, the utilization of SMA tools is predominantly limited to a small proportion of primary producers, specifically those who are larger or more innovative in the industry. In the global context, larger organizations are increasingly utilizing

SMA methods, with target costing being one of the most widely accepted tools. This trend is observed not just in leading firms worldwide but also in several applications in India. Implementing SMA techniques in SMEs will improve the growth and performance of these firms. SMEs who adopt SMA tools will experience a beneficial correlation between the use of management accounting tools and the decision-making process.

2. REVIEW OF LITERATURE

Arini et al. (2024) mentioned that enhanced comprehension of the correlation between strategic management accounting (SMA) and strategic cost management (SCM) methods within information systems. The relationship between strategic management accounting (SMA) and strategic cost management (SCM) is intertwined with information systems, and both disciplines play a crucial role in management decision-making and firm operations. The study determined that information systems have the potential to enhance the strategic management of firms, optimize their management and operational performance, and influence the authority control and business strategy of enterprises.

Keshab Ghimire (2023) investigated the correlation between financial performance and the implementation of management accounting practices in Nepalese industrial companies. The study employed the survey research design. The study demonstrated a positive correlation between the implementation of management accounting tools and the financial performance of organizations surveyed. The study also discovered a notable disparity in the efficacy of decision-making between the utilization of management accounting tools and traditional management accounting techniques. It concludes that the adoption of strategic management accounting practices is imperative in order to improve the overall performance of the organization.

Nik Abdullah et al. (2022) stated that SMA approaches possess the capacity to offer a diverse array of advantages for firms. The techniques encompass competitor accounting, customer accounting, strategic costing, strategic planning, control and performance management, and strategic decision making. Although SMA has great promise for decision making, there are still practical application challenges and a lack of strategic expertise in applying SMA to meet company goals. The present study seeks to conduct a comprehensive literature review to critically examine the reason behind adopting SMA practices, gather information on the usage of SMA practices, and synthesize the consequences of SMA on business goals.

3. RESEARCH GAP

A significant number of studies prioritize traditional accounting methods while disregarding new or inventive Management Accounting Practices (MAPs) such as activity-based costing, balanced scorecards, or strategic management accounting. Research can investigate the impact of these sophisticated MAPs on strategic planning and decision-making in small and medium-sized enterprises (SMEs). There is a lack of knowledge regarding how these contextual factors impact the adoption and usefulness of MAPs in strategic planning and decision-making in SMEs within Kerala. Additional research is required to investigate the impact of MAPs on strategic planning and decision-making which paves way towards organizational growth and development. Examining these gaps can yield significant insights into how SMEs can more effectively employ management accounting practices to improve their strategic planning and decision-making procedures.

4. STATEMENT OF THE PROBLEM

Although the significance of strategic planning and decision-making for the development and long-term viability of SMEs is acknowledged, there is a limited understanding of how MAPs contribute to these processes. SMEs encounter distinct obstacles, including less resources, less structured management systems, and a greater level of operational adaptability, which can impact the execution and efficacy of MAPs. Although the current body of literature offers some understanding, it primarily concentrates on larger businesses and utilizes conventional MAPs without taking into account newer and more inventive methods. Furthermore, the diverse contextual factors in various areas and industries contribute to the intricacy of comprehending the effects of MAPs in SMEs.

The lack of understanding in this area prevents SMEs from effectively utilizing MAPs to improve their strategic decision-making and planning. Hence, it is imperative to investigate the impact of different MAPs, encompassing both conventional and innovative methods, on the strategic planning and decision-making procedures in SMEs. Furthermore, it is crucial to have a comprehensive awareness of the responsibilities of owner-managers, the incorporation of MAP tools such as balance score card, value chain analysis and decision support system, and industry-specific elements in order to gain a complete perspective on this impact. Tackling these concerns can assist SMEs in maximizing their management accounting methods, resulting in enhanced strategic decisions and improved business results.

5. SIGNIFICANCE OF THE STUDY

The study's results can assist SMEs in gaining a clearer understanding of how to efficiently employ management accounting practices to enhance their strategic planning and decision-making procedures. For SMEs, making well-informed and timely decisions is extremely important, especially because they often operate in competitive and rapidly changing environments. These decisions are vital for the survival and expansion of the business. This involves taking into account the limitations on resources, the less structured management systems, and the crucial influence of owner-managers in the decision-making process. The research can emphasize the advantages of implementing more sophisticated and groundbreaking MAPs, such as activity-based costing, balanced scorecards, and strategic management accounting. This could incentivize SMEs to go beyond conventional accounting methods and investigate solutions that offer greater strategic insights and performance evaluations. In essence, the study seeks to offer practical suggestions that can assist SMEs in improving their commercial performance and ensuring their long-term viability. SMEs can enhance their competitiveness, expedite their response to market fluctuations, and attain sustainable growth by making well-informed strategic decisions.

6. RESEARCH OBJECTIVES

- To examine the implementation of Management Accounting Practices in SMEs
- To assess the impact of MAPs on Strategic Planning and Decision-Making Processes in SMEs
- To provide recommendations to enhance the use of MAPs in Strategic Planning and Decision-Making Processes in SMEs of Kerala

6. SCOPE OF THE STUDY

The study aims to enhance the academic literature by addressing gaps pertaining to the contextual variations, sector-specific elements, and long-term effects of MAPs on SMEs. This can serve as a basis for future research and the development of theories in the field of management accounting and SME management. The findings of this study can provide valuable information to educational institutions, policymakers and business consultants on how to enhance their support for SMEs in executing successful MAPs. This includes the formulation of specialized training programs, provision of necessary resources, and establishment of regulatory settings that foster support. The study will investigate several MAP tools, encompassing conventional methods such as budgeting, variance analysis, and cost accounting, along with more sophisticated approaches like value chain analysis, balanced scorecards, and strategic management accounting. The objective is to comprehend the influence of MAPs on strategic planning and decision making process in SMEs in Kerala.

7. RESEARCH METHODOLOGY

- **Study area and Units:** Kerala's SMEs benefit from an investor-friendly climate that is supported by well-designed policies and innovative initiatives. It proudly showcases a topnotch infrastructure. Kerala, one of India's prominent economic and trading hubs, provides a favourable climate for establishing various industries. The state of Kerala has a comparatively significant proportion of SMEs in the country. Kerala is well-suited for the expansion of the SME sector due to its strong connection, communication network, plenty of highly qualified human resources, and well-developed industrial infrastructure.

- **Research design:** The current study is of a descriptive character.
- **Study Area:** The study was limited to Kerala due to time and cost restrictions on the part of the researcher.
- **Population Sample:** The study included a sample population consisting of proprietors, managers, accountants, accounting managers, and finance officers from chosen manufacturing SMEs in the southern part of Kerala. The districts included in the study were Thiruvananthapuram, Kollam, and Alappuzha.
- **Method of sampling:** The respondents were selected using Non-probability Convenience sampling technique due to its cost-effectiveness and time efficiency.
- **Source of data and Survey instrument:** The research primarily relies on primary information, which has been gathered exclusively from original sources through personal interviews. The data is of a quantitative character. Secondary sources have been gathered from a variety of papers, websites, journals, and articles. The researcher has created a structured questionnaire comprising of 5 factors and socio-demographic variables to collect data. Three questions pertain to demographic information, specifically gender, age, and occupation. There are five additional variables that are connected to MAPs and strategic planning and decision making. The selection of such elements is based on professional consultation and previous investigations. The questionnaire utilizes a five-point Likert scale to gather responses, with 1 representing Strongly Disagree, 2 representing Disagree, 3 representing Neither Disagree nor Agree, 4 representing Agree, and 5 representing Strongly Agree. **Sample Size:** Data is acquired through personal interviews from a total of 176 respondents. **Data analysis:** Data obtained from questionnaires is examined using a range of statistical techniques such as ANOVA, Chi-square, Correlation, and SEM. These methods are employed to assess the connections and associations between the variables under investigation. The software SPSS is utilized for this purpose.

7.1 DATA ANALYSIS

Data obtained from questionnaires is examined using a range of statistical techniques such as One-way ANOVA and Correlation. These methods are employed to assess the connections and associations between the variables under investigation. The software SPSS is utilized for this purpose.

Correlation Analysis

H_{01} – Value chain analysis has no significant relationship on strategic management.

Table – 1: Value chain analysis and Strategic management

		Value chain Analysis	Strategic Management
Value chain Analysis	**Pearson Correlation**	1	0.344**
	Significant		0.000
	N	176	176
Strategic Management	**Pearson Correlation**	0.344**	1
	Significant	0.000	
	N	176	176

***Significant at 0.01 level**

The Table – 1 demonstrates a strong positive correlation between the variables (0.344) and the calculated p-value is statistically significant. There is a strong association between the variables of value chain analysis and strategic management. Thus, the null hypothesis is rejected. Value chain analysis has a substantial impact on strategic management.

Correlation Analysis

H_{02} – Balance Score card has no significant relationship on decision support system.

Table – 2: Balance Score card and Decision support system

		Balance Score card	Decision Support System
Balance Score card	**Pearson Correlation**	1	0.424**
	Significant		0.000
	N	176	176
Decision Support System	**Pearson Correlation**	0.424**	1
	Significant	0.000	
	N	176	176

***Significant at 0.01 level**

The Table – 2 demonstrates a strong positive correlation between the variables (0.424) and the calculated p-value is statistically significant. There is a strong association between the variables of balance score card and decision support system. Thus, the null hypothesis is rejected. Balance score card has a substantial impact on decision support system.

Correlation Analysis

H_{03} – Strategic management has no significant relationship on Organizational performance.

Table – 3: Strategic management and Organizational performance

		Strategic Management	Organizational Performance
Strategic Management	**Pearson Correlation**	1	0.531**
	Significant		0.000
	N	176	176
Organizational Performance	**Pearson Correlation**	0.531**	1
	Significant	0.000	
	N	176	176

***Significant at 0.01 level**

The Table – 3 demonstrates a strong positive correlation between the variables (0.531) and the calculated p-value is statistically significant. There is a strong association between the variables of strategic management and organizational performance. Thus, the null hypothesis is rejected. Strategic management in SMEs has a substantial impact on organizational performance.

One –Way ANOVA

H_{03} - Age do not have significant relationship between balance score card, value chain analysis, decision support system, strategic management and organizational performance

Table – 3: One –Way ANOVA (Age)

Factors	F-value	Significant	Inference
Balance Score Card	1.570	0.199	NS
Value Chain Analysis	1.639	0.182	NS
Decision Support System	7.656	0.000	S
Strategic management	0.177	0.912	NS
Organizational Performance	2.830	0.040	S

@5% level; S-Significant, NS – Not Significant

There is no significant correlation between the study variables of balance score card, value chain analysis, and strategic management and the age of the respondents. The null hypothesis is accepted for balance score card, value chain analysis, and strategic management, since the p-value is higher than the 5% threshold. Therefore, it can be concluded that there is no significant correlation between the age of the respondents and the balance score card, value chain analysis, and strategic management. The p-value for factors such as decision support system and organizational performance is below the significant threshold, leading to the rejection of the null hypothesis. There is a strong correlation between the age of the respondents and both the decision support system and organizational performance.

One –Way ANOVA

H_{03} - Education do not have significant relationship between balance score card, value chain analysis, decision support system, strategic management and organizational performance

Table – 3: One –Way ANOVA (Education)

Factors	F-value	Significant	Inference
Balance Score Card	0.793	0.454	NS
Value Chain Analysis	0.123	0.885	NS
Decision Support System	0.276	0.759	NS
Strategic management	2.318	0.102	NS
Organizational Performance	0.396	0.674	NS

@5% level; S-Significant, NS – Not Significant

There is no significant correlation between the study variables of balance score card, value chain analysis, decision support system, organizational performance and strategic management and the education of the respondents. The null hypothesis is accepted for balance score card, value chain analysis, decision support system, organizational performance and strategic management, since the p-value is higher than the 5% threshold. Therefore, it can be concluded that there is no significant correlation between the education of the respondents and the balance score card, value chain analysis, decision support system, organizational performance and strategic management.

8. FINDINGS

As shown by the correlation study there is a considerable association between the variables, value chain analysis and strategic management, balance score card and decision support system, and lastly strategic management and organizational performance outcomes.

The ANOVA analysis conducted on the age and education of the respondents, as well as the study variable, indicates that there is no statistically significant link between the age of the respondents and the balance score card, value chain analysis, and strategic management. Furthermore, an significant association exists between the age of the respondents and both the decision support system and organizational effectiveness. There is no discernible association between the education level of the respondents and the balance score card, value chain analysis, decision support system, organizational performance, and strategic management.

9. SUGGESTIONS

This study investigated the impact of management accounting practices on the strategic planning and decision-making processes of small and medium-sized manufacturing enterprises in Kerala. This study suggests that SMEs in Kerala should prioritize creating and improving knowledge about the significance of information in decision-making practices. This is because information is the most commonly utilized management accounting practice among manufacturing enterprises in the region. The findings suggest that in order to accurately assess financial performance and profitability, SMEs should not only consider traditional accounting measures such as Return on Equity, Return on Assets, and Earnings per Share, but also incorporate other value-based measures that have become popular in academic research over the past two decades. It is the duty of management accounting professionals to stay up-to-date and contribute value to the companies they work for as part of their ethical accounting practices. Accounting curriculum should be constantly developed to align with the evolving responsibilities of accountants. Accounting education should ensure that students are equipped with the necessary skills to adapt to the dynamic corporate environment, enabling them to consistently give managers with up-to-date management accounting information. The findings of this study can be utilized by academics and practitioners to gain a comprehensive understanding of how management accounting methods impact the strategic planning and decision-making process in small and medium firms in Kerala.

10. LIMITATIONS OF THE STUDY

- The study strives to provide extensive coverage, but acknowledges certain limitations, including possible biases in data collection, the representativeness of the sample, and the applicability of the findings to other settings or places not covered in the study.
- The study's scope is constrained by the restricted number of SMEs involved and their lack of diversity in terms of industry, size, and geographical location. A limited or unrepresentative sample can hinder the capacity to extrapolate the findings to the wider population of SMEs.
- SMEs are hesitant to disclose comprehensive financial and strategic data because of privacy concerns or competitive motives. This may lead to data that is not fully comprehensive or impartial, so restricting the extent of the analysis.

11. CONCLUSION

The findings suggest that management accountants in Kerala SMEs place greater emphasis on conventional functions. In order to improve the quality of management accounting information, it is necessary to encourage the utilization of contemporary or advanced management accounting tools. The study provides evidence that organizations can enhance their performance by implementing certain elements of SMA, such as establishing suitable organizational structures, engaging in strategic planning and decision-making processes, utilizing relevant and effective information, and fostering a positive organizational culture. SMA practices enable organizations to obtain accurate and dependable information regarding critical success factors both within and outside the company over an extended duration. This is achieved by emphasizing financial and non-financial data related to internal operations, as well as information about competitors and the market. This results in enhanced performance. Globalization, liberalization, privatization, modernization, and competition are the fundamental principles that should be consistently followed when formulating strategies for the development of Kerala's manufacturing SMEs.

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