

**MINISTRY OF EDUCATION & TRAINING      MINISTRY OF FINANCE**  
**ACADEMY OF FINANCE**

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**FINALIZING THE COST MANAGEMENT ACCOUNTING IN SERVICE  
ACTIVITIES IN VIETNAMESE POSTAL ENTERPRISES**

**DOCTORAL THESIS SUMMARY**

**HA NOI – 2018**

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**FINALIZING THE COST MANAGEMENT ACCOUNTING IN SERVICE  
ACTIVITIES IN VIETNAMESE POSTAL ENTERPRISES**

Major: Accounting

Code: 9.34.03.01

## **DOCTORAL THESIS SUMMARY**

**Scientific Instructors:**

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**DR. TRAN HAI LONG – UNIVERSITY OF COMMERCE**

**HA NOI - 2018**

## INTRODUCTION

### 1. The necessity of the thesis

Facing the opportunities and challenges that the Fourth Industrial Revolution brings to Vietnam businesses in general, and businesses operating in the field of postal in Vietnam in particular, it is necessary to adapt to suit the transformation of the whole society. Thus, enterprises nowadays are going through dramatic changes in terms of working methods and management methods. In which, management accounting is an important tool in providing information for manufacturing management and business management in enterprises. Especially, the cost information provided by management accounting primarily serves the management needs of executives in businesses, helping Vietnamese business executives and businesses operating in the postal sector, by that way it is possible to plan, make decisions and control the whole process of manufacturing and business of their enterprise. Therefore, cost management accounting plays an important role in helping managers make the best decisions for their business. However, the application of management accounting in general and cost management accounting in particular in Vietnamese enterprises in general and enterprises operating in the postal sector in particular have not been paid attention and done scientifically. Resulting in cost information provided to administrators in Vietnamese enterprises in general and postal enterprises in particular is not accurate, timely and effective. Therefore, the study aims to finalize the cost management accounting in enterprises in general and enterprises operating in the postal sector in particular and urgently.

Being aware of the above issues, along with the direction of my supervising professors, as a post-graduate student, I have selected the following research topic: *“Finalizing the cost management accounting in service activities in Vietnamese postal enterprises”*.

## **2. Literature review**

### **2.1. Review of existing research on cost management accounting in Vietnam**

Chuc Anh Tu (2009) “*Applying the standard of financial statement consolidation to organize the consolidated financial statement system in Vietnam Post and Telecommunications Group*”.

Ho Van Nhan (2010) “*Organizing cost management accounting and passenger transport service cost in taxi enterprises*”.

Vu Thi Kim Anh (2012) “*Finalizing the cost management accounting in Vietnam railway transport enterprises in the context of international economic integration*”

Dinh Thi Kim Xuyen (2014) “*Cost management accounting work in Vietnam mobile telecommunications enterprises*”

Tran The Cuong (2016) “*Expanding financial autonomy for public hospitals in Vietnam*”

### **2.2. Review of existing research on cost management accounting in worldwide**

Akira Nishimura (2003) “*Management Accounting feed forward and Asian perspectives*”

Majid NiliAhmadabadi, Ali Soleimani (2013) “*Feasibility study for implementation of an activity – Based Costing System (ABCS) in Alloy Steel Industries*”

ToporIoan Dan(2013) “*New dimensions of cost type information for decision making in the wine industry*”.

### **2.3. Conclusion drawn from research works**

*Firstly*, the projects studied in management accounting in Vietnam have appeared since the late 90s of the last century, so far research related to management accounting often focuses on theoretical research and practical evaluation of management accounting system status and propose solutions to finalizethe accounting system in general and management accounting in particular in different types of businesses. For overseas research projects from 2003 up to now, there are many research projects related to cost management accounting in service enterprises, but still fragmented, no work has been studied in a systematic way from the theoretical basis to practical implementation. However, the published works still have some certain limitations such as: the works only focused on research through accounting system, as the works of author Le Thi Thanh Huong or DinhThi Kim Xuyen.

*Secondly*, the contents of cost management accounting have not been consolidated yet so as to build a cost management accounting system suitable to service enterprises.

*Thirdly*,the published studies on management accounting have no research work on finalizingthe cost management accounting of service activities in Vietnamese postal enterprises. In which, many research projects are mainly based on author's actual observations in some enterprises and speculate and then he or she has not conducted surveys to make satisfactory conclusions.

*Fourthly*, some authors have conducted an indepth research of each method of cost management accounting in seperately, for example, author Nguyen ThiNgoc Lan. However, due to the new research content, she only studied in theory and gave study models in the cost management accounting method in each life cycle of the product.

From the above comments, the author thinks that study in the cost management accounting in service activities in Vietnamese postal enterprises is

perfectly relevant and necessary in this important business condition are facing strong competition from other related industries in the country as well as the risk of competing with foreign businesses.

From the gap in research of domestic and foreign projects, the authors built the research orientation as follows:

**Regarding theory:** Based on the study in specific manufacturing and business activities in service enterprises, the author systematized the theory of cost management accounting in service activities in service enterprises towards focusing on researching content in order to finalize the cost management accounting.

**Regarding practice:** based on the factual study in cost management accounting in service activities in Vietnamese postal enterprises from 2015 to 2017, the author have proposed solutions to finalize the cost management accounting in service activities in Vietnamese postal enterprises.

### **3. Research objectives**

On the basis of the urgency of the topic, the overall research objectives are defined as: Completion of cost management accounting in service activities in Vietnamese postal enterprises.

In order to achieve the general goal as above, the author defines specific research objectives as follows:

Systematizing theoretical issues related to cost management accounting in service enterprises.

Analyze and evaluate the current situation of cost management accounting in Vietnamese postal enterprises.

Propose the finalize solution on cost classification; on building norms and cost estimates; on the application of the ABC cost management accounting system; on assessing the effectiveness of cost centers in Vietnamese postal enterprises.



## **4. Research objects and scope**

### **4.1. Research objects**

The thesis focuses on researching the following issues:

Basic reasoning about cost management accounting in service activities in service enterprises

Factors affecting cost management accounting in service enterprises

The current situation of finalizing the cost management accounting in service activities in Vietnamese postal enterprises

Solution to finalize the cost management accounting in service activities in Vietnamese postal enterprises.

### **4.2. Research scope**

Regarding research content: the thesis only focuses on studying the operation of delivery services. Through the study of the current status of the postal service delivery process, the author focused on researching and finalizing the cost management accounting in service activities in Vietnamese postal enterprises.

Based on the survey, evaluating the current situation of cost management accounting in service activities in Vietnamese postal enterprises, the author analyzed and evaluated the advantages and disadvantages of cost management accounting in service activities to propose complete solutions.

Fields of research: the thesis explores the factors affecting completion of cost management accounting in service activities in Vietnamese postal enterprises. Since then, studying current situation of completing cost management accounting in service activities in Vietnamese postal enterprises, the thesis focuses on researching Vietnamese postal enterprises.



- Research period: The author studied the thesis, did practical surveys, collected information and data on completing cost management accounting in service activities in Vietnamese postal enterprises for a period of 3 years from 2015 to 2017.

## **5. Research methodology**

### ***Qualitative research methods***

Qualitative research methods include actual observations, case studies of cost management accounting system and individual interviews. Research results help: (1) Collect basic information to guide the research, (2) Collect information to design questionnaires for research, (3) Determine the directions to propose solutions solution to improve cost management accounting.

### ***Observation method***

Under the guidance of enterprises' managers including Vietnam Post Corporation, Viettel Post Joint Stock Corporation, 247 Joint Stock Company, 123 Joint Stock Company, I directly observed how to organize, manage, manufacture products and do business. In that process, it is possible to combine exchanges to further clarify issues. Observation results are recorded in written forms, not in film or photography.

### ***Case study method***

A case study was conducted at Vietnam Post Corporation, Viettel Post Joint Stock Corporation to collect detailed information on building cost norms, making estimate, costing, making reports and costing analysis, which is served for management decision making. These are two large businesses with postal networks spread across the country with thousands of transaction points and shipping routes. These businesses are involved in all stages of the delivery service process.

### ***Interview method***

This is how the interviewer uses different types of questions (closed/open, structured/semi-structured questions) to understand what did the interviewee do, how did they think or feel. Subjects selected to interview are administrators and groups of accountants in enterprises. The purpose is to conduct individual interviews or in-depth interviews. In particular, in this case, interviewees will indicate management accounting in their own business, at the same time, explain their decisions, as well as express their views on difficulties and benefits in the process of accounting.

## **6. New contributions of the thesis**

### *In term of theory*

The thesis presents the contents related to cost management accounting in service enterprises

Firstly, cost management accounting nature and the role of cost management accounting.

Secondly, the factors affect cost management accounting in service enterprises

Thirdly, content of cost management accounting in service enterprises(cost classification, building norms and making cost estimates, method of determining costs and calculating service costs,analyzing cost information to make decisions, evaluating the effectiveness of cost centers).

### *In terms of practice*

Based on the practical survey results in Vietnamese postal enterprises, the author evaluated the achieved results:

Firstly, cost classification based on operation functions, what is spent, the relationship with decision-making power, inductive ability and other classification.

Secondly, specific spending norms of services in the internal spending regulations of each enterprise, based on the norms of the Ministry of Information and Communication.

Thirdly, enterprises that pay special attention to the estimation work, the plans from general to detail are organized in a methodical way. It is implemented at each level, from the level of grassroots administration to intermediate management and senior management.

Fourthly, the calculation of cost price by the method of determining cost based on operation is quite simple, easy to apply for each product unit

Fifthly, the cost center in postal enterprises includes the arterial center, the departments and the post offices of the companies in the cities. The division is quite consistent with the characteristics of the postal enterprise

## **7. Structure of the thesis**

Apart from the preamble, conclusion, appendix and the list of reference documents, this graduation paper comprises three chapters:

*Chapter 1:* General theoretical matters on cost management accounting in service activities in service businesses

*Chapter 2:* Current situation of cost management accounting in service activities in Vietnamese postal enterprises

*Chapter 3:* Solution for finalizing cost management accounting in service activities in Vietnamese postal enterprises

## **THE BASIC CONTENT OF THE THESIS**

### **Chapter 1**

#### **GENERAL THEORETICAL MATTERS ON COST MANAGEMENT ACCOUNTING OF SERVICE ACTIVITIES IN SERVICE BUSINESSES**

##### **1.1. COST MANAGEMENT ACCOUNTING NATURE AND THE ROLE OF COST MANAGEMENT ACCOUNTING**

### **1.1.1. Cost management accounting nature**

In order to survive and develop in the current competitive environment, all businesses share a key idea of how to control the key elements of business operations such as costs, quality or time to serve customers better and better.

### **1.1.2. The role of cost management accounting in enterprises**

Cost management accounting is a part of an organization's information system. Administrators rely on management accounting information to plan and control their operations. Cost management accounting information plays a key role and dominates the entire operation of the organization. It is the basis for making short and long-term decisions to ensure the existence and sustainable development of the organization in a market economy.

## **1.2. THE FACTORS AFFECT COST MANAGEMENT ACCOUNTING IN SERVICE ENTERPRISES**

Cost management accounting in service enterprises is affected by many factors such as macro policies of the state, type of business, size of business, line of business ... The factors can be divided into factors inside the service enterprise and factors outside the service enterprise.

## **1.3. CONTENT OF COST MANAGEMENT ACCOUNTING IN SERVICE ENTERPRISES**

Management accounting has a wide range, in a relationship with management functions, cost management accounting includes the following contents:

- *Cost classification*
- *Building norms, making general and detailed estimates*
- *Collecting, providing information about the results of implementing goals*
- *Evaluating the cost responsibility center*

- *Making managerial accounting reports*

### **1.3.1. Cost classification**

In the process of production and business operations of the enterprise, costs are divided into different categories. Administrators need to understand the content and function of each type of cost, what types of costs the company uses for what purpose is the necessary information. Costs considered in terms of controlled or uncontrollable conditions are prerequisites for implementing cost management accounting.

### **1.3.2. Building cost norms and estimating cost**

#### ***1.3.2.1. Building cost norms***

Cost norms are the costs of living labor, materialized labor related to the process of service activities in service enterprises under certain conditions. Cost norms are estimated costs used as the standard for making cost decisions in service enterprises.

#### ***1.3.2.2. Estimating cost of service activities***

Cost estimation is an extremely important job in service enterprises. Cost estimation helps enterprises use costs more effectively and proactively regulates resources to perform work effectively.

### **1.3.3. Methods of determining costs**

In fact, there are many different methods of determining costs, each of them has different advantages and disadvantages. Choosing the right method to determine the cost will be extremely useful for business managers. The author divided the methods of determining current costs in two directions: determining costs based on traditional models and determining costs based on modern models.

### **1.3.4. Analyse cost information for decision making**

The analysis of operation costs is an important task of international economic costs in any business to find out the meaning of cost data has and will

arise. The analysis of cost information is extremely important for service businesses.

### **1.3.5. Cost management accounting report**

Information on costs after being collected and processed will be provided to administrators through the system of cost-effective economic reports. Setting up an international economic reporting system in general and an international economic report in particular in service enterprises must meet the following requirements:

The international economic cost report must derive from the actual information needs of the administrator and is suitable for each purpose of using specific information.

In terms of the content and structure of the international economic report, it is necessary to show the criteria required by the enterprise administrator to monitor, analyze and evaluate.

### **1.3.6. Evaluation of cost responsibility center**

Evaluating the responsibility center is one of the important contents that plays a role in controlling, operating and evaluating the business performance of the business. The responsibility center is responsible for collecting, systematic and processing information about business activities of enterprises.

## **Chapter 2**

### **THE CURRENT SITUATION OF ACCOUNTING MANAGEMENT REGARDING SERVICING COSTS IN VIETNAM POSTAL ENTERPRISES**

#### **2.1. OVERVIEW OF VIETNAM POSTAL ENTERPRISES**

##### **2.1.1. Brief on Vietnam Postal Enterprises**

Through the wars to protect the motherland, generations of postal officials and employees have brought all their strength, intelligence and blood to maintain contacting lines from the frontline to the rear. Postal officials and employees have overcome all difficulties and shortcomings in the fierce wars to build and maintain

an information network which serves the revolutionary cause of the Communist Party and the Country.

### **2.1.2. The characteristics of management system and service activity affecting cost accounting management in Vietnam postal enterprises**

#### ***2.1.2.1. The characteristics of management system in Vietnam postal enterprises***

Due to the widespread manufacturing business activities, the management system of Vietnam postal enterprises is often divided into different areas. Vietnam postal enterprises are established according to different types of businesses, they have full legal status, autonomy in manufacturing business activities and the rights of State Law.

#### ***2.1.2.2. The characteristics of service activity affecting cost accounting management in Vietnam postal enterprises***

The most notable characteristics of Vietnam postal enterprises is that the process of manufacturing business is highly associated with the process of products and services consumption. The business range of these enterprises is very wide, therefore the revenue is generated in one place but the cost can arise in many places. As a result, the determination of costs is often very complicated with many different stages.

#### ***2.1.2.3. The organizing structure of an accounting system***

Due to the business process of postal delivery service of Vietnamese postal enterprises taking place on a very wide scale, the accounting system of these enterprises is also organized to meet the demand of the delivery services.

## **2.2. THE CURRENT SITUATION OF ACCOUNTING MANAGEMENT REGARDING SERVICING COSTS IN VIETNAM POSTAL ENTERPRISES**

### **2.2.1. The current situation of cost classification**

Manufacturing cost classification is the arrangement of manufacturing cost in different types and groups according to certain characteristics. In Vietnam postal

enterprises, the author conducts a survey in Appendix 01, Vietnam postal enterprises have categorized manufacturing cost into many categories in terms of nature, utility, role and position. Therefore, the demanded types of management for each type of costs are different.

## **2.2.2. Current situation of cost norms formulation and estimation in Vietnam postal enterprises**

### **2.2.2.1. Current situation of cost norms formulation in Vietnam postal enterprises**

From the survey conducted in Vietnamese enterprises according to survey form in *Appendix 04* and survey results in *Appendix 05*, the author realized that (54/59) enterprises, accounted for 91.5% of the surveyed enterprises, were building cost norms. Only a few enterprises did not make the norms because they were small-scale companies and there was no need to set norms for cost management.

#### **2.2.2.2. Current situation of estimation in Vietnam postal enterprises:**

Cost estimation comes from the base unit, the base units estimate cost norms based on the conditions and specific requirements of the business. According to the survey results from 59 enterprises, there are (56/59) enterprises making estimation, accounted for 94.9% of the surveyed enterprises. The remaining (3/59) enterprises, accounted for 5.1% of the surveyed enterprises, did not make the estimation.

## **2.2.3. Current situation of servicing cost determination in Vietnam postal enterprises**

### **2.2.3.1. Current situation of method selection in cost determination in Vietnam postal enterprises**

Traditional methods for cost determination do not provide the necessary information about the general operation cost of medium and large enterprises. Medium and large enterprises have a large number of employees and revenues,



therefore the managers will require more specific information from the departments to make the decisions in time. As a result, the managers in medium enterprises and large enterprises often apply specific modern cost-determination methods, such as the determination of target cost or Activity-Based Costing (ABC).

#### **2.2.3.2. Current situation of cost determination of postal services in Vietnam postal enterprises**

Due to the diversity of the exploited services and products on the same network, the calculation of servicing costs in Vietnam postal enterprises is often very complicated, the revenue is generated in one place but the costs occurred in many places. Therefore, the application of Activity-Based Costing (ABC) is an appropriate choice for postal enterprises given the current situation. The cost of any activity will gather for that activity to facilitate the determination of the unit price of the product. Activity-Based Costing (ABC) is selected by many postal service enterprises according to survey results in *Appendix 05*. Typically, enterprises and large enterprises have the organizational structure based on different parts. These enterprises are the examples: Viettel Postal Joint Stock Corporation, Vietnam Post Corporation, Hop Nhat Express Company, Hai Bon Bay Joint Stock Company. v ..The fact that these enterprises utilized Activity-Based Costing (ABC) for the determination of postal service cost was described by the author through Vietnam Post as a specific example.

#### **2.2.4. Current situation of analyzing information cost for management**

From the surveys conducted in Vietnam postal enterprises, it is shown that (19/59) enterprises, accounted for 32.2% of the surveyed enterprises in total, choose the method of comparing revenue made in the period with the cost arising in the period. If the revenue made in the period subtracts the cost arising in the positive period, the enterprise will make a profit and present good cost management activities in the enterprise.

Current situation regarding accounting management of servicing costs:

### **2.2.5. Current situation regarding accounting management of servicing costs**

Vietnam postal enterprises are recently interested in financial statements but have not paid enough attention to the statements of accounting management. The making of statements regarding postal delivery service costs is summarized from 7 purchasing factors. These statements are made after the financial statements for the quarters, therefore the updates, objectivity and timeliness are no longer valid for short-term decision making.

### **2.2.6. Neutral assessment for responsibility centers**

In order to effectively evaluate the responsibility center including the backbone centers, the agency blocks and post offices owned by the company in the provinces and cities, Vietnam postal enterprises often set up different types of statements.

Current situation assessments for accounting management regarding the servicing costs in Vietnam postal enterprises

## **2.3. CURRENT SITUATION ASSESSMENTS FOR ACCOUNTING MANAGEMENT REGARDING THE SERVICING COSTS IN VIETNAM POSTAL ENTERPRISES**

### **2.3.1. Achievements**

*Cost classification:* due to the fact that the specific nature of post is service industry, postal enterprises now classify costs according to functions, economic contents and ability to pay expenses. specified for each service unit and unified on cost accounting.

*Constructing cost norms and estimations:* from the surveyed Vietnam postal enterprises, the author found that 91.5% of these enterprises made norms and 8.5% of businesses among Vietnam postal enterprises did not.

*Cost determination of products and services:* Vietnam postal enterprises now apply many different methods for cost determination including traditional and modern methods.

*Production cost analysis for management:* this analysis helps enterprise managers know the arising expenses in any part of the enterprise, from that they will give measures to adjust and control the costs.

*Accounting statement system of servicing cost management:* Besides the statements of the financial accounting department that Vietnam postal enterprises must make according to state regulations, these enterprises also conduct managerial cost accounting statements.

### **2.3.2. Setbacks**

*Management decentralization:* inappropriate management decentralization in Vietnam postal enterprises will affect costs and business performance of the enterprises.

*Construction of cost norms:* the system of cost norms in Vietnam postal enterprises is still incomplete, many factors have not been determined accordingly.

*Cost estimation:* the cost estimation system does not provide sufficient information for planning, cost control and cost evaluation.

*Methods for cost determination:* the application of Activity-Based Costing (ABC) in Vietnam postal enterprises has not been thorough, the enterprises only use this method to determine the cost of service without exploiting this method in providing information for corporate governance of the administrators.

*Statement systemization of the implementation costs:* the system of implementation cost statement in Vietnam postal enterprises has been set up but has not yet provided sufficient information cost for business managers.

*The analysis of production costs for decision making:* Currently, Vietnam postal enterprises have not paid attention to the analyzation of production costs, they only conduct this cost analysis in the form of simple comparisons to assess the fluctuation of costs.

### **2.3.3. Reasons**

#### ***2.3.3.1. Objective reasons***

Firstly, management accounting is still a form of accounting which is not widely popular, there is no common process for all types of businesses to apply easily. Each method of management accounting has different advantages and disadvantages.

Secondly, the system of training centers and classes fostering knowledge about management accounting models, modern advanced enterprise management models and training processes transferring for enterprises remains insufficient and ineffective.

#### ***2.3.3.2. Subjective reasons***

Firstly, small businesses and structure in enterprises are not entirely effective. Therefore, it has not concentrated on management accounting system in general and cost-accounting management in particular.

Secondly, enterprise managers have not learned about advanced corporate governance models for effective cost control in the process of production.

## Chapter 3

### SOLUTIONS FOR THE IMPROVEMENT OF MANAGEMENT ACCOUNTING OF SERVICING COSTS IN VIETNAM POSTAL ENTERPRISES

#### 3.1. DEVELOPING STRATEGIES FOR THE POSTAL SECTORS

##### 3.1.1. Global post

*Estimations on the development of postal sectors:*

The postal sectors of the two leading countries, the United States and Germany, have forecasted future decreases in postal production.

The US Postal Service forecasts a large-scale decline in the period of 2010-2020, with the positive output scenario expected to decrease by 15% from 177 to 150 billion, the worst scenario of output by 34% (approximately 118 billion units) by 2020. Without the significant improvements in service and business models, the US Postal Service will face a risk of accumulated deficit about 238 billion dollars in the next decade.

**Table 3.1. Summary of domestic and international forecasts**

Mail	2006-2010	2011-2015	2016-2020
Worldwide	-4,2	-4,3	-4,5
North America	-5,5	-5,6	-5,7
Europe	-5,2	-5,3	-5,5
Asia-Pacific	+2,5	+2,0	+1,5
Express Delivery Services			
Worldwide	1,7	3,2	3,5
North America	0,6	1,5	2,0
Europe	1,0	2,0	2,5
Asia-Pacific	5,0	7,0	8,0

Logistics & Trucking			
Worldwide	0,8	2,0	3,5
North America	0,5	1,5	2,0
Europe	-0,5	1,5	2,5
Asia-Pacific	3,8	5,0	7,0

*Source: Vietnam Post*

### **3.1.2. Future developing strategies for Vietnamese postal sectors**

Firstly, develop the Vietnamese post sectors based on mechanization, automation and computerization with an aim to achieving a modern level equal to the advanced countries in the region and providing diversified services according to international standards.

Secondly, achieve an average service level of less than 7,000 people on a postal service point, the average service radius is under 3 km. Meet the target of 100% of plain communes and most mountainous communes with news coming in the day.

Thirdly, develop modern postal networks with the development of the national public network, meet the industry's information needs, and effectively use the information infrastructure of the constructed public network.

### **3.1.3. Developing strategies for Vietnam postal enterprises**

*Service development:* Vietnam postal enterprises should plan postal services according to two groups of services: information delivery (documents) and delivery of goods.

*The network:* Improve the effectiveness of exploitation options at the regional exploitation centers and operate the postal transport exploitation network system to create flexibility in the operational process.

*Charge rates:* adjust universal postal service charges; review service charges, mails and parcels ... suitable for market conditions, step by step build new postal service charges.

## **3.2. DEMANDS AND IMPROVEMENTS FOR MANAGEMENT ACCOUNTING FOR SERVICING COSTS IN VIETNAM POSTAL ENTERPRISES**

### **3.2.1. Demands for improvements of management accounting for servicing costs in Vietnam postal enterprises**

*Firstly*, complete management accounting for servicing costs in accordance with the production characteristics of Vietnam postal enterprises. Specifically, complete management accounting for delivery costs in Vietnam postal enterprises.

*Secondly*, improvements in cost management accounting in postal enterprises must meet the demands of adequate, appropriate, timely and diversified information with an aim to control the costs at all levels.

*Thirdly*, improvements in the content of cost management accounting should come from accounting information usage of the administrators.

*Fourthly*, improvements in management accounting must utilize modern support tools thoroughly.

*Fifthly*, improvements in the cost management accounting must ensure feasibility and effectiveness.

### **3.2.2. Improving strategies for cost management accounting in Vietnam postal enterprises**

In order to control the cost, the managers in Vietnam postal enterprises must have reliable and useful information. The results of the analysis in cost management accounting system in Vietnamese enterprises remain limited to provide information for managers. Therefore, Vietnam postal enterprises must improve the cost management accounting system to meet the information demands of managers.

## **3.3. IMPROVEMENTS FOR MANAGEMENT ACCOUNTING OF SERVICING COSTS IN VIETNAM POSTAL ENTERPRISES**

From the study of current accounting structure in Vietnam postal enterprises in general and cost management accounting department in postal enterprises in particular, there are positive results from management accounting department. However, there are still many shortcomings expected to be overcome



so the management accounting of servicing costs can operate more effectively in Vietnam postal enterprises.

### **3.3.1.Improvements in servicing cost classification in Vietnam postal enterprises**

### **3.3.2. Improvements in the system of cost norms for postal delivery in Vietnam postal enterprises**

The system of norms has a great significant impact on Vietnam postal enterprises. Based on the set cost norms, Vietnam postal enterprises conduct business and production activities. Based on norms, the enterprises can compare actual results with the system of norms to figure out the causes of differences, eventually giving measures to control costs incurred at Vietnam postal enterprises.

### **3.3.3. Improvements in delivery cost estimation in Vietnam postal enterprises**

Based on the cost norms for postal service activities, which have been set according to each stage of the service provision process, Vietnam postal enterprises conduct cost estimation according to the application deadline. The enterprises make estimates in the short term or long term depending on the demands of enterprises. Cost estimation is an important tool for analyzing and monitoring plan implementation.

### **3.3.4. The completion of determination method to operation cost in Vietnam postal enterprises**

Based on the actual consumption level in each mail route, Vietnamese enterprises determine the cost to each product. In order to measure the level of activity consumption of products, the time taken to perform activities in one service delivery is calculated in seconds. Since most of the costs of activities in the service delivery process increase, the level of time increases. The theoretical time to

provide service operations has different technical factors. The weight of different services is important, the time to carry out the activities.

### **3.3.5. The completion of analysis operation cost for decision making**

The analysis of the cost-output-profit relationship will help managers choose the best business plan. In modern administration, business managers often analyze costs to determine set a break-even point to identify risk signs in the course of production and business activities.

### **3.3.6. Completion of managerial cost reporting system**

To complete the international economic reporting system to provide information to administrators. The author provides a number of typical reports, reflecting the basic content to provide information for the management function of the enterprise administrator.

## **3.4. CONDITIONS FOR IMPLEMENTATION OF SOLUTIONS TO COMPLETE THE ECONOMIC OPERATIONS OF VIETNAM POSTAL ENTERPRISE**

### **3.4.1. Regarding state**

Firstly, in order to account for cost management in real life, Vietnam postal enterprises need to organize research and issuance of a system of standards and regulations on professional accounting, meanwhile training staff for management accounting.

Secondly, the state needs to complete the financial management institutions in state-owned enterprises, amend and promulgate reasonable regulations with specific characteristics of each industry, each field.

Thirdly, the process of researching, modifying and promulgating legal documents on economic management, finance, accounting and cost management accounting needs to be carried on.

### **3.4.2. Regarding Vietnam postal enterprises**

*In terms of awareness, ideology:* firstly, business administrators need to master the theoretical knowledge of cost management accounting and depending on their specific conditions to apply accordingly.

*In terms of human resources:* Must have employees with real qualifications and qualifications, both knowledgeable about financial accounting knowledge as well as management accounting. In addition, it is necessary to boost creativity.

### **3.4.3. Regarding training and finance advisor organisations**

Firstly, regularly update new knowledge on management accounting in general and cost management accounting of developed countries in specific.

Secondly, organize intensive training programs on management accounting and cost management accounting for accountants and management accounting training programs but designed appropriately to meet requirements of governance for business management.

Thirdly, it is necessary to focus on researching and innovating the training program as well as accounting advice especially on management accounting must be associated with the actual business activities of each industry.

### **LIST OF PUBLICATIONS OF AUTHOR RELATED TO THE THESIS**

1. Ngo Tien Dung (2014) "*Promoting the equitization of State enterprises in the period of 2014-2015*", Journal of Finance and Accounting, 09/2014 (No. 134), pp. 43.
2. Ngo Tien Dung (2017) "*The application of costing model in Vietnam accounting enterprises management accounting*", Journal of Finance and Accounting, 7/2017 (No.168), pp. 54.
3. Ngo Tien Dung (2018) "*Managerial cost accounting method for Vietnam postal enterprises*", Journal of Finance and Accounting, 1/2018(No.174), pp. 29.