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The Impact of Financial Planning and Control on Performance of SMEs in COVENTRY (U.K.)

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ABSTRACT: This research paper is about the effect of monetary arranging and control on execution of Small to Medium Sized Enterprises (SMEs) in Coventry, U.K; and furthermore being identified with SME this exploration point likewise addresses the individual interest in Managing Small Business. It seeks to explore the financial planning and financial control and the performance of SMEs. The main role of this examination is to recognize the reach out of monetary arranging with some categories. This research totally based on the primary data.

KEYWORDS: SMEs, Financial Planning, Financial Control, Budgeting.

I. INTRODUCTION

In this paper is an assurance of the fact of the matter is centered around essentially to appreciate the work of monetary arranging and control from a privately owned business perspective, it will even be valuable to set out the foundation related to the last impartial of starting own business at some point after the graduation.

The primary purpose of this research is to identify the extent of financial planning, and in order to do so firms are categorized according to the use of their budgeting format; First Category; the firms in this category don't use any written plan or budget. Because the firms in this category do not use any written budget, they don't calculate the variance, which means the differences between actual performance and budgeted performance. Second Category; the firms in this category use a simple budget but represent a less comprehensive planning process. The firms in this category occasionally use variance but for very specific items to measure suitable corrective actions. This category can again be re-classified according to the use of their variances. Third Category; the firms in this category use a very comprehensive budgeting process. The firm in this category uses variances regularly for many different items to manage their operating activities. This category too can also be re-classified into subcategories same as the second category according to the use of their variances

This research depends on a personal questionnaire survey which includes almost 200 SMEs, from Coventry, UK region. This overview avoided any organization or firms that are being run or are essential for any franchises systems. The reason is they follow strict regulations and guidelines laid by main parent organization.

The quantitative data obtain from questionnaire is analyzed using both Analysis of Variance (ANOVA) test and Chi-square test. Chi-square test is a statistical test used to examine whether two variable are independent or not. For interval/ ratio variables, analysis of variance ANOVA statistical test has chosen for relative analysis.

[1].Based on the survey of small mature firms in the USA which resulted the firms those follow structured strategic planning categorizations outperformed all other categorizations and overall performance. The vast majority of the organizations utilize yearly financial plans for monetary arranging and control. There are heaps of proof of bombing SMEs due to an absence of financial planning and control.

[2].There are some evidence of firm's strategic planning formalities is significantly and positively correlated with financial performance of the organisation. The study based on 97 small manufacturing firms in USA, with annual average sales of $20 million. It was completely founded on the correlation of financial performance between the organizations that occupied with formal planning and the firm that didn't take part in any proper planning. Yet, only 97 little assembling firms are insufficient to address the entire USA; it very well may be sufficient to address a little region or some piece of the nation, similar to Coventry, UK

[3].Based on survey of 217 SMES in electronic industries in the USA Suggested that level of planning sophistication is most important part of

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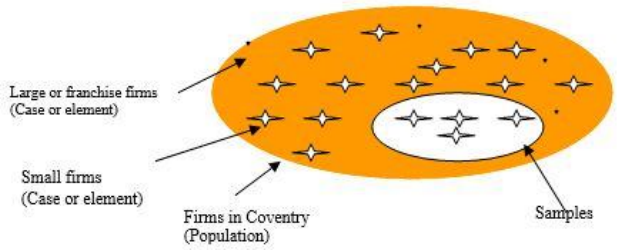
planning. Due to the numerous internal and external circumstances, it is hard to give good result even with excellent plan. It is important to change plan time to time according to the performance as compare to the expected performance.

[4].Based on the survey of 253 SMEs in the USA. There is a greater planning sophistication was associated with sales growth, but there is no significant relationship was found with respect to return on investment.

[5]. Based on 168 manufacturing firm employee less than 300 employees in the Sir Lanka. There is an important contribution of planning and control sophistication on the sales performance.

II. RESEARCH METHODS



Due to lack of availability of secondary data full research completely based on primary data. Statistical analysis carried out in two phases; Chi-square test is utilized to inspect if factors are autonomous or not and one – way analysis of variables (ANOVA) has been utilized for relative analysis. The significance and clarification of this quantitative information and their measurable examination are talked about in the further section.

Framework for Analysis: In this analysis was designed to identify the financial planning and control and their impact on the performance of SMEs in the Coventry. UK. The full research divided into two parts to achieve the objective. First part is based on analysing the financial planning and its extent. For identifying the firms that are classified into three categories. Second part is to identify the extent of financial control. First category can't use any written budget. Second and third category use budget variance. The firms in second and third category were reclassified into three additional sub-categories.

The data which are collected in survey are the SMEs reliable sales, profit and revenue. manager or owner were asked in questioning survey to mention exact or tick the range given in questionnaire, the percentage sales increase or decrease over the last three years. And mention the profit in a percentage of the total assets or investment had made at the end of their last financial year to measure ROI of the firm.

The Sample: The selection on firms in the list of SMEs is not an easy way so non-probability sampling technique has chosen for sampling. Based on above figure the cases being selected from the total population random and the probability of each case has selected from the whole population. Convenience sampling method was used to collect the data from the 400 firms of different locations of Coventry UK. Quota technique was used to collect the 60 firms of data from SMEs industries with the help of yellow pages.

Data Collection Techniques: Survey strategy is a very common strategy in management and business research. Is an economical way to collect large amount of data from the considerable population. To collect the primary data personal questionnaire technique was used.

Design of the Survey: First of all online survey tool was designed to make the survey after many lack of response move on to postal survey method, but that also dropped due to shortage of time. Finally door to door survey was taken to collect the firms from SMEs. Out of 460 surveys 310 firms responded to the questionnaire, provide a response rate 69.23 percent. It was an unusual high response rate because of personal question which was completely under the guidance of the supervisor. In 310 responses, 81 responses were not usable due to lack of information and insufficient data, the total useable responses representing SMEs in Coventry accounted to 229.

Survey Questions: The question flow from the basic questions to the detailed hypotheses. All the questions have designed very carefully to meet all the research goals and objectives. Importance of each questions are listed below.

- Identify the legal status of the firm, and owner or manager

response will consider as a variable QV1.

- Identify in which industry firm is operating, because it is right to compare the firms with high growth industry to low growth industry the response was consider as a variable QV2.
- Identify the market sales growth rate over the last three years, it's generally the average of the three years the response was consider as a variable QV3.
- Identify the sales growth rate over the last three years the response was consider as a variable QV4.
- Identify the return on the investment has done by the owner in last one year response was consider as a variable QV5.
- Identify the aspect of financial control by using variances, more use of variance more financial control response was consider as a variable QV6 & QV7.

Selection of variables: All the questions in the research are quantitative variables (QV) and their options are objectives. All shown on the below table. All the variables are countable and that are called discrete variables. To make the survey easier choose discrete variables as a better choice.

Variable	Variable type	sign	Possible values for variable
Form of Organisation	Discrete	QV1	Sole trader, Social enterprises , partnership, Limited liability companies , limited liability partnership and other.
Type of industry	Discrete	QV2	Agriculture, forestry and fishing, Media and creative services, Arts, sports and recreation, Mining, energy and utilities, Catering and accommodation, Personal services, Construction, Professional and business services, Education, Retail, hire and repair, Health and social care services, Transport and distribution, IT and telecommunications services, Wholesale, Manufacturing, and Other
Company sales growth rate over last three years	Discrete	QV3	Positive or negative of range; 0 – 10 %, 11 – 20 %, 21 – 30 %, 31 – 40 %, 41 – 50 %, 51 – 60 %, 61 – 70 %, 71 – 80 %, 81 – 90 %, 91 – 100 %, 101 – 110 %, 111 – 120 %, 121 – 130 %, 131 – 140 % and Above 140%
Industry sales growth rate over last three years	Discrete	QV4	Positive or negative of range; 0 – 10 %, 11 – 20 %, 21 – 30 %, 31 – 40 %, 41 – 50 %, 51 – 60 %, 61 – 70 %, 71 – 80 %, 81 – 90 %, 91 – 100 %, 101 – 110 %, 111 – 120 %, 121 – 130 %, 131 – 140 % and Above 140%
Profit as a percentage of total assets (investment) at the end of the last financial	Discrete	QV5	Positive or negative of range; 0 – 20 %, 21 – 40 %, 41 – 60 %, 61 – 80 %, 81 – 100 %, 101 – 120 %, 121 – 140 %, 141 – 160 %, 161 – 180 % and 180 % above
Budgeting format	Discrete	QV6	No written Budget, Simple Budget, Comprehensive Budget, No Answer and Other
Use of Variance	Discrete	QV7	Don't use variance, Use few variance And Use many variance

Hypothesis: The impact on the performance of the firms' intervention on the two key factors is tested through the following hypotheses, which is based on the theoretical framework (Stephens, 2006).

H1. There is an association between financial planning and the change in sales of SMEs in Coventry.

H2. There is an association between financial planning and the sales growth of SMEs in Coventry.

H3. There is an association between financial planning and the ROI of SMEs in Coventry.

H4. There is an association between financial control and the change in sales of SMEs in Coventry.

H5. There is an association between financial control and the sales growth of SMEs in Coventry.

H6. There is an association between financial control and the ROI of SMEs in Coventry.

The purpose of first three hypotheses H1, H2 and H3 is to find out the relation between financial planning and performance of the firm, since the performance is measured in the terms of change in sales, sales growth and ROI.

The purpose of last three hypotheses H4, H5 and H6 is to find out the relation between financial control and performance of the firm, since the performance is measured in the terms of change in sales, sales growth and ROI.

There are some limitations in Hypotheses, these are Type I error and Type II error.

Type I is calculated in form of α, it is a probability to reject the null hypothesis when the null hypothesis is true.

Type II is calculated in form of β, it is a probability to accept null hypothesis when the null hypothesis is wrong.

To minimize Type I and II error, all statistical test had tested at $\alpha = 0.01$.

Hypotheses were tested over 229 firms in Coventry area SMEs.

III. DATA ANALYSIS AND DISCUSSION

The data obtain from the survey based on the quantitative analysis designed to examine the hypotheses. This analysis is divided into two parts, According to the relation of financial planning and financial control with performance, with the help of following tests:

Chi-square test: For statistical test used to examine whether two variable are independent or not.

ANOVA: For interval/ ratio variables, ANOVA statistical test has chosen for relative analysis.

With a response rate of 69.23 percent, 310 firms replied in which 81 responses were unusable. A profile of 229 firms is displayed in table 1.

Forms of Organisation(QV1)	**Firms**	**%**
Sole trader	56	24.45
Partnership	96	41.92
Social enterprises	10	4.37
Limited liability partnership	38	16.59
Limited liability companies	29	12.66

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Table 1: Profile of the Sample Firms

Type of industry (QV2)	Firms	%
Agriculture, forestry and fishing	6	2.62
Arts, sports and recreation	15	6.55
Catering and accommodation	12	5.24
Construction	6	2.62
Education	15	6.55
Health and social care services	8	3.49
IT and telecommunications services	14	6.11
Manufacturing	12	5.24
Media and creative services	11	4.80
Mining, energy and utilities	6	2.62
Personal services	16	6.99
Professional and business services	19	8.30
Retail, hire and repair	48	20.96
Transport and distribution	18	7.86
Wholesale	11	4.80
Other	12	5.24
All firms	**229**	**100.00**

Stage 1(Chi-Square test): The relationship between financial planning and performance through statistical analysis has been pursued in three stages. Also the degree of financial planning and control has also been categorised (based on their budgeting process) into three parts as Category I, Category II and Category II for No Written Budget, Simple Budget and Comprehensive Budget, respectively.

In this part hypothesis (H1) has been tested. Chi square independent test has been conducted in order to ascertain whether a statistically relationship between financial planning and change in sales exists or not. But it should be noted that this test can't address the questions of which is greater or less. Chi square is a statistical test used here to examine the three category variables, as shown in the table .The variable QV3 or change in sales is classified into five categories on the bases of pervious research and is mentioned below:

- sales decreased more than -30 % consider as Decreased Significantly,
- sales decreased between -11 to 30 % consider as Decreased Slightly,
- sales between -10 to 10 % consider as Remained Constant,
- sales increase between 11 to 30 % consider as Increased Slightly, and
- sales increased more than 30 % consider as Increased Significantly

FIRST PART: RELATIONSHIP BETWEEN FINANCIAL PLANNING AND PERFORMANCE

CHI – SQUARE TEST RESULTS

Table 2: Relationship between planning and change in sales

Change in Sales(QV3)		Degree of planning(QV6)					
		Category I No written Budget		Category II Simple Budget		Category III Comprehensive Budget	
		Firms	%	Firms	%	Firms	%
Decreased significantly	more than -30%	12	14.81	10.00	10.87	4.00	7.14
Decreased Slightly	-11% to -30%	21	25.93	21.00	22.83	7.00	12.50
Remained constant	-10% to 10%	18	22.22	19.00	20.65	10.00	17.86
Increased Slightly	11% to 30%	21	25.93	32.00	34.78	17.00	30.36
Increased significantly	Above 30%	10	12.35	10.00	10.87	18.00	32.14

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		81	100.00	92.00	100.00	56.00	100.00

Build a contingency table with the help of above table by using the percentage part.

Table 3: Contingency Table

Degree of Plan	Decreased Significantly	Decreased Slightly	Remained Constant	Increased Slightly	Increased Significantly	Total
Category I	14.81	25.93	22.22	25.93	12.35	100.00
Category II	10.87	22.83	20.65	34.78	10.87	100.00
Category III	7.14	12.50	17.86	30.36	32.14	100.00
Total	32.83	61.25	60.73	91.07	55.36	300.00

In general, the expected frequency in row i column j is given by formula given below (stephens,2006)

$$e_{ij} = \frac{(row\ \ i\ \ total)\ *\ (column\ \ j\ \ total)}{sample\ \ size}$$

Table 4: Expected frequency

Degree of Plan	Decreased Significantly	Decreased Slightly	Remained Constant	Increased Slightly	Increased Significantly	Total
Category I	10.94	20.42	20.24	30.36	18.45	100.00
Category II	10.94	20.42	20.24	30.36	18.45	100.00
Category III	10.94	20.42	20.24	30.36	18.45	100.00
Total	32.83	61.25	60.73	91.07	55.36	300.00

Calculate the chi-square statistic from table 2 and table 3 as following (Greenwood and Nikulin, 1996):

$$\text{Chi} - \text{square} = \text{Sum of} \frac{(observed \times frequency - expected \times frequency)^2}{(expected \times frequency)}$$

Table 5: For calculate chi square

Degree of Plan	Decreased Significantly	Decreased Slightly	Remained Constant	Increased Slightly	Increased Significantly	Total
Category I	1.4	1.5	0.2	0.6	2.0	5.7
Category II	0.0	0.3	0.0	0.6	3.1	4.1
Category III	1.3	3.1	0.3	0.0	10.2	14.8
Total						24.6

chi-square $X^2 = \sum \frac{(o-e)^2}{e} = 24.6$

Degree of freedom associated with a contingency table 2 consisting of r rows and c column is (r-1) (c-1).

P-value = 0.0018 < = 0.05, α reject the null hypothesis , which means in a favour of the alternative hypothesis H1 Smaller the p-value more evidence. As it can see in table 2, decrease in sales are 40.74, 33.7 and 19.64 in category I, II and III respectively, category I with no written budget having highest percentage of sales decrease while category III with comprehensive budgets having lowest percentage of sales decrease. And increase in sales are 38.28, 45.65 and 62.5 in category I, II and III respectively, category I having lowest percentage of sales increase while category III having highest percentage of sales increase.

Stage 2(ANOVA Test): In this part of study hypothesis H2 has been tested, an ANOVA was carried out to test hypotheses H2, whether there is a relationship between financial planning and sales growth. For this analysis, firms are categories in three as in the previous part; Category I, II and III for No written Budgets, Simple Budgets and Comprehensive Budgets. All these categories were treated as an independent variable and sales growth has used as dependent variable. An ANOVA is used to determine whether an event was most likely due to random chance due to nature of variation or not.. The values filled in category I, II and III are the averages of the options provided in the survey questions, example 0-10%,

11-20%, 21-30%, 31-40%, 41-50% and 51-60% averages are 5%, 15%, 25%, 35%, 45% and 55% respectively.

ANOVA TEST RESULTS.

Table 6: ANOVA result of sale growth

Anova: Single Factor

SUMMARY

Groups	*Count*	*Sum*	*Average*	*Variance*
category I	82	-90	-1.09756	648.7805
II	92	340	3.695652	602.6756
III	56	760	13.57143	648.8312

ANOVA

Source of Variation	*SS*	*Df*	*MS*	***F***	***P-value***	***F crit***
Between Groups	7234.37055	2	3617.185	**5.738738**	**0.003704**	**3.035623**
Within Groups	143080.4121	227	630.3102			
Total	150314.7826	229				

As from the above table 6; F = 5.738738 and p= .0003704, there is a statistically significant difference because F ratio is larger than the F crit. If F crit larger than F ratio than it would be consider as by chance.

Stage 3: In this part of study hypothesis H3 has been tested, an ANOVA was carried out to test hypotheses H2, whether there is a relationship between financial planning and ROI or not. For this analysis, firms are categories in three as in the previous part; Category I, II and III for No written Budgets, Simple Budgets and Comprehensive Budgets

Table 7: ANOVA test for ROI

Anova: Single Factor

SUMMARY

Groups	*Count*	*Sum*	*Average*	*Variance*
category I	82	4020	49.02439	305.2093
II	92	4040	43.91304	322.9814
III	56	2440	43.57143	263.3766

ANOVA

Source of Variation	*SS*	*Df*	*MS*	*F ratio*	*P-value*	*F crit*
Between Groups	1453.20406	2	726.602	2.40439	0.092618	3.035623
Within Groups	68598.96985	227	302.1981			
Total	70052.17391	229				

SECOND PART: RELATIONSHIP BETWEEN FINANCIAL CONTROL AND PERFORMANCE

Stage 1(Chi-square test): In this part of research hypothesis H4 has been tested, Chi square independent test has conducted in order to ascertain whether a statistically relationship between

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financial control and change in sales would exist or not, in the same manner it was identified in the previous section. Financial control or the degree of control is categories into three parts, category I, II and III on the basis of use of budget variances for the firms; Don't use Variances, Use few Variances occasionally and Use many Variances regularly, respectively.

Chi square is a statistical test used here to examine the three category variables, as shown in the table 8. The variable QV3 or change in sales is classified into five category as same as in the pervious section, sales decreased more than -30 % consider as Decreased Significantly, sales decreased between -11 to - 30 % consider as Decreased Slightly, Sales between -10 to 10 % consider as Remained Constant, sales increase between 11 to 30 % consider as Increased Slightly and the sales increased more than 30 % consider as Increased Significantly

Table 8: Relationship between control and change in sales

Change in Sales(QV3)		Degree of Control					
		Category I Don't use Variances		Category II Use few Variances		Category III Use many Variances regularly	
		Firms	%	Firms	%	Firms	%
Decreased significantly	more than -30%	12	14.29	10.00	11.63	4.00	6.78
Decreased Slightly	-11% to -30%	21	25.00	21.00	24.42	7.00	11.86
Remained constant	-10% to 10%	18	21.43	19.00	22.09	10.00	16.95
Increased Slightly	11% to 30%	25	29.76	25.00	29.07	20.00	33.90
Increased significantly	Above 30%	8	9.52	11.00	12.79	18.00	30.51
Total		84.00	100.00	86.00	100.00	59.00	100.00

Table 9: Contingency Table

Degree of Control	Decreased Significantly	Decreased Slightly	Remained Constant	Increased Slightly	Increased Significantly	Total
Category I	14.29	25.00	21.43	29.76	9.52	100.00
Category II	11.63	24.42	22.09	29.07	12.79	100.00
Category III	6.78	11.86	16.95	33.90	30.51	100.00
Total	32.69	61.28	60.47	92.73	52.82	300.00

In general, the expected frequency in row i column j is given by formula given below (stephens,2006)

$$e_{ij} = \frac{(row \quad i \quad total) \quad * \quad (column \quad j \quad total)}{sample \quad size}$$

Table 10: Expected frequency

Degree of Control	Decreased Significantly	Decreased Slightly	Remained Constant	Increased Slightly	Increased Significantly	Total
Category I	10.90	20.43	20.16	30.91	17.61	100.00
Category II	10.90	20.43	20.16	30.91	17.61	100.00
Category III	10.90	20.43	20.16	30.91	17.61	100.00
Total	32.69	61.28	60.47	92.73	52.82	300.00

Calculate the chi-square statistic from table 8 and table 9, as following (Greenwood and Nikulin, 1996):

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$$\text{Chi} - \text{square} = \text{Sum of} \frac{(observed \times frequency - expected \times frequency)^2}{(expected \times frequency)}$$

Table 11: For calculate chi square

Degree of Plan	Decreased Significantly	Decreased Slightly	Remained Constant	Increased Slightly	Increased Significantly	Total
Category I	1.1	1.0	0.1	0.0	3.7	5.9
Category II	0.0	0.8	0.2	0.1	1.3	2.4
Category III	1.6	3.6	0.5	0.3	9.5	15.4
Total						23.8

Chi-square $X^2 = \sum \frac{(o-e)^2}{e} = 23.8$

Degree of freedom associated with a contingency table 9 consisting of r rows and c column is (r-1) (c-1).

Degree of freedom $d.f. =$ (r-1) (c-1) = (3-1) (5-1) = 8

P-value calculated from the software made my Abramowitz, 2005.

P-value = 0.00247554< = 0.05, α reject the null hypothesis, which means in a favour of the alternative hypothesis H4 smaller the p-value more evidence. As it can see in table 3.8, percentage of firms those decrease in sales are 39.29, 36.05 and 18.64 percent in category I, II and III respectively, category I don't use any variance having highest percentage of firms those sales decreases while category III use variances very regular with having lowest percentage of firms those sales decreases. And on other hand, the percentage of firms those sales increases are 39.28, 41.86 and 64.41 in categories I, II and III respectively, category I having lowest percentage of firms those sales increases while category III having highest nearly double percentage of firms those sales increase.

Stage 2(ANOVA Test): In this part of study hypothesis H5 has been tested, an ANOVA was carried out to test hypotheses H5, whether there is a relationship between financial control and sales growth. For this analysis, firms are categories into three parts, category I, II and III on the basis of use of budget variances to control their finance, these are; don't use Variances, Use few Variances occasionally and Use many Variances regularly, respectively. All these categories were treated as an independent variables and sales growth has used as dependent variable. An ANOVA is used to determine whether an event was most likely due to random chance due to nature of variation or not. The values filled in category I, II and III are the averages of the options ticked by the owner or managers on the survey questions, example 0-10%, 11-20%, 21-30%, 31-40%, 41-50% and 51-60% averages are 5%, 15%, 25%, 35%, 45% and 55% respectively.

Table 12:ANOVA result of sale growth

Anova: Single Factor

SUMMARY

Groups	*Count*	*Sum*	*Average*	*Variance*
category I	83	-175	-2.10843	562.2686
II	86	270	3.139535	650.6156
III	59	815	13.81356	617.5336

ANOVA

Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	8842.683626	2	4421.342	7.249406	0.000889	3.035975

Within Groups	137225.2988	225	609.8902
Total	146067.9825	227	

Stage 3: In this part of study hypothesis H6 has been tested, to identify whether there is a relationship between financial control and ROI or not. For this analysis, firms are divided into three categories, as in the previous stage; Category I, II and III for Don't use Variances, Use few Variances occasionally and Use many Variances regularly, respectively.

Table 13:ANOVA result for ROI

Anova: Single Factor

SUMMARY

Groups	*Count*	*Sum*	*Average*	*Variance*
category I	84	4000	47.61905	302.6965
II	86	3860	44.88372	331.1628
III	59	2570	43.55932	268.1473

ANOVA

Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	631.579453	2	315.7897	1.036953	0.356214	3.035795
Within Groups	68825.18911	226	304.5362			
Total	69456.76856	228				

As from the above table3.14; F ratio = 1.036953 and p= 0.356214, there is a no statistically significant difference because F crit is larger than the F ratio, even p value is larger than .05 which is not acceptable . If F crit larger than F ratio than it would be consider as by chance. Hypotheses H6 is not correct, there is no significant relation between financial planning and ROI, this raises an important issue. It has been noticed that generally the firm size in category III is bigger than of firm in category II and I, might be firms in category III invest more capital than other categories. However this situation observed in Coventry area is consistent with the pervious research done by Rue and Ibrahim year 1998. there are some other reasons too for this situation , high sales doesn't mean high profit, might be they are selling in cheap price that also reduce the profit or might some other internal inefficiencies.

IV. CONCLUSION

There is the relation between financial planning and the change in sales of SMEs in the Coventry, the firms use comprehensive budgeting format change in sale more than the firms budget, and simple perform better than the firms don't use budgeting. But there is no relation found in terms of sales growth and ROI, firms use comprehensive budgeting sales growth better compare to the firms don't use budgeting.

There is the relation between financial Control and the change in sales of SMEs in the Coventry, the firms use variances regularly change in sale more than the firms use very few variances, and the firm use few variance perform better than the firms don't use variance.But there is no relation found in terms of sales growth and ROI, firms use regular variances sales growth better compare to the firms don't use any variances but the is no significant difference found between firm use variance regularly and the firms use very few variances .

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