

INCREASE OF PERFORMANCE THROUGH INTEGRATION OF THE CONTROLLING IN THE MANAGEMENT SYSTEM OF THE ENTERPRISE

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The complexity and dynamic of the organizations, which are in a permanent competition for resources and for the life quota in a turbulent economic environment, imposes the controlling as a functional concept of management having the role of coordinating the planning, control and information in the direction of obtaining the planned results. The controlling is not referring to the qualitative characteristics of the products, but to the correlation between the planned results and the progress of their implementation, having as support the financial-accounting organization of the enterprise. The practical approach of this modern and efficient managerial product imposes a deep analysis of the existing accounting system, of the report and planning system, a redefinition of the role and content of managerial accounting within the existing accounting system.

The controlling developed itself in the practical life of the enterprises becoming a management function, “functional concept with the role of coordinating the planning, control and dissemination towards the direction of obtaining the required results⁹⁵”.

It is realized a distinction between controlling as a function, the central task of the management and controller as responsible which has the role to coordinate the partial plans and to organize the entire planning process, contributing to the implementation of the strategic policy. At the small and medium enterprises, the controlling function is taken over by the management of the enterprise or by the accounting department, the controller transforming itself from a service supplier to a consultant of the management and involving its responsibility for achieving the objectives from different points of view:

- responsible for correctness of the collected and transmitted information;
- through organization and supervision of the management process in order to achieve the objectives it contributes to the object oriented decision making of the management.

Transformation of the controlling in self-controlling is realized currently by training employees, at all levels, towards knowing and realizing the objective.

Each enterprise is following a certain strategy, for which its realization is guaranteed by a adequate structure adapted to the exploitation processes and realization of a an adequate organizational structure. The necessity of realization of its own controlling system supposes to answer to a collection of questions, like the following ones:

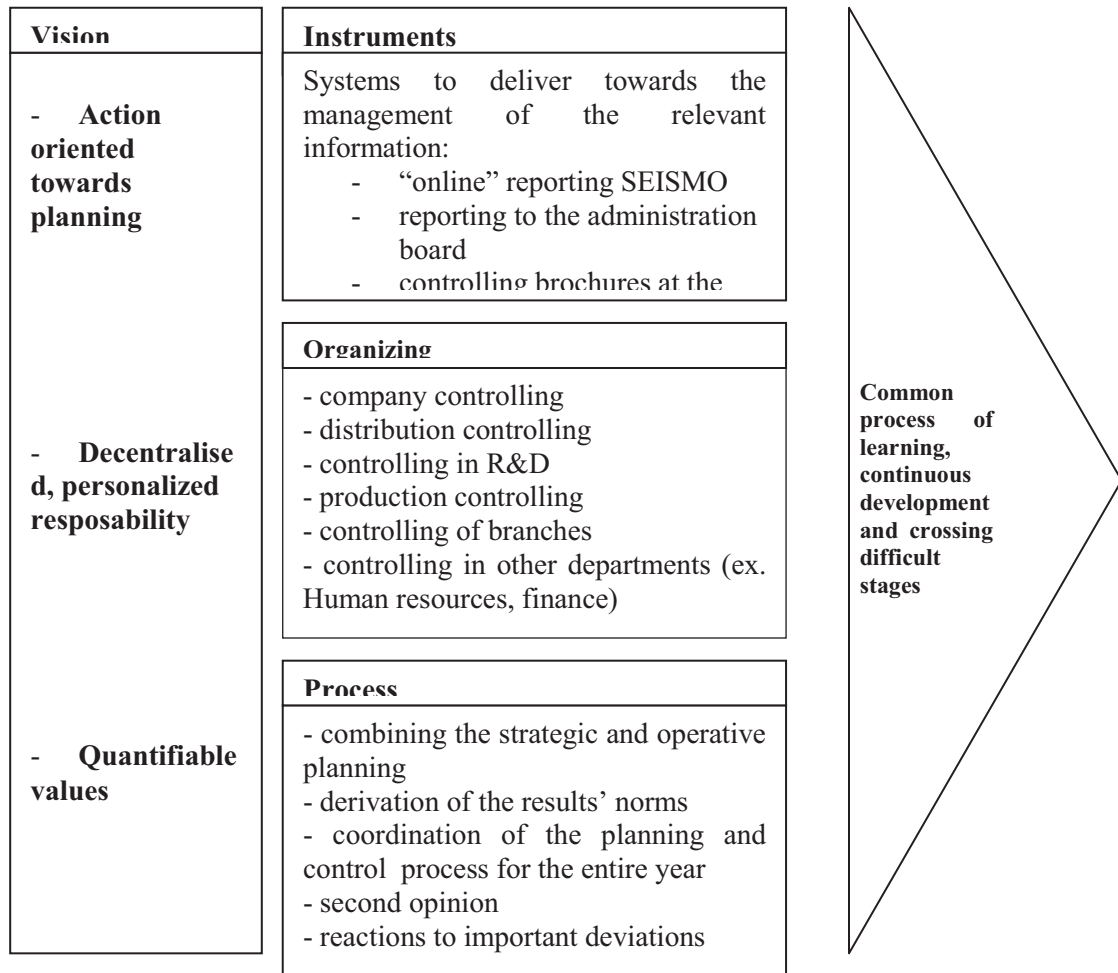
- Do you know exactly from which products profit it's obtained and where are generated losses?
- Do you know how various measures act over the result?
- Do you know how it looks your result analyzed over the business values of the company, without fiscal or balance sheet splitting?
- In your planning are included success oriented objectives and have proper allocated resources?
- How fast can you find out if you are still in the graph or you lost control?
- The need for decisions is established in time and all required measures are taken?
- Can you transpose the strategy of the enterprise in tangible plans oriented towards results and measures?
- Do you know factors which make you indirect costs to grow?

95 Horvarth & Patners “Controlling. Sisteme eficiente de crestere a performantei firmei”, Editura C.H. Beck , Bucuresti , 2007, pag. 4

The systemic organization of the management activity supposes orientation of the controllers' activities in two directions:

- Towards the planning and control system, having as main component the **budgeting**;
- Towards the information system, having as main component the **accounting**.

Structuring of the information system determines its need of information, obtaining and processing through accounting, and information submission through reports and it concerns, mainly, the costs calculation system, the efficiency calculation of the investments, the content of the plans and execution of the planning stages.



The permanent coordination must be understood as a reaction to the inside and outside information which impose permanently the value comparison between the effective and estimate. The most important aspect in the regulatory circuit of controlling its represented by the way are treated the deviations which should not be used as penalizing evidences for the negligence of the employees, but to be used as a basis to establish new measures.

Organization of an controlling system at the level of an enterprise must have as objective assuring transparency as a premise for realization of an efficient management, which is guided on the following principles:

- Actions are oriented towards plan;
- Individual, decentralized responsibility;
- Quantifiable management indices.

Realization of the controlling system supposes the integration of principles, instruments, organization and the controlling process in the structure of organization, in order to coordinate the information and planning system.

Coordinated execution of the controlling activity is determined by de operative, yearly detailed planning. The controller, in its quality of permanent backer of the decisional process is subordinated directly to the management of the company, but its activity is carried on at all hierarchical levels, assuring the efficient functioning of the entire managerial system from the enterprise. Its position, hierarchical relations, duties and competencies result from the job description.

There are remarked the attempts to reproduce the functions from the value generating chain - logistic controlling or even inclusion in the network of the strategic partners.

Planning and reporting system, based on the accounting data, represents one of the most important fields of activity of the controlling. For a diagnostic it is imposed to answer to several questions regarding:

THE ACCOUNTING

- The system of the expense account
 - Ensures the differentiation between the fixed and variable costs?
 - Are differentiated the relevant types of costs over their nature and destination?
- The centre of costs account
 - The centers of cost are structured over clear defined fields of responsibilities?
 - Unitary and adequate calculation procedures are used?
 - Are realized systematically, planned, preliminary and effective calculations?
 - It exists a profit and loss account, on the short term, which is linked to the cost centers?
 - Can be determined the marginal revenues which are related to the adopted decisions?
- Allocation of costs in term
 - Relations between the cost centers are adequately illustrated?
 - In the generating chain of evaluation are used internal processes of discounting?
 - It exists a causal discounting of the costs between the cost centers?
- Result accounts
 - It is realized and analyzed the result account in function of the evolution in time (for the entire financial exercise, at the finalization of activity for products with a long cycle of manufacture)?
 - The result account reflects the evaluation generating chain at the level of enterprise?
 - How differentiated (developed) is the result account?
- The investment calculation
 - Are used the adequate, unitary procedures for the calculation of the investment?
 - The procedures are in conformity with the accounting directives and standards?
- There is a consistency between the profit and loss account and the financial accounting.
- The synthetic analysis of the liquidities is used.
- There is a link between the profit and loss account and planning

REPORTING

- Reporting is based on the data delivered by accounting?
- The reporting system differentiates the data from the internal and external accounting?
- The reporting system is based on the automatic or manual data processing?
- The reporting system assures the information according to the users' needs?

- The information delivered by reports is presented in a clear and understandable form?
- The information system delivers relevant information regarding deviations and causes?
- On the basis of the reporting system are created measures of deviation removal?

PLANNING

- It exists a strategic planning in accordance with the operative planning?
- Planning is based on external information regarding forecasting of business revenue, competition analysis and technological trends?
- The operative planning systems are integrated in the financial planning (result account, balance sheet, capital flow)?
- The detail degree is adequate to the planning?
- The information delivered by planning are updated and used by the management?
- It is used the system of updating within a financial exercise?
- The implementation of the planning process has an internal regulation (budget manual)

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