

STRATEGIC CONTROLLING IN ROMANIA-SUPPORT OF MANAGERIAL DECISIONS

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Abstract: This paper introduces theoretical matters concerning the strategic controlling procedure as well as economical practice elements up to corporate group branch.

Especially by its concurrence to strategically scheduling and its add to strategically feed forward and feedback process, the strategically controlling supports the composition of managerial decisions on strategic level.

Keywords: controlling, decision, management.

1. Introduction

In Romania, in perspective of adherence to European Union, the economic success depends directly to the quality of managerial decisions. The professionalism, the seriously, the conscientiously, the order and the discipline are elements with the most value, who managers allow for, if the success is wanted.

Therefore the management is constrainedly to swarm different situations, to notice and fructify the opportuneness and avoid threats, having permanently under observation the inside and the outside environment of the company. Among the five managerial functions: planning, organization, decision, train and control, witch defines the manager, in our opinion, is decision.

The decision belongs exclusively to the manager, he responds for the consequences of his chooses, those consequences influence firmly the evolution of the company events.

For those reasons, comes out as a very natural thing, the manager to get help. The help comes through controlling, front-rank managerial instrument, witch his contribution to managerial decisions, and helps attain company objectives.

The purpose of our paper is to present theoretic and practical aspects witch concern the controlling up to strategic level in Romania, proving that, the controlling, through what his doing, is the support of managerial decisions.

The accost perspective is as well theoretic as practical, on example the branches of concern from our country.

The research method has as support the interview taken personally by controllers from branches of concern from Romania, interview with a questionnaire as a support.

2. Controlling-Bases Consult

Controlling first appeared in S.U.A of the beginning of the XX century and then appears in Europe: in France, England, the tongue German space, Hungary then after 1990 in Romania too.

Comprehended like central function of management in S.U.A. and in the tongue German space, as a managerial instrument, in opinion of practitioners Deyhle, Preissler, Mann and Mayer [Eschenbach, 1996], controlling is practiced today in all international concerns.

Suggestive seem to us the definition elaborated by Mann and Mayer, which considers that, controlling is a circular system of rules, which helps attain company objectives, avoiding surprises, signalizing in time dangers that requires corrective actions.

In our point of view, the controlling practiced in Romania is the instrument that helps the manager exert his functions, especially taking the right decision so, the company can control in permanence the future.

The ones who realize the activity of controlling is the controller, not only he doesn't work alone but in collaboration with the manager, so controlling comes off in the team build by the two partners in there way to success.

One of the possibilities which controlling appeared in Romania is because, some international concerns had opened branches in our country too. So the implementation of controlling in Romania's branches appears as a necessity.

The objectives of controlling are both direct and indirect. Like direct objectives of controlling we recapture:

The insurance of capacity of anticipation and accommodation of the organization to the environment events;

The insurance of capacity of coordination; the controlling coordinates the managerial system, while the managerial system coordinates the operational system;

The insurance of capacity of reaction.

The indirect objective of controlling is to support management in insurance the balance between the company's environment, his employs and owners of the capital.

Considering the pursuance functions by controlling, they appear as complementation of management's functions, namely: coordination, invocation and the information.

As regard of controlling's tasks, those retrieve at three levels: normative, strategic and operative. The assignment of information is figure out not only as a function but also as an assignment and is retrieve at all three levels controlling.

3. Strategic controlling-theoretic elements

The strategic controlling represents in our opinion, that dimension of controlling which completes strategic management through our contribution which he has not only to strategic planning but also in the feed forward and feedback strategic process.

A central necessity for any organization is presented by elaborating resistive and creative strategies that can help realizing the competitive advantages.

Strategic controlling means on one hand a way of thinking (thinking and strategic action) and in another way the creation of groundwork (instruments, formality process) to support strategic planning and the implementation process of strategy through the service of information and coordination.

The contribution of controlling to the strategic organization is resuming at:

- Supporting the strategic planning process;
- Supporting the strategic implementation process;
- Identify the problems and the deviations from the objective before he can reflect in the operative figure.

Strategic controlling and operative controlling interconnects in a circular system of rules. This way we can show the strategic decisions effects and insure the transposition of the strategy in operative planning and carry off actions. Strategic controlling, as organizationally connect between strategic planning and strategic control, can recognize in time the deviations or delays in transposing in practice the strategy and can make possible taking the necessary actions of controlling.

The turbulent environment of organization makes more and more needful in practice strategic feed forward and feedback. The strategic process of feed forward and feedback contains conceiving scripts which makes possible taking the actions in present for avoiding deviations which hasn't appear or for there diminution. There are three types of strategic feed forward and feedback:

- Strategic controlling of executions;
- Strategic controlling of premises;
- Strategic stakeout.

Because of the actual dynamics of the organization's environment the management's assignment to adapt the organization to the changes of environment is more and more difficult to assign. The management has to be conscious that the future events are not predictable and that is very necessary a series of methods and instruments for recognizing in time the deviations.

The conclusion is that management needs to make so that, despite the environment's turbulence, the organizations needs to achieve there goals, resisting to the changes of environment. For helping management to attain his assignments, is needed inside of de strategic feed forward and feedback processes by the active help of the controller.

4. Strategic controlling in Romania-aspects of the economics practice

In Romania comparative with other countries (Germany, Austria, Hungary), controlling applies at approximate 10% of companies, in commercial societies belonging to easily industry or textile industry and textile products, cellulose industry, paper and cardboard (S.C. DunaPack Rambox S.R.L.), garment textile industry, coats and skin(S.C. Eybl Textile- Automotive-Texttrade S.R.L.), chemical industry (manufacture industry of rubber and plastics) - Continental Automotive Products S.R.L. from Timișoara, etc. other organizations who practice controlling are Price WaterHouse Coopers, Solelectron, Electrolux, Siemens, Richard Halm, Novar, Mondial, Delphi Packard, Zoppas Industries, Dräxlmaier. All this are concern branches.

In this part of our paper we will axes on the presentation of the contribution of controlling to strategic planning, to strategic feed forward and feedback process. Through all those activities which he carry out, controlling assure in fact the support of the managerial decisions. The strategic planning is preceded by decisions, strategic feed forward and feedback processes, witch represents in fact comparisons, and are the support of controlling reports, are preceded still by decisions. This support is insurance through the information given by controlling.

We will explain our exhibition on the case of two concern branches namely: DunaPack Rambox S.R.L from Saint Gheorghe, in Covasna and Eybl Textile Automotive Texttrade S.R.L from Deta, Timiș.

S.C. DunaPack Rambox S.R.L it's one of the most modern bagging factory of corrugate board and micro corrugate board from Romania.

Controlling department from S.C. DunaPack Rambox S.R.L. is composite by five persons. The activity of this department is centered on the following assignments: planning, the elaboration of controlling reports, calculation of the costs, determination of the price, preparation the materials for the managerial sessions, occasional coordination of the gather papers and the distribution of the statistic dates, occasional preparation of the economics analyses.

The planning method used inside of this branch is the mixed planning enterprising from the concern. This way the general objectives are fixed to the center of DunaPack S.A. from Hungary and the branches elaborates there own plans taking in consideration the parameters imposed by the concern. After that the concern resumes the branches plans and will correct the eventual deviations.

Up to concern level planning starts in September of the current year for the next year and up to branch level managers determine on there time other periods for realizing plans in the branch we refer to.

The controlling department from Ramboxb S.R.L. elaborates the following plans: annual economic plan of the branch, strategic plan, the plan on costs center. The dates from this plan will be the base for the controlling reports witch is made monthly. Those dates from the controlling reports will be compared monthly with the dates from the plans. Are eleven controlling reports and are evaluated monthly by the branches manager and the manager from DunaPack S.A from Hungary. The information needed to form the controlling reports is supplied by accounting, but also by every department inside of the branch.

S.C. Eybl Textile – Automotive – Texttrade S.R.L. from Deta, in Timis is an Austria concern branch Eybl International AG, witch has the location in Krems, Austria and is own by the principal supplier of upholstery for cars from Europe. Controlling activity comes to one single person, the controller, subordinated to the controlling of concern and economic direction inside of the branch. But inside of the branch the controller receive instructions directly from the general director, witch he presents also the controlling reports.

The controller's assignments refer to: planning, lay down controlling reports, costs calculation, preparing materials for sessions, preparing information for some economic analyses.

The controller's daily schedule outbalance 8 hours, and 4 of them are dedicated to the reports to concern, and the other part of the time is allocated to accounts and intern contracts, following the keeping terms and the contractual obligations. One day a week the controller follows up the rotation speed of founds and two days a week are allocated fallowing weekly the cash-flows. The adjustment of data to concern are made in the second workday of the month, adjustments witch add in the situation of costs and establishments from antecedent month and justifying the advance money cashed in he circulating medium by the branch. The branch's controller collaborates with the concern's controller by: e-mail, fax, telephone, conference calls, and personal discussions.

The branches inside of the Eybl International AG concern collaborates regard planning like wise in elaborating some new indicators specifics to the controlling activity.

Up to concern level planning evolves inside of a session of Administration Council of Eybl International AG concern. Up to concern level is blueprint the strategic plan and at Delta branch is realized the operative plan.

Planning starts after the concern decides that. Before starting the planning, the branch presents to concern the result of the current year and the antecedent year, the results that will be evaluated. The concern determines the objectives for branches, the responsible ones and the terms and the branches will present prognosis for current investments and business plan. The branch elaborates the annual plan in particular for the next year, and then on that base branch elaborates the financial plans. After the concern accepts those plans, they are readdressed to branches because they need to be brought to accomplish. Those plans will serve as compare base for controlling reports. Controlling reports inside the Delta branch are nine, elaborated monthly, trimestrial and annual and for there elaborating the controller gets information from all branches departments, they updating and then transmit the reports not only to the concern but also to the general manager of the branch.

What I've presented here it represents just a part of strategic controlling a certain part that catches on the collaboration between concerns and their branches from Romania. Regarding the kind of radar instruments and the strategic games and so the strategic communications, they come off exclusively to the center, inside the concerns and it does not involves the branches.

5. Conclusions

The management's assignment is to realize and maintain the competitive advantages and transform them in values of the organization or the owners. Strategic decisions need to find the direction firstly to costumers advantageous, and then need to be satisfied the employees financial request, suppliers, etc. The controlling, through all he makes, helps the management in taking the right decision.

Our conclusions regarding the so called controller's activity are the following:

- Is preoccupies to exist a strategic conscience inside the organization;
- It documenting in permanence, creating in the same time the exploration system in time of the weak signals from the environment;
- Is reshaping those signals and transmits them to the management by compact information regarding the opportunities and the environment threats;
- Helps the organization's and the environment's strategic analyses, by putting at command those information like wise by collaborating to build and strapping informational systems and analyses instruments;
- Sets up, restyles and coordinates the elaboration and the strapping of the strategy, having care that all this realize in opportune time;
- Supports the elaborate and apply process of the strategy by know-how for process and know-how for methods;
- It realize compares Plan- Achievement and informs currently management about strategic application result;
- Brings in measures for objective deviations and follows their application;

- When the situation enforces (modifications in politic environment, juridical, regarding clients behavior, competitors, etc.) is initiating an reviewing process of the strategy, following the organization's strategy adapts to the modified conditions of the environment;
- Its assurance the strategy's transposing in operative planning.

We notice that in this context the contribution of controller is essential. Strategic controller supports strategic management in the strategic planning process, taking care so that the strategies choose is good; to be transcribed in operative planning, to be adapted to the environment's modifications and to give well anticipated results. The organization's turbulent environment makes more and more necessary in practice the strategic feed forward and feedback. Through all this up to strategic level the controlling helps directly the management to take the correct decision, giving all the necessary information, making suggestions, but living the decision to the manager.

We appreciate that in Romania, in the future controlling, like managerial instrument, will impose more and more, wining field because of the certain advantages that it offers.

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