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## CONTROLLING AS AN INSTRUMENT OF EFFECTIVE MANAGEMENT OF INDUSTRIAL ENTERPRISES

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**Abstract.** Implementation of the strategic priorities of sustainable development, especially in the post-war period, will require significant financial resources from industrial enterprises. Social and environmental protection programs have always been costly and economically unprofitable, therefore one of the main means of implementing the concept of sustainable development should be a financial mechanism. The controlling system is an effective tool for optimizing the financial result, which will help guide the process of managing the enterprise both at the current level and towards achieving the set strategic goals in the future.

**Keywords:** *strategic controlling, operational controlling, cost management, management reporting, management decisions.*

In the post-war conditions of recovery of the economy of Ukraine, financial mechanisms should be aimed at ensuring the implementation of the principles of sustainable development in the practice of economic activity of industrial enterprises.

Sustainable development of the country means the functioning of its national economic complex, when the satisfaction of the growing material and spiritual needs of the population, rational and ecologically safe management and highly efficient use of natural resources, maintenance of natural and ecological conditions of life favorable for human health, preservation, reproduction and reproduction are ensured at the same time environmental quality and natural resource potential of production [2]. The controlling system is a qualitatively new level of the cost management process and the basis that combines all the main elements of the organization and management of the financial and economic activities of the enterprise.

For the first time, the term "controlling" was born in the 70s in the USA, then it spread in Europe, and in Ukraine it appeared only in the 90s. The term "controlling" itself can be divided into two components: controlling as a philosophy and controlling as a tool. The controlling philosophy is a way of thinking of managers, focused on the effective use of resources and the development of the organization in the long term, and the controlling tool is an integrated system of information and analytical support for managers, which combines the processes of planning, analysis, control and management decision-making in the process of enterprise activity.

So, as stated in the Economic Dictionary of J.S. Zavadskiy, controlling is a functional toolkit that includes methods of planning, process management and control, necessary for making management decisions based on the collection and processing of information, primarily accounting data [1]. In the modern sense, controlling is informational and analytical support of the company's management, necessary for making operational and strategic decisions. To do this, it performs the following functions:

- coordinates management activities to achieve the goals set for the enterprise;
- provides informational and consulting support for management decision-making;
- creates and ensures the functioning of the general information system of enterprise management.

The main types of controlling are strategic, tactical, operational and dispositive (situational). Let's consider the types of controlling, their essence, characteristics and terms of implementation, which we have grouped in Table 1.

**Table 1. Types of controlling**

Type of controlling	Essence	Characteristics of the species	Implementation period
Strategic	"Do the right work"	This is an integrated control and information system of enterprise management, aimed at ensuring the effective functioning and survival of the enterprise for a long time. Strategic controlling determines the goals and objectives for operational controlling.	Oriented to the long-term perspective in (more than 3 years)
Tactical	"How to do work efficiently?"	This is ensuring the current profitability, liquidity and solvency of the enterprise by identifying cause-and-effect relationships during the determination of financial results from operational activities	Focused on medium-term prospects (1-3 years)
Operative	"Doing work correctly"	This is a control and information management system aimed at ensuring the achievement of the company's current goals (primarily profitability, profitability and liquidity) taking into account timely decision-making regarding the optimization of the "cost - profit" ratio.	Focused on short-term prospects (up to 1 year)
Dispositive (situational)	"What to do if work is done incorrect"	This is the implementation of management, adapting to a specific situation and determining the most optimal ways of implementing previously established goals, both at the strategic and tactical, as well as at the operational levels	It is implemented during the entire period of operation of the company's controlling system

\* Developed by the authors

In our opinion, industrial enterprises of Ukraine currently need to focus special attention on strategic and operational controlling. Each of them has its own goals, methods, principles, means and tools, but only their interaction can ensure the survival of the enterprise. Let's consider the specified types separately.

Strategic controlling performs the function of strategy implementation from planning to management. It is focused on support and formation of the potential for success and implementation of anti-crisis policy in all directions.

The task of strategic controlling is to optimize the financial result by maximizing profit and capital value with guaranteed liquidity by:

- establishing the goals of the enterprise's financial and economic activity;
- development of the company's development strategy, taking into account the current state and future changes in the internal and external environment;
- planning and control of measures aimed at the long-term development of the enterprise;
- identifying opportunities and risks of the enterprise;
- development of an individual system of indicators, which will allow analyzing the progress of the implementation of the development strategy of a specific enterprise, drawing up management reporting and determining deviations from strategic indicators;
- providing information to the management for making management decisions;
- adjustment and coordination of strategic planning and control over its implementation;
- determination of new success potentials [3].

The use of strategic controlling as a cost management system allows you to respond in time to all deviations in indicators, make the right management decisions regarding the adjustment of your own strategy, and carry out strategic management of the enterprise on the basis of sustainable development.

However, the problem of ensuring the effective operation of industrial enterprises of Ukraine during the war period makes strategic planning impossible. Therefore, special attention is currently being paid to the short-term perspective, information about which is reflected in the form of income and expenses, in other words, focused on the current economic activity of the enterprise. Timely adopted operational management decisions neutralize the consequences of unsuccessful strategic plans and to this day remain practically the only effective cost management tools at enterprises.

Solving issues regarding the coordination of planning, control, accounting and reporting processes at enterprises with the support of a modern information system helps to implement operational controlling. It is aimed at ensuring the achievement of the company's current goals and, first of all, indicators of profitability, profitability and liquidity, taking into account timely decision-making regarding the optimization of the "cost - profit" ratio.

Operational controlling is an integrated system of active management that provides control information to managers of managerial (middle) and lower (technical) levels, studies the economic efficiency and profitability of the enterprise [5].

The main tasks of operational controlling include the following:

- ensuring the achievement of the current goals of the enterprise, approved for its development strategy, and, above all, the determined level of profitability and liquidity;
- determination of a set of controlled indicators for current management;
- planning and budgeting of the company's current activities, determination of ways and deadlines for achieving tactical goals;
- management of "bottlenecks" or "weak" areas in the enterprise's production and sales capabilities, ensuring the most efficient use of the enterprise's resources;
- "plan-actual" analysis of the company's income and expenses by types of products, market sectors, groups of buyers and other analytical sections;
- monitoring of the company's current financial condition, cash flow management;
- analysis of current changes in demand, trends in consumer behavior;
- appropriate adjustments to marketing and production programs.

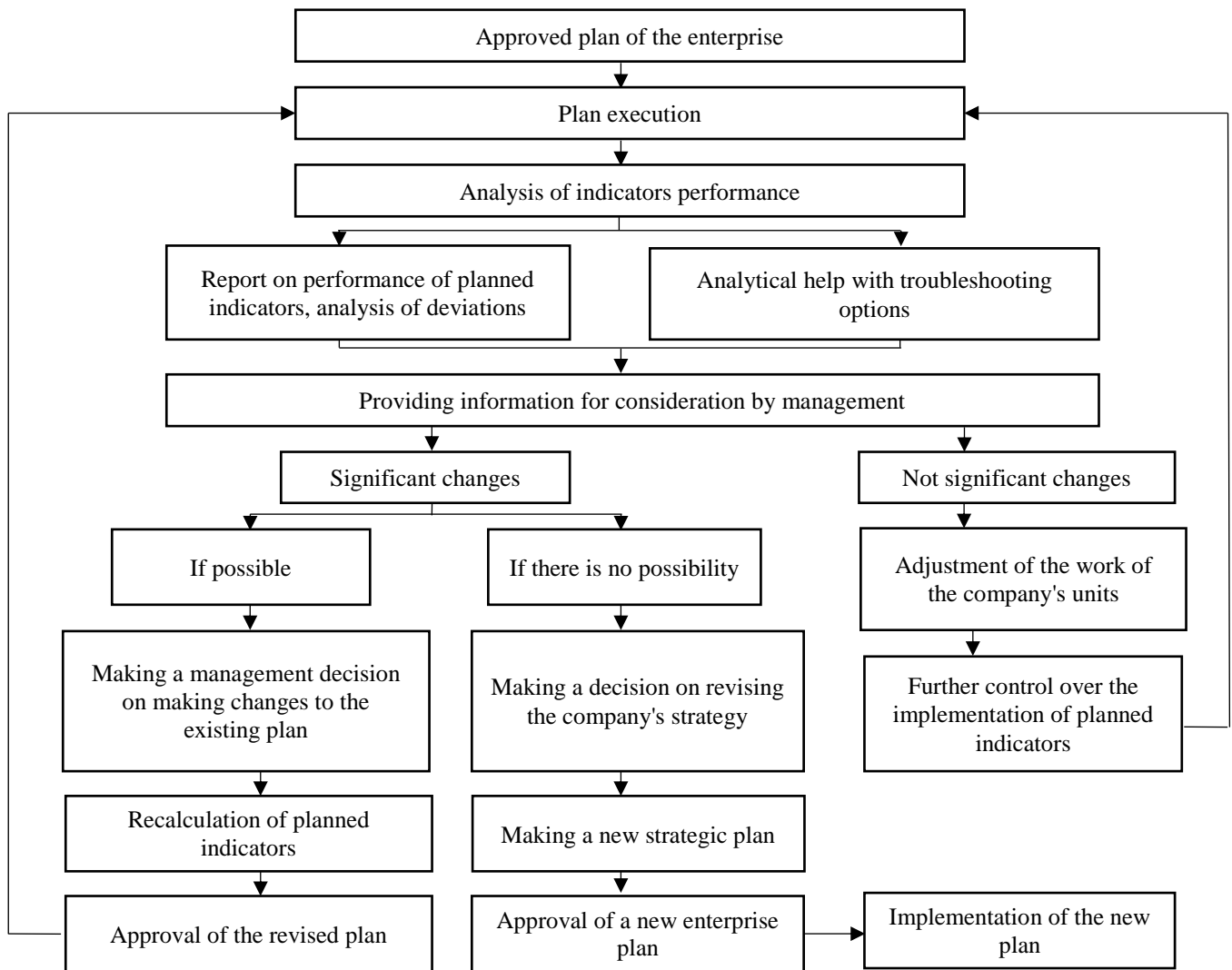
Achieving the listed tasks is possible thanks to the performance of such functions by the controlling unit as: support of the planning process, accounting, control over the implementation of plans, evaluation of financial processes, identification of deviations and their causes, as well as development of measures for the management of the enterprise to eliminate the causes that caused these deviations [4].

Operational management accounting, which is the most important component of controlling, reflects the completeness of the enterprise's financial and economic activity. It provides for the formation of internal reports for periodic planning, control and evaluation, for decision-making in non-standard situations and in choosing the enterprise's market policy. It connects accounting and analytical support with the management process. During the analysis, data on costs and results of financial and economic activity are considered in terms of objects necessary for management in order to make management decisions regarding the optimization of financial results of their activity [6].

An important element of operational controlling is information support for decision-making regarding the structure of production programs, for example, limiting production capacities or changing sales channels. On the basis of this information, a conclusion is made about the profitability and profitability of the production of individual products and product groups, the efficiency of work of entire divisions and individual managers, etc. It will also allow obtaining information about probable changes and modeling alternative production options, and the management to be prepared in advance for possible changes in the internal and external environment and to make the right management decisions in a timely manner to achieve the set goals. At the same time, it should be noted that the information provided to management must be of high quality and timely, as the speed of response and operational decision-making depends on it.

The operational controlling algorithm developed by us for making management decisions clearly shows that thanks to the operational controlling system, management receives the necessary information that allows timely management decisions and taking appropriate measures to achieve the main goals of the enterprise.

In connection with the state of war in Ukraine, the level of liquidity and profitability of industrial enterprises is decreasing, therefore the controlling unit coordinates plans, analyzes the reasons for the deviation of plans from reality, and develops recommendations for ensuring the survival of the enterprise. We researched the management system and proposed an operational controlling algorithm for making management decisions at industrial enterprises (Figure 1).



**Figure 1. Algorithm of operational controlling for making managerial decisions at industrial enterprises.**

\* Developed by the authors

The controlling system introduced at the industrial enterprises of Ukraine makes it possible to independently form a list of financial and economic indicators necessary for the enterprise in its work for the analysis of the financial and economic condition and the formation of prospective development plans for the future.

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