

UDC 658.5.012; JEL Classification: M10, M21

## **CONTROLLING EFFICIENCY ASSESSMENT AT AN ENTERPRISE**

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Controlling as a management instrument is widespread in practice, however both in the theory, and in practice the insufficient attention is paid to questions of an assessment of its efficiency. Meanwhile, making the decision on implementing or enhancing of controlling, it is necessary to seize tools of its efficiency assessment.

Efficiency of controlling should be estimated by the performance of specialists to whom controlling functions are assigned at the enterprise. Number of such experts forms service of controlling whether it is a special department (e.g. controlling department) of the enterprise or specialists in controlling are the staff of different departments.

The assessment of overall performance of controlling service is based on three groups of criteria:

- criteria of overall performance of the organization which are estimated on the set target indicators and are reached thanks to activity of controlling service;
- the quantitative indicators allowing to estimate controller's work;
- performance of tasks of controlling service.

The first group of criteria is based on system of target indicators of the organization (production volume, sales proceeds, profit, profitability, labor productivity, etc.). Achievement of the objectives of the organization is a resultant factor of work of controlling service and testifies to degree of its efficiency. However, when using this group of criteria it is difficult to define a contribution to achievement of the enterprise objectives made by the controlling service, which is carrying out their coordination, as the achievement of the objectives is enabled by other departments as well.

The author [1] suggests using for an assessment of efficiency of the enterprise activity in the frame of controlling the following indicators: return on investment (ROI), return on total capital (ROC), return on equity (ROE), capital value.

The ROI indicator serves as the internal instrument of control and management of the invested capital, though it doesn't consider structure of the capital. Capital value characterizes efficiency of activity of the enterprise in the long-term period from different stakeholders' viewpoint. Use of these indicators in addition to traditional indicators of efficiency of economic activity (profit, profitability of production, profitability of sales) allows to estimate the effective management of the capital of the owner characterizing achievement of a main objective of business – increase of owner's welfare.

Use of quantitative indices of the controller's work gives the chance to estimate its contribution to achievement of the objectives and expenses of its work, supplementing an assessment of the first group of criteria. It is necessary to use both absolute and relative indicators in this group.

The absolute indicators characterizing value of controlling division work are the following:

- the amount of requests processed for the period;
- the amount of recommendations issued to managers for the period;
- the amount of appeals of managers to information system for the period;
- the amount of the decisions made according to the recommendation of controllers for the period, and their efficiency, etc.

The analysis of controlling division work on the basis of relative indicators can be carried out by means of the following criteria:

- average amount of the requests processed by a controller;
- average amount of requests for a manager;
- average number of recommendations issued by a controller;
- quota of decisions made taking into account recommendations of the controlling division, and their efficiency;
- average time of request processing by the controlling division.

However, using of quantitative indicators only hides quality of controlling activity and focuses controllers on performance of big number of less laborious types of works. Thus the level of operational controlling increases (as the operational information is processed and transferred faster), causing the failure of the strategic controlling.

The system of an assessment of overall performance of controlling work is supplemented by indicators of the third group which give the chance to estimate performance of the tasks of controlling division (e.g. goal-setting mechanism implemented, compliance of structure of the organization to its objectives, timely ensuring all levels of the management of necessary information, high-quality monitoring of environment, compliance of tools of the analysis, account and decision-making to managers' requirements, increase of competitiveness of management system, etc). The assessment of performance of functions and tasks by the controlling division has to be carried out by top-managers at least once a year.

Combining of indicators of three groups allows to characterize controlling division activity comprehensively and to define the main directions of its further work. Besides, the complex system of an assessment of results of controlling makes clearer the essence, need and the main objectives of controlling for the staff of functional divisions, facilitating their cooperation with controllers.

#### References

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