

THE ROLE OF CONTROLLING IN THE SYSTEM OF MANAGEMENT OF MODERN ENTERPRISE

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In the current unstable economic situation in our country, there is a definite need to find ways out of crises with minimal waste. These considerations define an increasing role of controlling as a component of the system of enterprise management, which provides qualified, reliable and current data that would underlie decision making.

This article analyses existing definitions of the term controlling, leading to a more accurate definition of this concept. Controlling is a component of the management system of an enterprise as a whole as well as its divisions and separate processes. Controlling facilitates planning, coordination, and control of various activities of the functional subunits and provides data necessary as a background for management decisions. The main goal is to provide utilization of all available resources necessary for the function and evolution of the enterprise in the long-term.

The purposes of controlling include continuous monitoring of the variations of the economic environment and formulation of concrete milestones that lead towards the final objective of the enterprise. Controlling employs accounting data as its base and studies phenomena and processes occurring at the enterprise with the goal to indicate weaknesses, compare real achievements with planned milestones, and analyze the reasons for the observed deviations. Controlling also offers to management steps for the improvement of the enterprise perfor-

mance. With respect to management decision making, this author defines controlling as a limited to data collection, preparation of decisions and discussion of alternatives, rather than decision making per se.

The authors provide a graphic representation of the place and role of controlling in the system of enterprise management. This graphic illustrates how within the management process the functions and the tasks of controlling help to acquire and analyze information on the environment, to set milestones, standards, norms, and they are compared with the actual read-outs. In the case of deviations, controlling allows analysis of the reasons and suggests improved management solutions to higher management.

Currently, business training, seminars, conferences and school programs in Ukraine offer a "new" viewpoint on controlling. In practice, however, the national specificity, mentality and historic circumstances bring about a line of problems related to uncritical transfer of foreign controlling concepts to Ukrainian businesses.

Thus, it is important to introduce a system of controlling as an independent constituent system that will lead to the effective management of available resources, timely response to inherent variability of operations, and develop and process distinct management solutions with the ultimate goal to maximize profit and minimize risk of modern enterprises.