

CONTROLLER[®]

CONTROLLING INTERNATIONAL

Magazin

SPEZIAL

THE CHALLENGE OF VOLATILITY. CONTROLLERS' ABILITY TO EMERGE AS WINNERS.

ICV and IGC:
New Controller's Mission Statement
and the Essence of Controlling

ICV: **Dream Car Report 2013**
Croatia: **Lifecycle status: Stage of growth**
Hungary: **Same challenges everywhere**



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*CP-Development team,
responsible for the development
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Welcome to the 2013 issue of "Controlling International"!

With their contributions, the working group heads of the International Controller Association (ICV) in six European countries have contributed greatly to its success. Thank you very much! Thank you also to Professor Dr Heimo Losbichler, Deputy Chairman of ICV, who shares information about the latest developments in the International Group of Controlling (IGC), and to all the other authors in this issue!

"Controlling International" once again features reports from around the world to illustrate the dynamic development of the European controlling community, for which the ICV provides a networking and knowledge transfer platform. The success of this international interaction is evident in the IGC work results presented here, and the reports of international ICV meetings: from Barcelona via Belgrade (Serbia), Portoroz (Slovenia) and Poznan (Poland) all the way to Zagreb (Croatia).

The ICV is making great efforts to constantly improve communication within the dynamically growing international controlling community. The exchange of relevant information, technical discussions and real networking must not be impeded by linguistic barriers. We are therefore in the process of developing the international English-language ICV website into a meeting place and a hub for news and technical content. The "ICV Ideenwerkstatt", for example, publishes its latest work results there on an on-going basis. Alongside its free monthly English-language "International Controller's e-News" newsletter that is accessible to everyone, the ICV also publishes an English-language "ICV Bulletin" exclusively for association members, which always features selected contributions from "Controller Magazine".

I hope you will enjoy reading this issue, and I would be delighted if our "Controlling International" inspired you to take on an active role in the International Controller Association (ICV) – no matter in which country you live and work.

H.-P. Sander

Hans-Peter Sander
PR / Social Media ICV



NEW CONTROLLER'S

AND THE ESSENCE OF CONTROLLING



Prof. Dr. Heimo Losbichler,
Chairman of the
International Group of
Controlling IGC
and
Vice Chairman of the
International Controller
Association ICV



TODAY'S ECONOMIC ENVIRONMENT *increases the need for good controlling and effective controllership. Due to the accelerating pace of change, controlling and controllers have to adapt constantly. This situation has given rise to two remarkable publications, "IGC's controller's mission statement" and "The Essence of Controlling – The Perspective of ICV and IGC".*

The primary goal of the International Group of Controlling (IGC) is to establish an internationally accepted controlling philosophy. IGC's publications, in particular the controller's mission statement, created an internationally recognised foundation for effective controllership. The mission statement was first published in 2002 and was a milestone in defining the role of controllers as proactive, complementing partners of management, who support managers comprehensively. The mission statement was met with wide recognition for having set a new standard. Major international associations such as IMA and CIMA adopted IGC's role and responsibilities of controllers.

- **IMA:** *"Management accounting is a profession that involves partnering in management decision making, devising planning and performance management systems, and providing expertise in financial reporting and control to assist management in the formulation and implementation of an organization's strategy."*
- **CIMA:** *"Management accountants are trusted to guide critical business decisions and drive strong business performance. They combine financial expertise and business acumen to achieve sustainable business success. They understand how the different parts of the business need to come together."*

IGC's controller's mission statement is a great success, however the business landscape is rapidly changing. Higher expectations of management, increased volatility, new analytical IT tools, shared service centre organisation, and a broader range of activities raise new challenges for controllers. As a consequence, IGC decided to revise the mission statement carefully. The revision was finished in Vienna in January and was then approved at IGC's general assembly in Bucharest in June. The new mission statement is a minor revision, defining the role and responsibilities of controllers in today's competitive environment.

While the range of controller activities has broadened over the last years, the new mission statement is even shorter than the version from 2002. In this revision, IGC tries to follow the original idea of Albrecht Deyhle, who wanted to print the mission statement on the back of controllers' business cards. Due to the objective of a brief and concise wording, some important terms of the old version, such as transparency or joint responsibility are missing. However, the new mission statement comes with a supplement that explains the meaning in detail.

IGC has not only released its new controller's mission statement but has also published a remarkable paper on the fundamentals of our German

MISSION STATEMENT

OLD MISSION STATEMENT

14/9/2002

Controllers design and accompany the management process of goal-finding, planning and controlling and thus are co-responsible for reaching the objectives.

- Controllers ensure the transparency of business results, finance, processes and strategy and thus contribute to higher economic effectiveness.
- Controllers coordinate sub-targets and sub-plans in a holistic way and organise a reporting-system that is oriented towards the future and covers the enterprise as a whole.
- Controllers moderate and design the process of goal-finding, planning and management control so that every decision-maker can act in accordance with agreed objectives.
- Controllers provide all relevant controlling-information to managers.
- Controllers develop and maintain controlling systems.

NEW MISSION STATEMENT

8/6/2013

As partners of management, controllers make a significant contribution to the sustainable success of the organisation.

Controllers ...

1. design and accompany the management process of defining goals, planning and management control so that every decision maker can act in accordance with agreed objectives.
2. ensure the conscious preoccupation with the future and thus make it possible to take advantage of opportunities and manage risks.
3. integrate an organisation's goals and plans into a cohesive whole.
4. develop and maintain all management control systems. They ensure the quality of data and provide decision-relevant information.
5. are the economic conscience and thus committed to the good of an organisation as a whole.

“We support managers with information and we challenge their objectives, plans and outcomes at an eye-to-eye level.”

“We support managers comprehensively. We are neither number-crunchers, nor yea-sayers. Rather, we are sparring partners and take our share of responsibility for the company's success.”

As **PARTNERS OF MANAGEMENT**, controllers make a **SIGNIFICANT CONTRIBUTION** to the **SUSTAINABLE SUCCESS** of the **ORGANISATION**.

“The aim of controlling is to increase the company's value in the long-term rather than to maximise profits in the short run.”

“Controlling is not only relevant for profit-oriented companies but also for NPOs.”

Figure 2: Extract of the supplement to IGC's new controller's mission statement

controlling approach in collaboration with the International Controller Association (ICV). The paper “**The Essence of Controlling – The Perspective of ICV and IGC**” describes the core elements of controlling.

The comprehensive German controlling approach meant that practitioners as well as scientists always had difficulties defining exactly what the essence of controlling really is. While the controller's mission statement has provided a clear and

well accepted definition of the controller's role for more than ten years, this clarity of controlling as the managerial process of goal-setting, planning and control was missing. “The Essence of Controlling – The Perspective of ICV and IGC” is a milestone, providing an up-to-date view of the term “controlling” and the role of the controller. At the same time, it defines the official position of the International Controller Association (Internationaler Controller Verein, ICV) and the International Group of Controlling (IGC).

The paper is already translated available in eleven languages at www.controllerverein.com



The paper aims to support controllers, managers and teachers equally. For controllers and managers, it provides guidance for the design of the controlling process and the successful cooperation of controllers and managers. Teachers of universities and training institutes should use the paper as the new standard teaching material. “The Essence of Controlling – The Perspective of ICV and IGC” is available in eleven languages and can be downloaded at www.igc-controlling.org and www.controllerverein.com.

www.imanet.org/mgi/Management_Accounting.aspx

www.cimaglobal.com/Global/CGMA/Role_Of_Management_Accounting.pdf

INTERNATIONAL CONTROLLING COMMUNITY FOR AN EVER MORE GLOBAL WORLD



Dietmar Pascher,
*Partner and Trainer of the
Controller Akademie AG,
Manager International
Program*



The world of controlling is becoming increasingly international. More and more people are interested in the German and in the Central European way of controlling.

One year ago we started our LinkedIn Group Controller Akademie International and one year later we count more than 1,200 members from nearly all countries in the world. The fastest growing groups were observed in Spain and the Adriatic countries, who represent more than half of all the members. Nearly 100 members from Brazil are actively looking for our concepts, too. The download link for the ICV and IGC Controlling Perspectives was massively used.

In the comments we can read that our way of controlling is in some countries quite far away from what members experience, as Controlling and Finance departments are not separated (like in the German-speaking countries), and therefore financial reporting due dates dominate the daily business. One member from Denmark commented: "...but my experience is that controlling is mostly what I will call making numbers (monthly reporting) that are often prepared too slowly (i.e. they are too old) to get the attention from management..." Very often this is a vicious cycle. If the management does not feel too much benefit from controllers and don't even know what service they can (additionally) provide, they are not willing to dedicate more resources to controlling activities and to providing a better service. Members therefore appreciate the controlling perspectives as a fantastic "job description" they can sell to management.



CONTROLLER AKADEMIE OFFERS CMA® CERTIFICATION FOR PROFESSIONALS IN COOPERATION WITH IMA®

On the other hand, we can observe that more and more European participants of our seminars are additionally interested in the US way of accounting and the International Financial Reporting Standards. Not in competition to our controlling, but to complete an international career. When Controller Akademie started a cooperation with IMA (International Institute of Accountants) to carry out IMA's Certified Management Accountant (CMA) programme in Europe a year ago, we did not expect such an interest and demand for this certificate, which is highly acknowledged in US, Asia and the Arabic countries. At the same time IMA, as the biggest US association of management accountants, is looking to Europe and is very interested in our way of controlling.

On 24th June Conrad Günther, board member of ICV and Controller Akademie met with the President and CEO of IMA, Mr Jeffrey C. Thomson, William F. Knese, Chair 2013-2014, and Jim Gurowka, Vice President International Development, in New Orleans, where he handed over our controlling perspectives, in which they were very interested.

We are currently experiencing the controlling community coming closer and closer together all the time in an ever more global world. This promises exciting and interesting future projects and partnerships.

Happy controlling
Dietmar Pascher

DREAM CAR REPORT

HAVING PROJECTION ON BOOM AND CRISIS –
TO DESIGN CONTROLLING TO WITHSTAND VOLATILITY!

Dream Car of the “Ideenwerkstatt” at the ICV 2013 / A summary



Three times per year an “IW-Quarterly” titled report is published by the ICV “Ideenwerkstatt” at www.controllerverein.com in English.

In April 2013 the 3rd Dream Car Report of the “Ideenwerkstatt” was presented. The ICV “spin doctors” always strive to tackle the most relevant, innovative topics and thus to provide the controller community with important stimuli. Their report is dedicated to the topic of “Volatility”. Volatility is becoming an increasingly dominant factor in business. It strikes increasingly often both in all aspects of the business environment and in companies themselves, and those strikes are becoming increasingly serious and increasingly unexpected. What can managers and controllers do about this?

The world is becoming more volatile. This insight comes not only from the world of science but also that of business. There are enough examples of this: severe ups and downs on the markets for raw materials and stocks, or ever-shorter product lifecycles. As first advisors to top management, controllers must recognise this and consider the impacts of volatility when it comes to the performance management of companies.

answer it, you need to understand the causes and causal effects of the drivers of volatility for a company. However, volatility does not have the same impact on all companies; it can have many shapes and causes. It is absolutely vital to carry out a volatility analysis which is tailored to suit the specifics of your company. Yet, measuring volatility is not an end in itself: the underlying intention is to develop volatility indicators which give early warning of changes. This, in turn, should improve the pool of information available for management decision-making.

Before you can react to increased volatility, you first have to quantify it. To do so, you must answer three questions: what should be measured, how does the height of the fluctuations change and how great is the degree of the fluctuations? Of those, the first is the most important one. To

THE TRIPLE-A OF AGILITY, ADAPTABILITY AND ALIGNMENT

At the strategic level, creating the ability to change (versatility) and introducing resilience management are suitable approaches to countermanding increased volatility. Versatile companies can

adapt their cost and earnings structures rapidly to new or continuously changing circumstances. This goes beyond the basic concept of flexibility to what is seen as flexibility of a higher order. However, not everything can be mastered with the help of a high degree of versatility: in times of high volatility especially, unpredictable events and developments can threaten a company's business. Resilience management should enable companies to reduce the negative effects of such unforeseen events.

Corporate performance management in volatile environments should focus on three key abilities, known as the triple-A of Agility, Adaptability and Alignment, which enhance classical management control with organisational, cultural and staffing aspects. Agility describes the ability of a company to adapt to short-term market fluctuations. Adaptability is the ability to react and to adapt to structural market changes in a timely fashion. Generally, these two key qualifications can be achieved by adapting and developing the classic management control systems of planning and performance measurement

Alignment is seen as the target-based alignment and coordination of global, decentralised corporate structures.
Changing tools

“As first advisors to top management, controllers must consider the impacts of volatility when it comes to the performance management of companies.”

also give rise to modified or completely new processes in controlling.

Additionally, increased volatility requires even closer cooperation between the manager as designer and decision-maker and the controller as business partner.

Both manager and controller face new challenges as a result of increased volatility. Existing tasks must be further developed and at times intensified and refocussed. One essential prerequisite for the success of volatility-proof performance management is a cultural shift in the cooperation between manager and controller. More than ever, the controller must take on and live the role of business partner.

The aim of the “Ideenwerkstatt” (Dream Factory) of the International Controller Association (ICV) is to systematically observe the field of controlling and recognise major trends. From this, the Dream Factory develops the “dream cars” of the ICV, thereby making a major contribution to ensuring the ICV is seen as the leading voice in the financial and controller community. Ideas and findings are transformed into concrete, working products in ICV working groups or other project groups. Members of the Dream Factory are renowned representatives of the field of controlling from the corporate world and academia.





7th INTERNATIONAL CONTROLLER CONGRESS

IN POZNAŃ



Anna Włodarczyk,
ICV office Poland, member
of the ICV team PR /
new media, Poznań.

There are optimistic conclusions from lectures and discussions held at the ICV Congress in Poznań on 18-19 April 2013. Although the tasks of a controller are by no means easy in the context of the challenges posed by the 21st century, speakers showed that it is possible to continue increasing effectiveness. It was difficult to choose the most interesting lectures.

Professor Kochalski, Poznań University of Economics, was speaking about how public institutions of education have changed. Now it is necessary to professionalise management at universities too, and developing strategy is the first step in the process. The next step is to implement it. Poznań University of Economics was the first Polish higher education institution to be officially accepted as an ICV corporate member.

Professor Peter Horvath, Managing Director of IP-RI, Co-Head of "Ideenwerkstatt" ICV, talked about the sustainable development of a business using examples of large corporations such as Bosch, Hansgrohe or Siemens. He talked about creating lasting corporate value based on a proper stimulation of sales growth, efficiency, infrastructure and risk management. He highlighted the behavioural side of controlling.

A speech by the Head of the WG Szczecin showed how crucial creating value in a business is. Aleksander Socha, Ramirent S.A., illustrated how to map data for sourcing purposes and how to design communication between data and controlling section. A solo effort will no longer be enough.

The long-standing member of the ICV referred to the ICV's 10 core elements of controlling – which are actually alive in that business.

Dr Walter Schmidt, member of the ICV Board, outlined new possibilities for development coming from the controlling think tank – ICV expert groups. They now focus on topics such as business intelligence, communication controlling, modern budgeting, project controlling, working capital controlling or eco-controlling. Controlling is to show the owners how crucial their role is – Valentin Usenkov, President of the Club of Controllers in Kaliningrad, argued that those who concentrates on their departments and running their business as an organisation are less interested in customers, and this is why the business loses value. Therefore, it is essential to establish a relationship with the customer. A controller should be the manager's partner.

**8th International Controller Congress:
27-28 March 2014, Poznań, Poland.
Contact: anna.wlodarczyk@icv.pl**

GROWING DEMANDS ON THE PROFESSION OF CONTROLLERS

RESULTS FROM THE WARSAW WORKING GROUP MEETING



The economic difficulties of modern enterprises place great demands on the profession of financial controllers. Every day managers make strategic decisions, often risking more than they are able to lift in their imagination.



Edyta Szarska,
ICV working group
Warsaw, Poland.

Any projections, estimates and wise risk reduction allow to manage the organisation in accordance with the strategy. High-level strategic management quickly learn from mistakes and immediately notice the emerging opportunities. Thus, all the innovative and simple tools of strategic management are the most important area of modern controlling.

That was the reason why the Warsaw working group decided to meet to discuss the topic of "Strategic results analysis". The 13th Warsaw WG meeting took place on 16th/17th of May 2013 in Konstancin – Jeziorna, a health resort located approx. 18 km to the south of Warsaw's city centre. Dwor Macieja is a place with stylish interiors, the best for such a mix of difficult subjects and relaxing away from the hustle and bustle of city life. Konstancin Jeziorna is located in Chojnów Landscape Park, the greatest forest complex near the southern part of Warsaw.



The meeting was conducted by Karol Sikora, head of the Warsaw Working Group.

Michal Chalastra, the main guest of the meeting, is a well-known controlling advisor of Polish companies. As Gdansk University controlling and management accounting lecturer, he is also a Member of the Programme Board of the Polish magazine "Controlling i Rachunkowosc Zaradcza".

PARTICIPANTS OF THE MEETING DISCUSSED THREE MAIN POINTS:

- Structure of profit and loss account based on strategic management principles as an innovative approach to the use of complete financial and business information
- Costs analysis for management – best practices of strategic cost management as strategies for effective cost optimisation efforts and enhancing efficiency in building sustainable competitive advantage
- Strategic budgeting based on Du Pont pyramid indicators, meaning how to apply knowledge of strategic planning and forecasting in practice

Managers have new expectations of controlling information. They need more forecasts and faster predictions of results, risks and opportunities. Exchange of experiences between all the participants opened up new perspectives on the key issues for strategic management and planning.

The next **Warsaw WG** meeting is planned for **24th/25th of October 2013** with the topic of "One page reporting". The main guest of this meeting will be Herwig Friedag.

Contact at Warsaw WG: karol.sikora@icv.pl

MORE THAN **800 BIG PROJECTS** & **5.000 SINGLE STEPS**



Hans-Peter Sander,
Head of ICV Team PR /
new media.

On 7 February 2014 the XXII Olympic Games will start in the Russian Black Sea Resort Sochi. Until then 51 billion dollars will have been spent on this event since 2007, with 33 billion dollars coming from private donors. The biggest part of the costs is absorbed by infrastructure covering an area of more than 100 km, commencing in Sochi and extending along the Black Sea coastline up to the village of Adler, home of the airport and the Olympic Park ("Coastal Cluster"), and from there another 45 km up into the Caucasus Mountains to the winter sports village of Krasnaja Poljana ("Mountain Cluster"). 66% of the costs are spent exclusively on transport infrastructure (46 objects), whereas constructing the sports facilities costs a mere 6.6 billion dollars.

In the winter season 2012/2013 the whole region seemed to be one large construction area; nevertheless it was possible to host Russian as well as international competitions in almost every Olympic stadium. "Controlling International" had the opportunity to visit this impressive construction area in March 2013 with some of its Olympic sites still being under construction. Thanks to the friendly support of the Russian Controlling Association with its president, Professor Dr Sergey Falko, a meeting about the management of this gigantic project could also be arranged with Mr Hamit

Mavliyarov, the First Vice-President of Olympstroy, the state-owned company responsible for the construction of the Olympic sites.

Olympstroy, which was founded in 2007, is the coordination hub with responsibility for a comprehensive programme including the building of the infrastructure for the Olympic and Paralympic Winter Games 2014 as well as being responsible for the long-term development of the region, which is financed by national as well as private investments. In addition to the actual athletic sites and the infrastructure directly related to the sports events, numerous projects are included in the development of the region of Sochi: starting with rail connections, streets and ports, continuing with water and electricity supply including new power plants and transformer stations, telecommunications, health institutions, and terminating in the building and relocation of new villages as well as coastal protection. The ecologic challenges to be solved are extremely complex and cost intensive due to compensation tasks.

Consequently, based on "integration management", the overall project management has to control a variety of projects – realised by Olympstroy as well as by external contractors – in such a way that the overall goal will be achieved. The Olympstroy management benefits from Hamit



Mavliyarov's experience as minister of construction of the Russian Republic of Bashkiriya, as member of the Moscow presidential administration, and as top manager of very big infrastructural programmes such as the Summit of the Asian-Pacific Economic Community (APEC) 2012 in Vladivostok and the Summer Universiade Kazan 2013.

Mavliyarov reported that after he joined Olympstroy at the beginning of 2011 he had installed a programme with a schedule for the third and final period of the construction projects on the initial basis of an extensive situation analysis also investigating all current sub-projects. This project plan had shown a realistic picture of the situation and to implement it, the management team had been enlarged by construction specialists. The new central planning model of Olympstroy had afterwards become the project standard for all other companies as well as administrations which were involved in the overall project. "For the others involved this was a totally new management system at the beginning" reported Mavliyarov "but with the old methods it did not seem to be possible to realise the project in the given time frame."

PUTIN KNOWS EVERY DETAIL OF THE PROJECT

More than 800 big projects are part of the project management of Olympstroy, which are presented in monthly reports. For an effective risk management, the provided schedule has to be followed at all times, and the special risk-relevant projects are reported on weekly. All projects are structured in detail so that in the end more than 5,000 single steps can be monitored. How the critical path analysis is implemented is described by Mavliyarov in the following example: "13 athletic sites are connected with 29 regional infrastructural projects. This means that temporal and content-based relations are realised between the very different sites – which of course have to be observed and documented, respectively." In the aggregated top reporting, the

status of the project can be traced by different colour markers. In case a status is red, it will be examined by external governmental institutions twice a month. These are headed by the Russian Deputy Prime Minister Dmitri Kosak, who always has access to all the information. The Russian President Vladimir Putin also knows every detail of the project very well, states Mavliyarov.



At Olympstroy the term "controlling department" is not used. There are two specific departments working on the "controlling of the plan fulfilment" and on the "monitoring of the risk". At the headquarters standardised worksheets are used as "controlling devices" gathering all key information on each project (e.g. "Central Stadium"): from the name of the responsible person to the level of termination. The "monitoring department" ensures that the 1st Vice-President of Olympstroy receives the information on every project within three minutes, also with regard to external projects not realised by Olympstroy but by other construction companies with external orders. Hamit Mavliyarov reports that the employees generating the reports are authorised to address responsible project managers by themselves directly and, for example, to announce the status "red" to them. This means they do not just need financial and technological know-how but also excellent analytical and communication skills, according to Mavliyarov.

Hamit Mavliyarov,
1st Vice President of
Olympstroy

Victoria Karmanova,
Head Accountant of
Olympstroy (March
2013), university lecturer
at Baumann University
Moscow

Prof. Dr. Sergey Falko,
Head of the Russian
Controller Association,
Baumann University
Moscow



CONTROLLING IS ...

A BEHAVIOURAL CHANGE!

SERBIA



ICV Serbia has 130 members with paid membership fee, and we are the no. 4 country by the number of members in the ICV universe (Germany, Austria, Switzerland and Serbia). Our goal is to be ranked second.



Bojan Šćepanović,
Head of the ICV working
group Serbia

I am often asked: **“What are the reasons for success in ICV Serbia? What are you doing differently than everyone else?”** My formula for success is simple:

Success = high goals + hard work + positive attitude

+ High goals. ICV Serbia was founded two years ago. When we started to operate we had seven members and my goal was clear: “I want us to be no. 2 in the ICV controlling universe.” Some would say that we're too ambitious, that we're unrealistic, that we don't respect the “elders”. I don't mind that. High goals make the world go round.

+ Hard work. Have you ever organised a free-of-charge meeting for 130 controllers? You have to find and book a meeting room and find sponsors and money. You have to call each of the 130 controllers several times, remind them and ask them to come to the meeting. You have to provide them with good food and drinks, useful materials and interesting speakers. This is not a job that you'll finish in five minutes. You have to work hard to achieve your visions.

+ Positive attitude. Some would say that the situation in Serbia is very bad for the development of controlling:

- GDP per capita of EUR 8,000, 35% of the EU average
- Unemployment rate of 25%
- Serbia is not an EU member and will not be for another 10 years
- Controlling is very poorly developed in companies
- There was war in Serbia 20 years ago, and its capital, Belgrade, was heavily bombarded for three months 13 years ago. It is interesting that Belgrade is the only capital in Europe that was bombarded in the last 60 years.

The 8th ICV meeting with the main topic “How Microsoft Can Assist Controllers” was organised at Microsoft Serbia in April.





My message is: ***“If you cannot change the situation, change your attitude about the situation. Think positively, look for chances, be energetic. And don’t forget to have fun all the way. Life is too short to be serious all the time.”***

In addition to the fact that ICV Serbia has 130 members, we have managed to set a few minor and major records:

- 1st ICV Controller Congress with 142 attendees
- 10 ICV meetings in two years
- For the first time, a Sales Controlling public training in English was held outside Germany in cooperation with Controller Akademie
- For the first time, a Management Report public training in English was held outside Germany in cooperation with Controller Akademie
- For the first time, a Controlling Academy was held applying the Controller Akademie Gauting content and programme
- For the first time, the Controlling & Controller book was translated into another language (Serbian).

Some would say that this is a huge success in two years. But we think that this is only a “modest” start and that we are just preparing new surprises for 2014.

If I wanted to send a single clear message from Serbia, it would be the following:

Controlling is not an XLS, PPT, Contribution 1 or any other controller report.

Controlling is ... an attitude change.

Think positively and start changes.

142 guests took part in the 1st ICV Controller Congress in Serbia.



LIFECYCLE STATUS:

STAGE OF GROWTH



The Croatian ICV working group is about to celebrate its third anniversary this autumn. Looking at it through the stages in a lifecycle, we are currently at stage 2 – the stage of growth.



Jasmina Ocko,
Controlling Consultant,
Kognosko, Leader ICV
working group Croatia

One thing is for certain – the stage of introduction is behind us. Our workshops have been attended by more than 350 interested people coming from the most diverse backgrounds. They have all wanted to hear what the whole thing was about. Almost 60 members have actively joined us so far.

The beginnings, when no one in Croatia knew about the ICV, were the most difficult and challenging times. Getting people to come to the first workshops required a lot of meetings and the activation of all the available controlling resources and capacities. But the number of members started to grow soon, and each new workshop was even better than the previous one.



This year has been the best so far. In the first half of 2013, two seminars given by Controller Akademie and trainer Dietmar Pascher were organised. These two events were the best way to test the level of preparedness of the Croatian public for controlling, but were also the result of an enor-

mous amount of involvement in terms of marketing through the previous years. The seminars were attended by 170 participants in total (the first by 50, and the second by as many as 120!).

Dietmar was also a guest at our ICV workshop, which focused on “The Calculation of the Cost of Goods Sold”. Needless to say, the turnout was record-breaking, with the number of members having increased significantly after his guest lecture. There is no doubt in my mind that guest visits and lectures by colleagues from German, Austrian or others ICV groups are welcome and highly appreciated. Which is why I have already booked our next guest for 26 May 2014 – Mr Herwig Friedag. So after three years, we can most definitely say that – the ICV has found a home in Croatia! I am convinced that claiming that there is no controller who has not heard of the ICV is no exaggeration. Ready and determined, we have entered stage 2 of our development – the stage of growth. Our strategic goals have changed accordingly, and the accompanying plans how to reach these goals have been worked out in great detail.

OUR WORD OF MOUTH MARKETING WORKS BRILLIANTLY

There were two things characteristic of the first stage of introduction. More specifically: a) sending open invitations to the workshops to a large number of potential members, and b) uncertainty as to where the workshops were to be held. Both have now changed.

Now, members no longer need convincing that they should come and participate; they now come of their own free will. Having a great many new faces at every workshop was necessary at the

beginning, i.e. at the stage of promoting the ICV in public. The drawback was that our regular members could not do quality work with a number of participants changing at every workshop. We simply needed to “survive” that stage and greet a larger number of regular members. We now believe that we both want to and can grow by communicating our satisfaction to our colleagues around us, since people have been well informed

about the work that the group does, the results are easy to recognise, and our word of mouth marketing works brilliantly. Some of our most loyal members, those who are truly interested in working together, have joined through word of mouth. We believe that we shall gain in quality significantly if we follow this path. Our goal is not growth at all costs, it is not amassing members. Our goal is creating an incubator of people who share a common vision and mission, who network and gladly exchange experiences.

For three years before each workshop, we had worried about a fundamental question – where the workshops would be held. What helped me, as leader of the Croatian ICV working group, was personal acquaintances and friends, who have been kind enough to let us use

their business premises free of charge. But that most definitely could not last forever. Besides, it is indeed necessary to have a “headquarters” to be able to do serious work and develop in a quality direction, a place where everyone can “feel at home”, and which is available whenever there is a need for it.

This “premises problem” was solved last summer with the opening of a new controlling centre intended essentially for training in controlling. The Croatian ICV working group has been given “shelter” in the centre as well. We now have 110 m2 available, which can be used both for our workshops and informal gatherings after a hard day’s work.

Another event which is to take place this year (on 5 November 2013) in Zagreb will do a lot in terms of the affirmation of controlling and ICV. Namely, the 1st International Controller Congress in Croatia, the goal of which is to gather the largest

number so far of managers and controlling experts from both Croatia and the region in one place.

Controlling must become the “highlight” of entrepreneurs in the region. This will be a great opportunity both now and in the future for the presentation of our colleagues from ICV working groups from around Europe.

Those, of course, who will want to. Preparations have been in full swing since early spring – besides through

all the regular internal and in-house marketing communications with the controlling public, the congress has been advertised in leading business media since May.

We are ready to grow and develop in the years to come, to expand and share our knowledge, and to attract like-minded people. The development of controlling is our mission. It is a long-term process which requires the investment of time. The most difficult period is now behind us. I strongly believe that marked shifts to an improved and quality controlling in Croatian companies will soon become evident all around us.



The goal of the Croatian ICV working group is creating an incubator of people who network and gladly exchange experiences.



FIVE YEARS

OF THE INTERNATIONAL CONTROLLER ASSOCIATION IN SLOVENIA



Dragica Erčulj,
Head of the WG Slovenia
and ICV Regional Delegate
South Eastern Europe

After receiving a certificate from the School of controlling Slovenia as proof of their knowledge of controlling, students wished to continue to grow professionally. Or as they expressed it themselves: controllers in Slovenia need “an anchor” to bring together like-minded people. So, establishing a working group under the umbrella of the ICV International Controller Association – at that time an already highly respected and well-known association – seemed to be the perfect choice. We saw a great opportunity to join the ICV and to accept Deyhle's controlling as it is very close to the Slovenian state of mind.

The history of the ICV in Slovenia goes back to March 2008, when the inaugural meeting took place.

Dragica Erčulj, head of the School of Controlling in Slovenia, invited Dr Alfred Blazek (former partner and trainer at Controller Akademie) to come to Slovenia and help her with the initiation of the first ICV working group. The presenter was Dr Herwig Friedag, who at that time was responsible for the ICV in non-German speaking countries. In March 2008, the first ICV meeting in Slovenia began with the topic of “Strategy development and implementation with the Balanced Scorecard”. The number of participants and the interest in the topic showed how high the need for controlling knowledge was. Many highly qualified employees in Slovenia from different business areas (budgeting, finance and accounting) started to discover the philosophy of controlling and its components: how to think strategically, how to report on the proceedings, how to act respectively, and how to communicate more transparently.

The form of the meetings has changed from the beginning to today. The present economic situation also influences the controller's daily work and the working group's activities as well. In the past we used to have away meetings lasting two days, but lately the working group has preferred one-day meetings. For five years there have been many topics and many presenters – mostly from inside the WG Slovenia. Slovenian members are interested in topics like “Budgeting”, “The Role and responsibility of a controller”, “How to persuade managers to listen to the controllers”, “Reporting systems”, “KPI”, “Product costing”, and “Cost planning, cost management”. The evening integration, social gathering and exchange experience are indispensable parts of the workshops. In this way the controlling philosophy is spread. Among our members are those who are experienced and those who are just beginning their careers as controllers, managers and consultants; they come from international corporations and from small companies, even one-man businesses. What is common to all of us members? We believe in controlling: this is the way to achieve business objectives successfully.



THE SPANISH WORKING GROUP

OF THE ICV



Ulrich Müller Bosom,
Leader ICV Working Group
Spain

The Spanish working group of the ICV (International Controller Association) was one of the principal supporters of the 5th Catalan Congress of Accounting and Management, which was mainly organised by the ACCID (Catalan Association of Accounting and Management, which has more than 10,000 members) and held on the 6th and 7th of June in Barcelona with around 850 participants. Auditors, accountants, fiscal consultants, professors as well as controlling experts and managers of companies and public administrations participated in one or several of the six simultaneous conferences and 28 simultaneous work sessions. The wide range of controlling topics on offer was organised by the working group ICV Spain. Considering the current economic situation in Europe, the speeches and discussions focused on solutions to stimulate economic growth.



“With the support and commitment of the ICV, the 5th Catalan Congress was further enhanced by controlling topics.”



The president of the ICV working group Spain, Ulrich Müller Bosom, qualifies the success of the 5th Catalan Congress in Barcelona for the ICV as “very high”: “This congress is one of the most important events addressing financial issues in Catalonia. Not only the simultaneous conferences with Karl-Heinz Steinke and Dietmar Pascher but also the three simultaneous work sessions, which were facilitated by the ICV, were attended

by many participants, who later evaluated the speeches and work sessions as very good and interesting. Therefore, the ICV Spain has already secured a place at the next congress, most likely at the end of May 2015. Furthermore, several participants of the congress expressed their interest in joining ICV.

WHICH FURTHER ACTIVITIES DOES THE ICV SPAIN ORGANISE?

In order to enhance controlling know-how at companies and institutions in Spain, there are many events that are organised by the ICV. There is, for instance, the monthly “Stammtisch”, which is an informal meeting, usually with a well-known speaker who talks about a specific financial or controlling topic.

Furthermore, the ICV working group Spain organises two-day seminars twice a year in cooperation with Dietmar Pascher from the Controller Academy of Germany. This year the topics were “Controlling: A modern approach” and “Decisive reports for Management”.

The seminars were held in Barcelona and were well-attended. Due to the vast interest and request from Madrid, one of the two-day seminars will be held in 2014 for the first time in the Spanish capital city. In the near future, the president of the ICV working group Spain, Ulrich Müller Bosom, will offer these training sessions in Spain as well. Other events that are organised by the ICV are breakfast meetings with a speaker who talks about a current topic regarding corporate environments, and finance and controlling themes in collaboration with Ernst & Young.

Moreover, the ICV company visits are worth mentioning, as they offer an opportunity to gain insight into different production and controlling processes through guided company visits. A good example this year included the visit to the leading winery Bodegas Torres.



SAME CHALLENGES EVERYWHERE



Both the Successful Controller Survey and the 25th Budapest Management and Controlling Forum showed that world-class controlling knowledge is present in Hungary.



István Radó,
Senior partner, IFUA
Horváth & Partners
member of the Managing
Committee, International
Group of Controlling

We can say modern controlling in Hungary celebrated its semi-jubilee this year. After all, the first Budapest Management and Controlling Forum was held in 1989 and this June we organised the 25th Forum. This was a good opportunity to find out where the controlling profession stands in Hungary nowadays and what controllers think about their tasks and challenges. In order to get answers to these questions, we conducted a survey entitled Successful Controller Survey and then compared the results with the similar survey by Horváth & Partners in Germany.

We found Hungarian and German controllers have a lot of things in common, but there are differences as well. Both Hungarians and Germans regard analytical thinking and resilience as the most important and second most important competence, respectively. This means that presenting data isn't enough any more; analysing and understanding the background has gained importance in both countries. Similarly, the demand for information has grown considerably; that's why controllers must be able to work under pressure. Another similarity is that team orientation / cooperation was ranked third by the Germans and fourth by the Hungarians.

On the other hand, the Hungarians put client orientation / consulting competence in 3rd place (that is controllers have to be business partners of the management), while the Germans found it less important (10th place). The reason for this may be partly that Hungarian companies are much smaller than German ones, so German controllers work far from the management, unlike Hungarians. While Germans found business insight very important (5th place) Hungarians

ranked it only 12th. Similarly, Hungarians haven't recognised how important communication skills are, which is why they ranked them 13th compared with 7th among Germans.

In any event, the challenges faced by controlling professionals in Hungary in general are very close to those of their German colleagues. They work in a volatile environment so they have to produce more and more information, ad-hoc reports and forecasts for the management. They have become a business partner but not a change agent. They have to work together with the whole management and not only with the no. 1 boss of the company. They must cooperate with other teams and divisions, and they often face conflicts.

WORLD-CLASS CONTROLLING KNOWLEDGE IN HUNGARY

The 25th Budapest Management and Controlling Forum showed that world-class controlling knowledge is present in Hungary. The programme was worthy to the semijubilee; CEOs and CFOs of the largest Hungarian companies gave presentations. I can feature only some of them here.

The keynote speaker was Mr Frank Klein, CEO of Mercedes-Benz Manufacturing Hungary. Daimler AG decided to build a new plant in Kecskemét, Hungary in June 2008. They laid the foundation stone in October 2009 and built in 300,000 square metres within twelve months. Mr Frank Klein recalled what Mercedes-Benz has done in Kecskemét and uncovered how they would like to ensure long-term competitiveness in Hungary. Javier González Pareja, General Manager of Robert Bosch Hungary, Croatia, Slovenia disclosed some details about how they create and secure values. Robert Bosch Hungary produces 2% of



Frank Klein,
CEO of Mercedes-Benz
Manufacturing Hungary

CONTROLLERS ARE CHALLENGED IN SIMILAR WAYS.



the country's GDP, has 8500 employees, 1000 of which work in R&D. They manage the profitability of the growth with simplified value-based management. They think sufficient liquidity has to be earned in order to secure financial independence. The key figure of creating value is Operating Value Contribution (OVC). In order to secure value, quick responses are needed in volatile markets; that's why they use flexible processes and structures and carry out analyses with the Break-even-Point (BEP) and with scenarios.

"In order to secure value, quick responses are needed in volatile markets"

Anna Charlotte Meyer Poulsen, General Manager of Grundfos Financial Shared Services spoke about Finance in Grundfos, a world class finance organisation proactively collaborating with stakeholders to provide insightful and timely financial services. An important part of the system is the operative Shared Service Centre – called GSS – which serves 35 companies from Budapest.



Anna C. Meyer Poulsen,
General Manager of
Grundfos Financial Shared
Services

ROOTING THE ICV CONTROLLING PHILOSOPHY

Controlling as known in German-speaking regions was definitively influenced by Albrecht Deyhle and the International Controller Association ICV. The ICV's internationalization strategy is aimed at rooting this controlling philosophy in neighboring countries. The International Controller Association is meanwhile represented in 15 European countries.

The ICV offers the opportunity to exchange ideas both within these countries and across borders. The association translates its most important publications for controllers in these countries into English or, in some cases, the relevant national language. In doing so, the ICV supports international groups with their expansion into Europe and the development of the local controlling expertise this entails.

The ICV working groups outside of the German-speaking countries:



Member benefits

- Access to controller know-how at international level
- Contacts to controllers and CFOs in Europe
- Working group meetings as practically focused, free further education
- Co-authorship of future-focused controlling concepts and tools

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IN EUROPE



Thanks to its members in those countries the ICV can draw on an excellent network of specialists who are familiar with general local economic and intercultural conditions. The ICV is able to establish contacts locally, which can also be used in recruitment assignments.

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SUCCESSFUL POLISH-GERMAN WORKING GROUP



There is a new cross-border working group: the ICV's Polnisch-deutscher Arbeitskreis (PDA) (Polish-German Working Group) was founded in February. The 3rd meeting, a workshop on the topic of "Controller Shared Service Centre", took place in May and was organised by Polish-German



teams. The languages of the workshop were English and German. The working group is managed by two working group leaders: Małgorzata Podskarbi, Volkswagen Poznań Sp. z o.o., and Silke Lehmann (pictured), Evelin Brandt Mode GmbH.



CORPORATE MEMBERSHIP MORE AND MORE POPULAR

Corporate membership of the ICV is becoming more and more popular. 75 enterprises now support the Association and receive many benefits in exchange. The corporate membership of the ICV provides access to our international community: with a wide range of further training opportunities on current issues, through the exchange of knowledge at our events, or via our print and online media as well as the face-to-face meetings within the regional working groups. (Picture: The ICV board members Dr Adrianna Lewandowska and Dr Walter Schmidt welcome Dr hab. Cezary Kochalski, Poznań University of Economics, the first university in Poland which became an ICV company member.)



RUSSIA: "PRACTICAL CONTROLLING" AT THE KALININGRAD CONFERENCE 2013



The 6th International Controlling Conference in Kaliningrad in July was organised by the Club of Controllers Kaliningrad and supported by the International Controller Association ICV. Both organisations have been cooperating since 2007. The initiator and leader of the conference entitled "Practical Controlling" was Valentin Usenkov (pictured), President of the Club of Managerial and Financial Controllers (Kaliningrad, Russia). ICV speakers from abroad were Edyta Szarska, Robert Panufnik (Poland) and Hans-Peter Sander (Germany).

ICV WORKING GROUP UNITED KINGDOM ESTABLISHED



In October 2012 the ICV working group United Kingdom was established in London. Head of the working group is Mrs Milena Heim. At the second working group meeting, members discussed the topic of "Controller vs. Management Accountant" and what is expected of the future of the youngest working group in the ICV.





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