

CONTROLLER[®]

Magazin

SPECIAL

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CONTROLLING INTERNATIONAL

The new normal

UNDER CONSTRUCTION

UNDER CONSTRUCTION

UNDER CONSTRUCTION

UNDER CONSTRUCTION

Successful on the path
to transformation

Modern controlling
is "two-handed"

Controller as
change agent of
the new normal

UTION

UNDER CONSTRUCTION



**Conrad
Günther**

Chief editor and publisher



**Hans-Peter
Sander**

Team PR / New Media, ICV

Dear readers,

The coronavirus pandemic and its consequences have dominated our lives over recent months – all of us, in every country of the world. And still we don't know what will happen in the months to come.

Nonetheless we are all trying more and more to accept these extraordinary circumstances as “normal” and are preparing ourselves and our companies for what we can now call the “new normal”.

What does this mean for our companies? What are the consequences for business models, processes, and organizations? What changes will become necessary? Controlling plays a key role in analysis, planning, and support. Strategies need to be adapted, financial frameworks set, scenarios modeled, and impetus given. As a business partner of the management, often conflict-ridden decision-making needs to be supported so that the company can emerge from the crisis stronger and fit for the future.

This year's international Controller Magazin Special promises a wide range of insights: Which challenges the Covid-19 crisis presents companies with and how to meet them. That digitalization continues apace and will if anything be implemented even faster as a result of the pandemic. And why controlling and good management systems are even more important in the crisis than before. ICV managers report from countries where the International Association of Controllers (ICV) is active with regional networks. We thank them and all the other authors for their interesting and varied contributions, without which we would not have been able to publish this special edition.

We wish all our readers success, confidence, and of course good health for the challenging times ahead.

Conrad Günther,
Chief editor and publisher

Hans-Peter Sander,
Team PR / New Media, ICV

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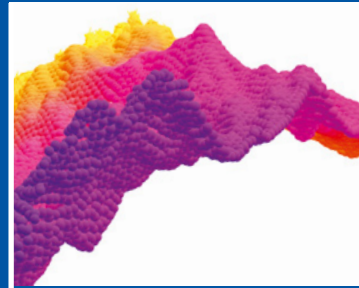
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Successful on the path to transformation

ICV

The – virtual – ICV General Assembly 2020 on May 28 was a successful premiere: It took place online for the first time, with over 130 participants. With this trend-setting pilot event the ICV has taken another important step toward digitization.



ICV leaders from 10 countries took part in the ICV Management Conference in Munich, November 2019.

At the beginning, the Chairman of the ICV Board, FH-Prof. Dr. Heimo Losbichler, gave an overview of the 2019 financial year and an outlook for 2020. Losbichler highlighted the diverse engagement in the association, the extensive services, the member development, and international activities. He particularly emphasized the aggregation, processing, and dissemination of controlling knowledge, referring to new publications such as *Integrative Corporate Management* and *Ideenwerkstatt Quarterly*. Studies with Roland Berger, SAP, and Quantum were just as important contributions as webinars of the expert work groups and as part of the ICV digitization offensive.

Regular podcasts from the ICV expert work groups and in collaboration with the Performance Manager Podcast and FINANCE TV were recognized. In the online area, the ICV Chairman emphasized the ICV ControllingWiki, which again counted over 1 million visitors in 2019. The ICV held 14 conferences in 2019 with the 44th Congress of Controllers and regional events. The total number of participants rose again slightly from 2,180 to 2,361 compared to the previous year. The number of university collaborations has also increased further. Losbichler referred to the “ICV Service Portfolio” poster developed in the previous year, which offers a very good overview of the remarkable range of services offered by the ICV.

In terms of membership development, Losbichler had good things to say about company memberships. Forty-five new companies were added and the 200 threshold was exceeded for the first time. Losbichler said that it remains an urgent task for the association to continue to gain personal members.

How the ICV will develop is a core topic of the board work. Nine board meetings – in person and by phone – took place in 2019. The development work on the Strategy Process (2020-2023-...) was continued. Losbichler presented a transformation map as an insight. The ICV management meeting in November 2019 gave impor-

NEWLY ELECTED TO THE ICV BOARD



Claudia Maron,
ICV Board Member



Markus Steiner,
ICV Board Member



Utz Schäffer,
Chairman, ICV Board of Trustees

tant impulses: the development of dedicated offers for company memberships and young professionals and a focus on digitization, sustainability as well as paid content and micro-certificates.

In his outlook for the current year, Losbichler focused on supporting members in the coronavirus crisis. He referred to webinars by ICV expert work groups, the Controlling Panel, and Roland Berger as well as online seminars and virtual working group meetings.

The report from the ICV Board of Trustees followed the report of the Board of Directors. Trustees' board chairman Prof. Dr. Jürgen Weber thanked the departing curators Dr. Wolfgang Berger-Vogel and Dr. Richard Lutz and announced the handover of the stacks to Christina Keindorf (Bahn AG, Head of Group Controlling) and Siegfried Gänßlen (Dipl. Betriebswirt VWA, ICV board member 2005-2020, Head of ICV board 2007-2018, former CEO Hansgrohe SE). Prof. Weber informed participants about another change: Utz Schäffer succeeds Prof. Dr. Jürgen Weber as chairman, and Pauline Seidemann as his deputy to Dr. Richard Lutz.

ICV Managing Director Carmen Zillmer then gave the 2019 financial report with a good balance sheet and the 2020 budget drawn up in January. In view of the emerging coronavirus crisis, she presented the current April 2020 figures and a forecast for December 2020 with variants.

At the ICV board election, the retiring members Siegfried Gänßlen – chairman of the board for many years – and

Karl-Heinz Steinke were thanked for their hard work. Claudia Maron (DATEV eG: Head of Governance Department; ICV: Delegate for Southern Germany) and Markus Steiner (Head of Business Reporting & Controlling, Alpiq AG, Switzerland; ICV: Delegate Switzerland) were chosen as successors. ■



Hans-Peter Sander

Team PR / New Media ICV

Benefits for ICV members

CAREER RISK MEMBERSHIP
The international community of controllers brings our members forward, offers the opportunity to share experiences and information and significantly contributes to career development.

ALWAYS UP TO DATE
Participation in work group meetings and in ICV events as well as regular publications print and online ensure access to current know-how and the possibility of practical experience exchange.

LIFELONG LEARNING IN THE NETWORK
The ICV is a platform for colleagues from a wide variety of sectors, cities and countries. Through our events, files and forums, our members can learn from and grow together with each other!

WE KNOW WHAT YOU WANT
The ICV is an established, experienced organization. The needs of our members are our focus. Our members can trust in always finding a suitable contact person for their concerns.

Awards
ICV Greening Excellence Award
ICV Research Award
Green Controlling Award (Partner)

Knowledge Publications Literature
ICV Green Controller as a Think Tank
Encouraging key trends
Building innovation
Sharing knowledge with members

Expert work groups/sector work groups
37 expert work groups
4 sector work groups
Conceptual expert know-how
Development of practical, innovative problem solutions

Regional work groups
160 work groups in 15 countries
2-3 meetings per year
Professional network on site

Congress of Controllers Munich
Central conference in spring
Regional conferences in autumn
Top speakers, current status
Networking, also international

Conferences - also in your region!

ICV Career Path
Entry Student → Young professional → Senior professional → Executive CFO → Silver professional

First class education and training
CA controller academies

Social Media Communication
Twitter, Facebook, XING, LinkedIn, YouTube, Instagram

Newletter Communication Webinars
Controlling e News
ICV Analysis (EMG)
Check Your Controller! (PPO/DE & ENG)
ICV expert work group webinars
E-Newsletter (DE & ENG) as well as in 10 country regions

Research and studies
ICV, Dierker, WHU

Magazine
Controlling Magazin
ICV Journal zur „Controlling International“
FINANCE

Companies & Cooperations
Associate members
Corporate membership
Cooperation Partners

The ICV service portfolio can be downloaded here:
www.icv-controlling.com/de/verein/informationmaterial.html

Management of the coronavirus crisis – insights from the ICV Think Tank

The Think Tank of the ICV (International Association of Controllers) deals with the latest trends in controlling and works continuously on relevant annual topics. This article deals with this year's main topic, "Controlling in times of crisis."



Prof. Dr. Ronald Gleich

Professor for Management Practice & Control, Frankfurt School of Finance & Management gGmbH



Dr. Jan Christoph Munk

Research Director Controlling & Innovation at SITE.

THINK TANK OF THE ICV

- ▶ Founded in 2009
- ▶ Since 2016: Led by Prof. Dr. Ronald Gleich and Stefan Tobias
- ▶ Current team: Manfred Blachfellner, Siegfried Gänßlen, Dr. Lars Grünert, Prof. Dr. Dr. h.c. mult. Péter Horváth, Prof. Dr. Heimo Losbichler, Dr. Jan Christoph Munk, Prof. Dr. Mischa Seiter, Karl-Heinz Steinke, Prof. Dr. Dr. h.c. Jürgen Weber
- ▶ Aim: Identifying important controlling trends at an early stage
- ▶ It takes over the role of the innovator in the ICV (transferring ideas into concrete products or work groups)

The evolution of the current or looming predicament facing the European economy and also the global economy is uncharted territory for managers and controllers with crisis management experience. As the Think Tank of the ICV, we aim to shed light on current hot topics around controlling and give practitioners helpful insights and support. Having a core team consisting of professors, consultants, and practitioners, we are able to analyze topics from different perspectives.

Regarding the coronavirus crisis, we have attempted to structure the crisis into different phases and then mark them with tasks and responsibilities of the controller (see Fig. 2). These templates also aim to help create stability and provide an anchor and reference point.

We have decided to differentiate between four phases of crisis management (see Fig. 1):

PHASE 1 aims to help the company survive after an unexpected exogenous (coronavirus) shock. This phase is expected to last around three months.

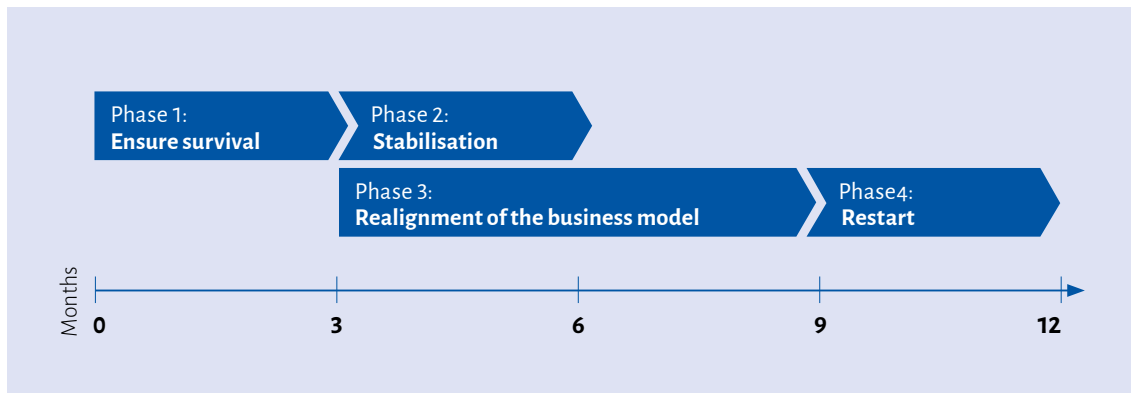
PHASE 2 involves stabilizing the company and business based on the new circumstances, which are usually radically different versus the past. Here, too, we expect the duration of this phase to be about three months.

PHASE 3 focuses on the realignment of the company's business models, which is necessary in most cases. In other words, the company is now looking ahead again and trying to identify and utilize new opportunities. Ideally, the company starts this phase in parallel to Phase 2.

PHASE 4 is dedicated to the actual restart of the company after or at the end of the crisis. In our opinion, the speed of the market players in restarting is the absolute trump card in the competition on the market.

In **Phase 1** of the crisis, the main focus is placed on ensuring the company's survival. The critical situation is still relatively new and business as usual prevails at many companies. However, the severe downturn is apparent from the decline in incoming orders. Industries that may face complete standstill include gastronomy, tourism, and aviation. This phase also requires that the responsible company managers investigate the potential use of government aid programs, and additionally create the prerequisites for their possible use (e.g. reduction of overtime as a preparatory measure for applying for short-time work). Controllers should ensure the required liquidity transparency and prepare regular forecasts for the next few days, weeks, and months. The reporting and data system may have to be adjusted to the new situation, but most of all it has to be robust and fast.

Phase 2, which focuses on stabilizing the company, is initially characterized by the fact that the crisis has or will



Alexander Schlüter

Research Assistant at SITE.

Figure 1: Phases of crisis management

become part of the daily routine. Phase 2 is likely to be bitter for many companies, and in individual cases this crisis will seriously threaten their existence. Revenue and order intake will fall sharply. Liquidity therefore remains crucial for stabilizing the business in severe downturns. Rationalization investments should be seriously considered in Phase 3. From a controlling perspective, both liquidity transparency and stable forecasts have to be ensured and updated regularly. Controllers must closely inspect the action plans and efficiency improvement programs that are launched. They must additionally support the rapid implementation of the insights and the results.

The realignment of the business models is the focus of **Phase 3** of this crisis concept. Here, the company is planning and acting more strongly towards the medium term, with a planning horizon of three years at most. Ideally the company will also empha-

size forecasts and foresight scenarios. An intensive examination of the future design of the business model and the value chains will take place in this phase. Organizations must be able to cope with rapid growth just as easily as with sudden declines in demand. Controllers will be closely involved in evaluating the new or adjusted business models, as well as the newly created or modified value chains. The assessment criteria in the review models should include not only the “classics” of liquidity, profitability, and growth potential, but also the resilience of an organization or supply chain and its risk profile. In addition, aligning the current performance measurement to the crisis will help. Furthermore, controllers must continue to closely monitor the measures agreed in Phases 1 and 2.

The actual restart of the company, **Phase 4**, begins after the realignment of the company, based on the considerations defined in

Phase 3. It is important in this regard to get the most out of the new circumstances, and to implement new or modified strategies, business models, and value chains. Companies must absolutely avoid taking a wait-and-see approach, and deliberately or hesitantly positioning themselves as “late followers”. This costs profit, revenue, and market share, and can endanger the company. Controllers should repeatedly challenge the new organizations with stress tests and, as main criteria, test safety issues in addition to the aspects mentioned in Phase 3. Overall, controlling will also have to adapt and probably rearrange its own tools, tasks, and organizational structure, and become more flexible and agile.

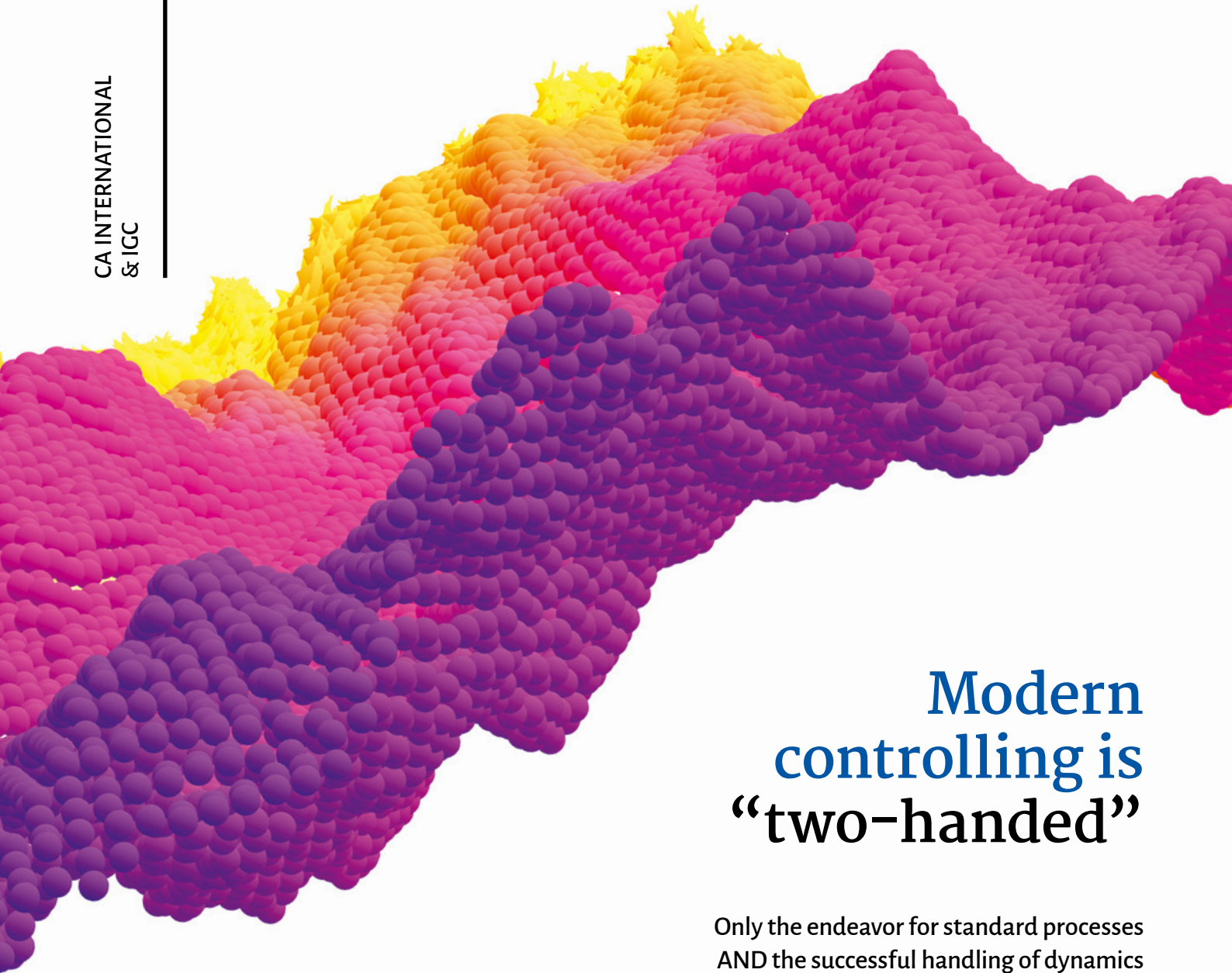
We are working intensively to conclude the current annual theme and at the same time are trying to identify future annual themes. You can find updates on this in our regularly published quarterly reports. ■

Liquidity before profitability before growth, but only if the security of the added value and value chain is guaranteed at the same time.

	Liquidity	Profitability	Growth	Strategy development	Strategy implementation	Risks	Resilience	Scenarios	Operational excellence	Competencies
Phase 1	●	●	●	●	●	●	●	●	●	●
Phase 2	●	●	●	●	●	●	●	●	●	●
Phase 3	●	●	●	●	●	●	●	●	●	●
Phase 4	●	●	●	●	●	●	●	●	●	●

Figure 2: Overview of phase-related focus for controllers

● Very important ● Important ● Less important ● Unimportant



Modern controlling is “two-handed”

Only the endeavor for standard processes
AND the successful handling of dynamics
can lead to success.



Jens
Ropers

Partner at the
CA Akademie AG



For decades, business processes have been optimized, assigned key figures, and managed towards goals. In the foreground was the idea of efficiency. The aim was to achieve high quality at the lowest possible cost. This pattern is of course still valid today. But no longer exclusively.

And this does not only refer to the consequences of the coronavirus crisis, which created enormous challenges for many companies. Beyond Covid, it is about increasing uncertainty in the context of global competition, more complex supply chains, and rapidly changing environmental conditions. Ambidextrous or “two-handed” companies have recognized that the increasing dynamics of

the VUCA world (VUCA stands for volatility, uncertainty, complexity and ambiguity) cannot be handled in standardized processes alone. In addition, they need to deal with dynamics. Dr. Gerhard Wohland (www.dynamik-robust.com) describes companies that are prepared for the challenges of the future as dynamically robust.

The robust part is based on knowledge and experience, which are integrated into processes via rules and methods. If the processes are no longer running efficiently, they are analyzed for vulnerabilities. A process improvement is then usually based on benchmarks, best practice examples or internal initiatives. This is based on the

“The successful thinking traditions for sluggish markets today are not the solution, but the problem.”

(Gerhard Wohland)

assumption that the environment that determines the process is at least almost completely recorded and understood and that a new target process can be defined. The problem, however, is that in our volatile and complex world, the speed of change has increased rapidly, partly due to digitalization. The result is that target processes that have just been defined no longer come to rest. Permanent adjustments and adaptations have to be made, which often leads to chaos. In reality, this is an attempt to force increasing dynamics into standard processes. Exactly this leads to the fact that the company neither has efficient processes nor can deal with dynamics.

The essential success factor for dealing with dynamics is the realization that we can no longer force every task into clearly defined process steps, work instructions and organizational responsibilities. Rather, we need a commonly supported target state that is worked towards. By doing so, the employees follow principles that become guidelines that make their own scope for decision-making comprehensible. When solving problems, tools are applied in a variety of ways or even combined, and specific predefined solution methods are not used. And finally, work is more project-like in interdisciplinary teams than in functionally organized departments that pursue silo thinking and isolated objectives.

“The successful thinking traditions for sluggish markets today are not the solution, but the problem” (Gerhard Wohland). This also applies to the controllers, of course. Experience has shown that the dynamically robust world for controllers is most evident in reporting. Here, there is often a tension between flexibility and governance. The departments need constantly changing data and information for their management. IT focuses on a single source of truth and data consistency and insists on certain procedures and rules. Thus, controllers who act as business partners who are responsible for business departments often find them-

selves in a dilemma. Because both business departments and IT are right from their respective perspectives. Most of the time, the subject of reporting does not remain with just three parties. Because controller departments are becoming more and more specialized, for example in the direction of data science, and because software providers often have to be involved, four to five departments are often involved in generating information. Controllers would be well advised to stop trying to achieve their goals with a standard process. In order to take into account the dynamics that have arisen, controllers in their role as business partners should (be allowed to) put together interdisciplinary teams that work together for a limited time to meet the requirements of the departments while following certain principles.

The solution can always be quite different. Even the solution that has just been found could become obsolete after just a few months and needs to be adapted. The essential achievement for two-handed controllers is therefore to be able to distinguish where standardized processes make sense and where a flexible approach adapted to the dynamics is needed. The latter still has to be learned by many controllers and approved within the company. ■

IGC anniversary meeting online

The International Group of Controlling (IGC) celebrated its 25th anniversary in May. As a result of the coronavirus crisis the general assembly took place virtually for the first time; originally a meeting was planned in Amsterdam. The participation of IMA and CIMA as IGC members was also a first. IMA President Jeff Thompson gave the closing talk from the United States.

At the online anniversary meeting, the re-election of the Management Board took place for the next five years.

ICV Chairman Prof. Dr. Heimo Losbichler was re-elected as IGC Chairman. Dr. Rita Niedermayr-Kruse, Controller Institute, Vienna, Austria, is Deputy Chairman of the IGC. The other board members are: Dr. Klaus Eiselmayer, ICV board member, CA Akademie AG, Wörthsee, Germany, Prof. Dr. Ronald Gleich, head of the ICV think tank “Ideenwerkstatt”, Frankfurt School of Finance & Management, Frankfurt am Main, Germany (from August 2020), and Prof. Dr. Klaus Möller, University of St. Gallen, Switzerland. ■



Prof. Dr. Heimo Losbichler

Chairman, International Group of Controlling (IGC), Chairman of the ICV Board, University of Applied Sciences Upper Austria

The path to a data revolution in reporting and compliance

For global companies, reporting has become a burdensome and costly process due to the lack of alignment across jurisdictions.

With national and local regulators making their own rules and regulations, differing compliance standards mean companies need to disclose different data points and metrics in different reports, varying sometimes enormously from one place of business to another. The International Federation of Accountants (IFAC) estimates that fragmented regulations cost the financial industry sector alone \$780 billion annually. How do accounting and compliance professionals deal with this ever-growing thicket of divergent standards?

In a recent paper, “A Digital Transformation Brief: Business Reporting in the Fourth Industrial Revolution”, I discussed how the solution to this problem lies in harnessing the breakthrough technologies of machine learning, artificial intelligence and automation to bring about a data revolution in the accounting and compliance functions. Many companies continue to use basic spreadsheets and outdated technology to recompute, reformat and reconcile the same data for compliance and submission to different agencies and end-users. This creates needless work for professionals whose talents should be deployed elsewhere. New data standards, such as the XBRL (eXtensible Business Reporting Language) standard, can be partnered with cutting-edge technologies like blockchain, cloud computing and natural language processing to generate the right data with minimal involvement by professionals, overcoming the hurdle of reconciling information via different reports.



But this data revolution will not be an inevitable result of new technologies; it requires cross-stakeholder collaboration with companies from investors, professional organizations, accounting and advisory firms, standards setters, software vendors, regulatory authorities, data aggregators, academics and policy makers. This collaboration will involve producing a blueprint for implementing a global digital framework and working with software and service providers to test mapping and lodging of the reporting requirements. Our paper lists the specific steps this cross-stakeholder group must take to secure the data revolution we advocate. Most importantly, leaders in accounting and compliance must take a central role in making this happen, and in doing so, secure a future without the crushing burden of divergent regulations and onerous reporting requirements. ■

You can find my latest report, “A Digital Transformation Brief: Business Reporting in the Fourth Industrial Revolution” here: www.imanet.org/DigitalTransformation



Liv A.
Watson

IMA Board Member
and Senior Director
of Strategic Customer
Initiatives at Workiva

International Work Group overcomes borders

The members of the ICV International Work Group 2020 actually intended to support PS Fashion, a clothing company from Serbia, with ideas, tips, etc. on site. But the coronavirus-related contact restrictions and border closures did not allow that. What to do?

After a survey among the working group members, the management team decided to work online instead, i.e. with video, Zoom, or Skype support. Four topics were selected in the survey that the international ICV working group wants to tackle:

- a. Ideas for better liquidity:** “Take a look at three or four companies (your own company or our target companies of recent years) and analyze them for potential for better liquidity”;
- b. Business model change in the near future:** “Look at three or four companies (your own company or our target companies of recent years), analyze your current business model, and discuss what could/should be changed”;
- c. What kind of new technologies** will be used in management/controlling in three years’ time? Practical ideas and not “more IT” ...;
- d. Social responsibility** as part of a company’s business model.

In a video conference on April 18, four teams were set up and started working. The aim is to exchange the first results – preferably personally in Copenhagen – by the end of September, but if necessary “only” on the working group page of the ICV website.

The ICV International Work Group is headed by Edyta Szarska, Head of Controlling Partner, from Warsaw. She is supported by a management team with Romina

Oreskovic, Group Finance Director at ORBICO GROUP from Croatia, and Dr. Herwig R. Frieddag, an experienced consultant from Berlin.

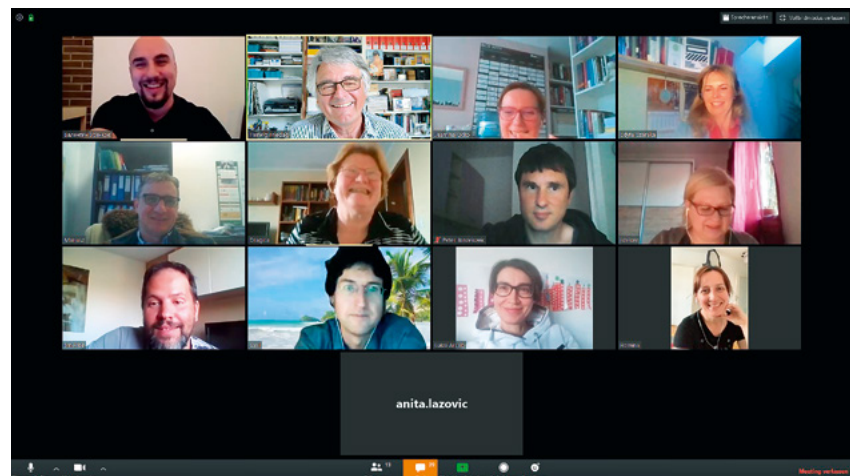
Every year, the international network of experts analyzes a selected target company, develops ideas and suggestions for modern management in all areas of the company together with the company representatives (no “end-to-end management consulting”). Those interested in working for the ICV International Work Group are just as welcome as applications as target companies in the coming years. ■



Dr. Herwig R. Frieddag

Management Team
ICV International
Work Group, Berlin

Virtual meeting of the ICV International Work Group via Zoom.





Digital transformations and the role of the controlling function in Bosnia and Herzegovina Enterprises



Prof. Dr. Slavko Simic

ICV work group Bosnia and Herzegovina

This short article considers the importance and necessity to transfer business operations to digital platforms and the respective challenges facing the controlling function. These changes, referred to as digitization, will undoubtedly affect the basic business controlling function in all companies, as well as the employees, who will have to adapt to the new digital environment within the controlling groups and business units. The goal of the conducted research was to identify formal characteristics of the business controlling function in companies located on the territory of Bosnia and Herzegovina.

In the figure below (Figure 1), a distribution plot of frequencies in respect to implementation and application of individual controlling elements is visualized. Analyzing the question "Does the company have a business information system for data processing and reporting?" the following findings were obtained (Figure 2). The results to the question "Is the company reporting from the existing

business software (ERP or second-class software)?" are shown in Figure 3. If we accept the correlative nature of investment management and the future company income, it can be de facto accepted that there is little to no systematic effort being undertaken to understand the future needs and guiding towards future goals. This being the fundamental and basic function of controlling, it raises the question: "How is the controlling function implemented if there was no effort invested into systematically understanding and implementing the basic business functions?"

It is obvious that the perception and paradigm for the business controlling function in enterprises in Bosnia and Herzegovina differ significantly from what the formal characteristics and elements of this business function are. The point is that management has a different perception from what the science of controlling says about these issues. ■

THE PERCEPTION OF THE CONTROLLING FUNCTION

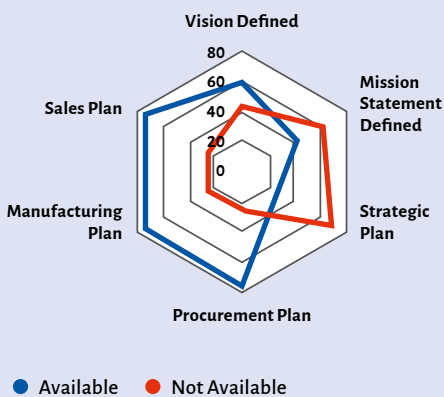


Figure 1: The difference in the perception of the concept of controlling and the fulfillment of formal requirements for the implementation and operational functioning of the controlling function in enterprises in BiH.

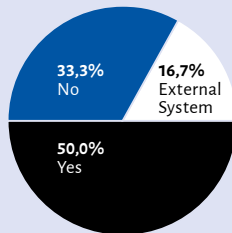


Figure 2: The observed state of the company's readiness to collect and process information relevant to business from the external and internal segment.

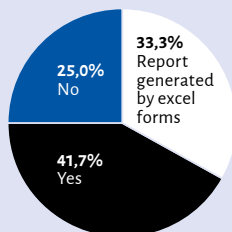


Figure 3: Method of reporting from existing business software (ERP or second-class software).

PERCEPTION OF THE BUSINESS CONTROLLING FUNCTION – PART 2

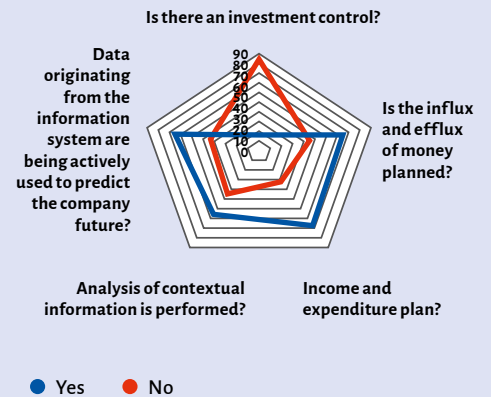


Figure 4: The difference in the perception of the concept of controlling and the fulfillment of the formal requirements of implementation and operation of controlling the operating functions in company B in Bosnia and Herzegovina – Part II.



Navigating business in the COVID-19 crisis and post-coronavirus era: Hot issues in the view of controllers in China

China was the first country to suffer from the COVID-19 pandemic. For controllers, difficult times for business might be the best opportunity to demonstrate their crucial role as business partner and their capabilities for navigating businesses through the crisis. But what are the “hot issues” for business and controlling managers and professionals in the German business community in China during and after the coronavirus crisis? In March and April 2020, the China Controlling Online Community / ICV China (-> www.chinacontrolling.online) and the German Chamber of Commerce in China – Shanghai jointly organized an online survey in order to find out the answer. This survey is part of the preparational work for the 2020 Sino-German Controlling Forum, which is the largest annual event for finance and controlling managers and professionals as well as for controlling-minded non-financial business executives in Eastern China (Suzhou near to Shanghai on September 11, 2020).

The major result of the survey is shown in the following chart. The number one hot issue for the survey participants is digitalization. While many large business groups/companies in the German business community in China had already started their pilot projects for digitalization long before the outbreak of the coronavirus pandemic, many small to medium-sized companies have been reluctant to plan and implement their journey to digitalization. Now the coronavirus crisis shows everyone the increasing importance of digital models of business.

As important as digitalization is the question about how to realize flexible planning/forecasts in turbulent times, which 70% of the respondents see as a hot issue both during and after the coronavirus crisis. The Chinese economy has been slowing down since 2013/2014, so that more and more companies have started to put efficiency and profitability into the focus of planning and forecast practice. The COVID-19 pandemic will definitely accelerate these development trends in this regard. Listed in third and fourth place are more “classical” topics directly related to performance improvement. How to better manage and control supply chains during and after the pandemic is also seen as a hot issue. Managers and controllers both in Chinese local operations and in German HQs are rethinking the supply chain strategy designed in the past and discussing about the necessity of diversification of the supplier base and reconfiguration of the global manufacturing and supply chain strategy for the future. A more “China-specific” topic is the social credit system, which more than 40% of the respondents see as an important issue. Originally designed by the Chinese government as a move to enhance the ethics and social responsibility of all businesses and individuals living and doing business in China, the system covers a number of issues, such as debt payment morals, clear customs declarations and tax payments, social security payments for employees, environmental protection, and ethical conduct in all commercial activities. ■

Sources / Literature: Survey presentation of AHK/German Chamber of Commerce in China: SHIFTING CHALLENGES & FUTURE IMPACT ON GERMAN BUSINESS, Flash Survey 2.0 Results, Beijing, April 2, 2020



Dr. Zhen Huang

Corporate Performance One GmbH, coordinator of ICV activities in mainland China.



Francesco Ingarsia

CFO Schaeffler Group, Head ICV Work Group East China.



Alexander Tobert

Chief Finance Officer of Kern-Liebers Group China and co-leader of ICV Work Group East China.

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Key survey results from March and April 2020.



Transparency – the starting point for better governance



Mladen Meter

Head of ICV Work Group
Croatian Adriatic Region

In our consulting projects for the systematic implementation of controlling function and processes, we usually propose the following sequence:

1. planning, 2. analysis, 3. reporting, and 4. business consulting and partnering. However, for some of our clients this seems like a long path and they want on the one hand to make sure the concept works, and on the other hand concrete results – quick wins. In the last half of the year, they had just a few such requests – to determine the current situation and to provide insight and management of the existing situation extremely quickly. We did this by

producing a management report in a structured form on the current situation with available data quality.

The results were excellent: the client was satisfied to receive material usable for management almost immediately and received an incentive to improve the remaining three segments of overall management or controlling (planning, analysis, business consulting and partnering).

Instead of a conclusion: sometimes in disruptive times, the disruptive way of working gives better results than the usual textbook approach. ■

Figure:
Usual vs. customized approach for controlling implementation

Source:
Author of the paper



Jasmina Očko

Head ICV Work Group
Croatia I

The good side of the crisis – a significant increase in demand for controlling

Once again, practice has shown that in times of crisis there is a surge in demand for controlling. As a consultant, I have witnessed two crises – the first one arose in 2008 and 2009, and the second one is happening now, in 2020. In both cases, the beginning was marked by uncertainty but in the end we saw the controlling function being widely implemented in private and public sector companies.

Those companies that have been developing controlling since the last crisis managed to eliminate the “cowboy” way of doing things. They have been paying much more attention to managing their assets, which undoubtedly led to fewer risky investments and mistakes. For them information is now the key to survival – at a moment when a crisis wipes out 30% or more of revenue in a blink

of an eye, these companies are able to quickly make crucial decisions that will save their business. A crisis represents a unique opportunity for controlling, a moment when it can truly shine and show the plethora of models and tools it has at its disposal. Controlling is now holding the center of attention, shining brightly as a star over the dark business horizon. And for those who face the current crisis unprepared and without quality information, a new opportunity is presenting itself. Now is the time to make a promise and say: never again shall we go without controlling.

I can see that the wind of change is indeed blowing in that direction. Experienced controllers are in high demand, and the best advice is being sought on how to successfully develop the controlling function. Strategies, goals, and existing business models are being re-evaluated. Decisions are being made to introduce wide-ranging changes in behavior. **If there is a silver lining in a crisis, then this is surely it. And those who manage to survive will live to tell the tale.** ■



POLAND

The strategic approach of Polish enterprises during the COVID-19 pandemic

The worldwide pandemic of COVID-19 forced many Polish companies to change their strategy. ICV Poland took up the challenge that focused on researching which strategies were implemented by companies in Poland during this crisis. A survey was carried out on May 15, 2020, during a webinar, "Controlling in the Time of Crisis," which was supported by ICV. The webinar was hosted by the team "UNDER CONTROL – by MAŁGOSIA and TOMEK" (Małgorzata Podskarbi – ICV Board Member and Dr. Tomasz M. Zieliński – CEO of ICV Poland). 65 out of the 84 webinar participants filled out an online survey. The survey encompassed 14 questions and this article discusses the results obtained from two of those questions. If you are interested in the full results, please contact the ICV Poland office.

In the first question, the participants were asked to point out the strategies that they employed during the crisis and to arrange them in order of importance. Most respondents pointed to a cost and efficiency optimization strategy as their first or second choice (84% of all answers). The second most popular strategy, in terms of importance and the number of choices, was a focus on core business (59%). Other strategies were used to a lesser extent. These results show that companies in Poland focused on cost and efficiency optimization on the one

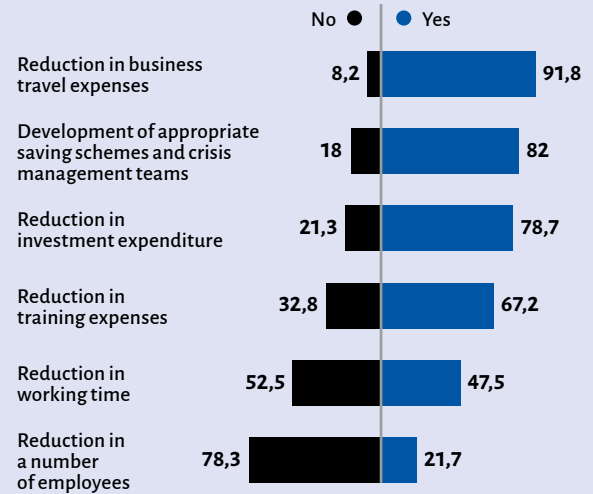
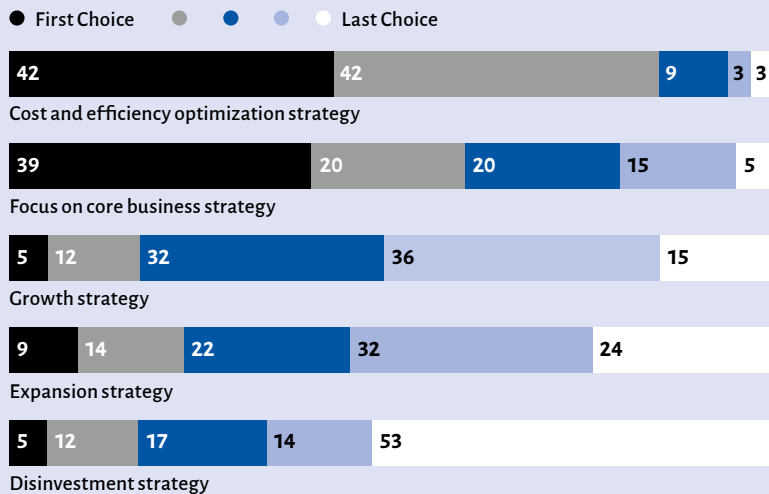
hand and their core business areas on the other. This approach is understandable, given the lack of certainty over how the situation would affect the global market.

In the second set of questions the respondents were asked about specific measures they took as part of the aforementioned strategies. This article shows the most common measures implemented as part of cost and efficiency optimization strategies across the companies. The areas in which the companies created saving schemes concentrated on the reduction of business travel expenses (92%) and ideas for lowering costs (82%). As much as 79% of responses referred to the reduction of expenses in investment. When we look at the German market, we see that many well-established companies invested in new technologies to secure their future existence. A substantial part of the saved costs involved training expenses (67%). One positive thing about the Polish market is that companies still rely on human resources, who ultimately build these organizations. As many as 78% of the respondents stated that their companies did not choose to reduce the number of employees. Despite the crisis caused by COVID-19 and the resulting temporary downtime in companies, most of them did not reduce working time (52%). ■



Dr. Tomasz M. Zieliński

Delegate ICV Poland, Chairman of the Board at Akademia Controlling





A strong offer for controlling and accounting employees – especially from company members



**Dr. Georg
Schneider**

Head of ICV
Moscow Work Group,
General Manager
of swilar GmbH

The Controlling Work Group was officially founded at the beginning of 2017 as a corporate initiative of the AHK Moscow (German–Russian Chamber of Foreign Trade) and the International Association of Controllers (ICV). 2019 – its third year of existence – was equally filled with informative presentations and lively experiences through numerous corporate visits to St. Petersburg (Fa. Get), the surroundings of Moscow (Rehau), Krasnodar (Claas) as well as Kaliningrad (Ushakov dockyard). In total, seven events took place: additionally to the four “external” events three so-called “internal” meetings on the new premises of the AHK Moscow in Fili were organized.

During the “internal” events, business representatives presented their topics to approx. 10 to 20 people. In 2019, representatives from for example Siemens, Plaut Consulting, Delcreda, and swilar participated with different presentations on topics such as:

- ▶ Experiences with SAP products in Russia, Central Asia, and Belarus
- ▶ Solutions for premature period-end closing in SAP PaPM
- ▶ Modern cost center accounting – also possible with the popular Russian system 1C
- ▶ Controlling challenges during receivables management in Russia

An essential part during the summer meetings in Moscow was the presentation of the most important findings from the yearly ICV Congress of Controllers. That way, latest methods and instruments can quickly be passed on to Russian users.

In total, 66 participants took part in the work group events in 2019. Since its establishment, 190 different people participated in diverse events, many of them several times. 23 participants attended three events or more and did not shy away from the travel expenses. One participant even attended 12 events.

In 2020, due to the global pandemic, only one analog event in January was hosted. The massive impact of COVID-19 and hence considerably increased uncertainty concerning planning and forecasting were topics in demand in a virtual session. Participants discussed the choice and plausibility of macroeconomic data for agile, short-, and medium-term planning. Fortunately, in both cases, many participants attended the events, so that a major target of the work group, namely to promote controlling in the Russian economy where it is still unfortunately not common, can more easily be achieved in the future.

The demand for controlling, for example through rolling forecasts, has increased significantly due to the pandemic as sales in many western businesses in Russia have collapsed. Those firms producing in Russia and dependent on SKD (semi knocked down) part imports did not know whether supply chains would persist. Also, some expats were surprised by the border closure and could therefore not return to their Russian workplace. The latter problem was solved in close cooperation of AHK Moscow with the German Embassy and the Russian government by means of special flights.

Simultaneously, WG Controlling offered staff members from controlling and accounting in member corporations of AHK Moscow and ICV an improved opportunity for personal knowledge exchange in active networking on the basis of presentations with practical relevance and information about relevant instruments and areas of application in the future.

In the further course of 2020, only one digital event, in cooperation with Ekoniva at the beginning of July, has been planned, which will be dedicated to the specifics of controlling in agriculture in Russia.

After the summer break, experiences will be collected via a participant survey and exchanged via analog formats and digital platforms. ■



Controller as change agent of the new normal

Windows emergency restart! There was a shock to the system. But this time the virus hit for real – not the IT system, but our “normal”. In this unprecedented reality, we are witnessing the beginnings of a dramatic restructuring of the socioeconomic order, with the emergence of the “new normal”. The complexities of running a business are more intricate and multifaceted than ever before. Romania as well as the entire global economy and trade are currently experiencing the effects of COVID-19, with steep demand reductions in many areas and spikes in others. Never in modern history have countries had to ask their citizens to stay at home, curb travel, and maintain physical distance to preserve health. Also, never have we seen job loss spike so fast, nor the threat of economic distress loom so large. Change, which was considered for the last decade a frightening word, has arrived in force. It has taken a shape that nobody had really imagined, taking us by surprise. And, yes, literally overnight we had to restart all our regular routines to face the “new normal”.

The coronavirus pandemic has placed extraordinary demands on controllers, making them a sort of “specialist doctor” for their companies. The treatment of COVID-19 in many companies features the efforts of front-line controllers, who are tasked continuously with ReThinking, ReCalculating, ReAdapting budgets and forecasts and proposing solutions to reduce uncertainty and allow business leaders to adopt a strategy. What business leaders need during a crisis is not a predefined response plan but

the input, behaviors, and mindsets of controllers that will help them look ahead.

There is also a significant difference between a controller’s capability to act in a crisis situation and the response scenarios derived from a software solution only. A software program would respond by following plans that had been drawn up in advance. During a crisis, which is ruled by unfamiliarity and uncertainty, effective responses are largely adapted and improvised.

Executives at an organization’s highest level cannot collect information or make decisions quickly enough to respond effectively. Leaders can better mobilize their organizations by setting clear priorities for the response and empowering others, such as controllers, to design alternative solutions that serve those priorities. In the midst of this crisis the role of the controller has become more essential for the company. Without the controllers, finding feasible solutions in such a short time, it would have been impossible for many companies to continue. Unprecedented crises demand unprecedented actions. What is necessary is to take the bold and rapid actions that would feel too risky in normal times. A controller must understand the fundamentals of crisis management and be able to restart in any situation.

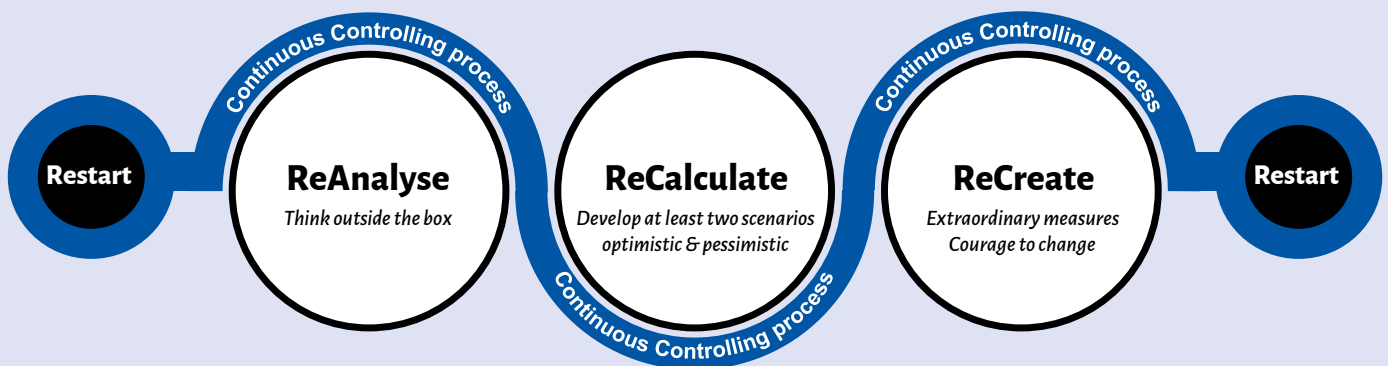
Restart as often as needed to overcome more strongly the current global crisis. ■



Nausica Costin

CFO NTT DATA Romania S.A.,
Head of ICV Work Group
Cluj/Romania

CONTROLLER AS CHANGE AGENT OF THE “NEW NORMAL”





Controlling and integrated reporting



Prof. Dr. Veselin Perović

Controlling instructor
University of Novi Sad
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In our opinion controlling knowledge is in great demand in these times of coronavirus. These crisis times require us to use available resources in the most optimal way, taking into consideration early warning signs, which enables us to report in a timely manner on the most important deviations in doing business.

An ancient tale describes a Chinese emperor who once asked his court doctor who the best medic in his family was. The doctor, who was highly esteemed in China, responded: "My oldest brother is capable of noticing causes of sickness and remedying them before they cause the actual sickness, that is why he is not well known outside of our home. My middle brother cures sickness at the beginning, and that is why he is not well known outside of our neighborhood. As far as my methods: I do bloodletting, prescribe potions, and do massages, and that is why I am known even in the court." (Sun Tzu: The Art of War. 6th century BC)

We can draw the following conclusion from this story: it is important to notice the cause of a problem, and not deal with the consequences. In that sense, integrated reporting can be very useful.

In order to use available resources in the best way we can, we need accurate information about business activities. Integrated reporting plays a big role in terms of seeing the big picture. Below we can see some of the key differences between traditional and integrated reporting:

Based on the table below, we can notice that the focus of integrated reporting is on analyzing the past, but also noticing future opportunities. As far as thinking goes, with traditional reporting we can say it deals with isolated thinking (focused on one segment), while integrated reporting looks at the bigger picture of the entire business entity.

It can be said that is a connection between the current global crisis and the growing demands on the controller's services in a global market. Managing of an enterprise is happening in a completely new surrounding, which requires the use of modern business operation instruments. Adequate and relevant decision making insists on understandable, reliable, and comparable information. Implementation of controlling philosophy must be designed to prevent future problems of an enterprise. If we apply the methods of controlling, our work can always be correct and successful, because the data obtained that way is always used for predicting possible risks and reacting quickly to the noticed problem. All this can be implemented in modern integrated reporting.

ICV Working Group Novi Sad

The WG was formed in 2018. So far we have had five workshops and, during the coronavirus crisis, in May this year, one excellent online workshop led by Dietmar Pascher. ■

The key differences between traditional and integrated reporting

	TRADITIONAL REPORTING	INTEGRATED REPORTING
Thinking	Isolated	Integrated
Management	Financial capital	All types of capital
Focus	Financial past	Present and future
Time frame	Short term	Short, mid and long term
Reliance	Narrow findings	Greater transparency



Crisis – an opportunity to question our way of life?

In the first steps of dealing with the new coronavirus, a number of communication and management errors occurred – according to information I’ve received from my clients. These errors are likely to indicate a big problem of lack of leadership skills, while at the same time providing an opportunity for improvement.

The coronavirus put the Maslow pyramid back in the forefront. Once again, we found ourselves in its basic levels, looking for safety, meeting basic living needs and, above all, ensuring our health. The values that we previously claimed to be key are now really becoming the most important.

How has all this affected suppliers and customers? How do desocialization, technology, even fear affect us as consumers? What kind of consequences will all this have in the markets and on our buying and decision behaviors? Global and local?

What we are currently experiencing, in terms of the unfolding crisis in society and the economy, is completely unprecedented. None of the managers and controllers presently responsible for the fate of their companies have ever dealt with anything like it before. As a result, reference points and company experience for coping with this critical moment are lacking. Managers need to have empathy, and they have to be aware to be loyal to people and not just numbers.

New challenges require new solutions and new approaches

I like the mindset of people who say we really can’t prevent the unexpected events that life puts in front of us. But we can control how we have been able to respond to them. How will the pandemic affect activity in how we have been able to respond to it? Customers still need products, services, solutions. They only moved to other channels. They have changed their habits, their focus, and respond to different stimuli.

The pandemic really mixed up the benchmarks for a moment. It requires quick adjustments, sacrifice, and investment in new ways of working. I believe that the ability to

adapt, to empathize, and to listen will have a strong impact on the relationship with clients.

The criteria are not mutually exclusive, but often do not coincide. People by nature don’t like change, and although we often don’t admit it, we feel good in the routine. Success therefore lies in the successful maneuvering between the two. Will it work? It must!

Key considerations for today and in the future:

- ▶ The customer is becoming increasingly digital, even one to whom technology has not previously been available or liked.
- ▶ The customer asks differently than in the past years: what do I really need? What is being/ will be sold?
- ▶ Digital tools and methods of access to customers: how does artificial intelligence help us with this?
- ▶ Self-sufficiency is becoming a real challenge. Locality is and will be an advantage.
- ▶ Customer relationship and communication must remain human, despite technology.
- ▶ New opportunities: services where the digital upgrades the traditional. ■



Controlling School Slovenia, workshop in “coronavirus arrangement” (distance is 1.5 m)



Dragica Erčulj

Head of Controlling School, ICV regional delegate for SECE region, Leader ICV Work Group Slovenia

Every crisis can be an opportunity to learn

A survey of the top 250 companies in Slovenia shows that we are significantly better prepared for the 2020 crisis than in 2008/09, and the substantive emphases of the current crisis are also different.

Controllers design management control systems



**Dr. Lukas
Rieder**

CZSG Controller Zentrum
St. Gallen, Switzerland,
honorary member of ICV,
co-founder of IGC
International Group
of Controlling

Management summary: Keep your business under control

This is every managers' task. Controllers support them by providing holistic management control systems (MCS). This support ranges from addressing corporate policy issues and strategic decision-making and continues through to the target to current comparisons. MCS contain three essential subsystems: early warning, piloting, and management accounting. Controllers build and maintain MCS so that all managers can act on their own responsibility.

Management control?

Management control is the process by which managers at all hierarchical levels ensure that their strategic intentions are realized (see the definitions of R. Simons in Levers of Control (1995) and R. Anthony/V. Govindarajan in Management Control Systems (2006)).

Management control thus stands for the entirety of management tasks in making and following up decisions. It is about the successful implementation of guidelines, strategies, and operational goals.

All managers, from the foreman to the supervisory board, need information for decision-making, planning, controlling, and coordination. This information is processed in MCS.

Controllers' mission

According to the controller mission statement of the International Group of Controlling (IGC) and the International Controller Association (ICV), controllers should make a significant contribution to the sustainable success of their organization as they are management partners. In particular they should

- ▶ design and accompany the management process of goal finding, planning, and control,
- ▶ ensure that all managers are consciously concerned with the future,
- ▶ bring together the objectives and plans of all those involved to form a coordinated whole, and
- ▶ develop, set up, and maintain the necessary systems.

This legitimizes controllers to design and operate the management control systems for all management levels. Managers, as their clients, expect decision-relevant and responsible information to support their internal planning and control. External reporting is of secondary importance.

Controllers enable management control!

Management levels and management control systems

In every organization, different management levels (content-related) must be distinguished, because fundamentally different questions are to be answered in each of them (Fig. 1).

Corporate policy defines who the organization wants to become in the future and what it should be characterized by. Always with a view to expected environmental developments, it is determined which markets are to be served with which products and services, which technologies appear to be decisive for implementation, and in which price segments one wants to offer. The guidelines on topics such as management methodology, promotion of employees, behavior toward the state, associations, and competitors, and the footprint in the natural environment are developed. Profitability to be achieved,

financing structure, use of results, and maintenance of liquidity represent the monetary aspects of corporate policy.

Strategic planning defines which strategic business units shall serve which market segments with which products and services and which price segments shall be covered. It is necessary to identify which technologies appear to be decisive for implementation. Also to be defined is which existing internal potentials for success must be enhanced and which new ones must be built up in order to reach the wanted market positions. To do so functional concepts are developed.

Operationally, the results to be achieved must be recorded in terms of content and deadlines. The question is how and by when the targeted market positions are to be achieved. Time horizons must be differentiated:

Medium-term planning (usually 2–5 years) focuses on the development of the resources required for strategy implementation. Plans are often structured according to functional areas because the resources have to be built up there (personnel, market development, suppliers, plants, IT, financing). It is advisable to define functional concepts for these areas. Their implementation usually takes place in projects lasting several years, because the know-how of many experts has to be brought in. The MCS must therefore also enable project planning and control.

In **annual planning**, the results (objectives) to be achieved in the planned year are derived from strategies, functional concepts, and medium-term plans and are transferred to the sub-budgets. This makes it clear to everyone involved what contributions they should bring to ensure that the organization as a whole achieves its objectives. Finally, the content-related plans must also be represented in terms of value so that it is clear whether the planning is also financially target-oriented. This is done in the cost, activity, revenue, and profit accounting (management accounting).

Because customers order their products and services in quantities and at times that differ from plan, and because unexpected standstills occur and employees are absent or projects are delayed, planning and control during the year is necessary (also called tactics). The majority of the data required for planning is managed in the ERP (enterprise resource planning) systems. The comparison of current data with planning supports employees and managers in meeting their annual objectives. The results defined and to be achieved in the various plans become personal objectives. These are conditions or results to be achieved by individual persons (bosses and employees). They are agreed as quantities, qualities, deadlines, and results (QQDR) and always relate to the responsible person. It is therefore important that agreement on objectives and annual planning run in parallel. If, for example, the services and costs of a cost center are planned on the assumption that an investment in rationalization is approved, the target cannot be achieved if the investment is not approved.



Ph.D. Raef Lawson

Vice President
Research & Policy
and Professor-in-Residence
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Figure 1: Management levels and the management control system

Management control system (MCS)

The MCS helps all managers to plan and control in an integrated way. This improves company-wide coordination and the holistic achievement of results.

In accordance with the information to be provided for the various tasks, an MCS is divided into three sub-systems: management accounting, piloting, and early warning (Fig. 1).

Early warning is intended to identify and structure opportunities and threats in the various corporate environments and make them measurable as far as possible. Early warning signals arise in all environmental areas, e.g. new technologies and materials, changes in behavior, in competition, consumption, the world of work, mentalities, law, or politics, and above all in the natural environment.

As management partners, (specialized) controllers should, together with marketing, research, production, and personnel experts, determine early warning signals for the future of their organization so that the signals can be incorporated into corporate policy and strategic planning. From these signals, measurable or at least assessable early warning indicators can be derived. Examples include: changes in competitors' sales in important product areas, changes in the factors that determine consumer purchases, emerging changes in distribution channels, availability of raw materials and supplier capacities, and also shifts in thinking with regard to work-life balance, consumer propensity, and avoidance of environmental damage. The data required for this can only be found outside the company.

Piloting information is needed to plan and control the successful development of the functional areas and their success potentials in the medium term. In contrast to early warning, the necessary data for this purpose is procured within the company itself and often already available in a suitable form. It forms an important input for medium-term planning.

Examples include: more cost-effective production, sales, and distribution through continuous effectiveness and efficiency improvements in all functions, sufficient management capacity to cope with growth, results-oriented project management, and special skills in other functions.

Accounting for management should help all managers make well supported decisions. What do managers decide on? It is always about quantities, time consumption, performance, prices, and investments. Costs and revenues are the result of these decisions, whether in planning or in controlling. If management accounting is to be of use, it must therefore also be based on quantities, services, etc. and disclose which variances from the plan have occurred so that corrective measures can be taken for improvement. It should show every manager which services, costs, and revenues he is directly responsible for. The appropriate instrument for this is the management-oriented cost, performance, revenue, and profit accounting. It is to be structured in such a way that it is recognizable which costs and revenues were caused by the manufactured and sold products and which costs were justified by management decisions (budget decision on available capacities).

“Keeping the business under control is every managers’ task.”



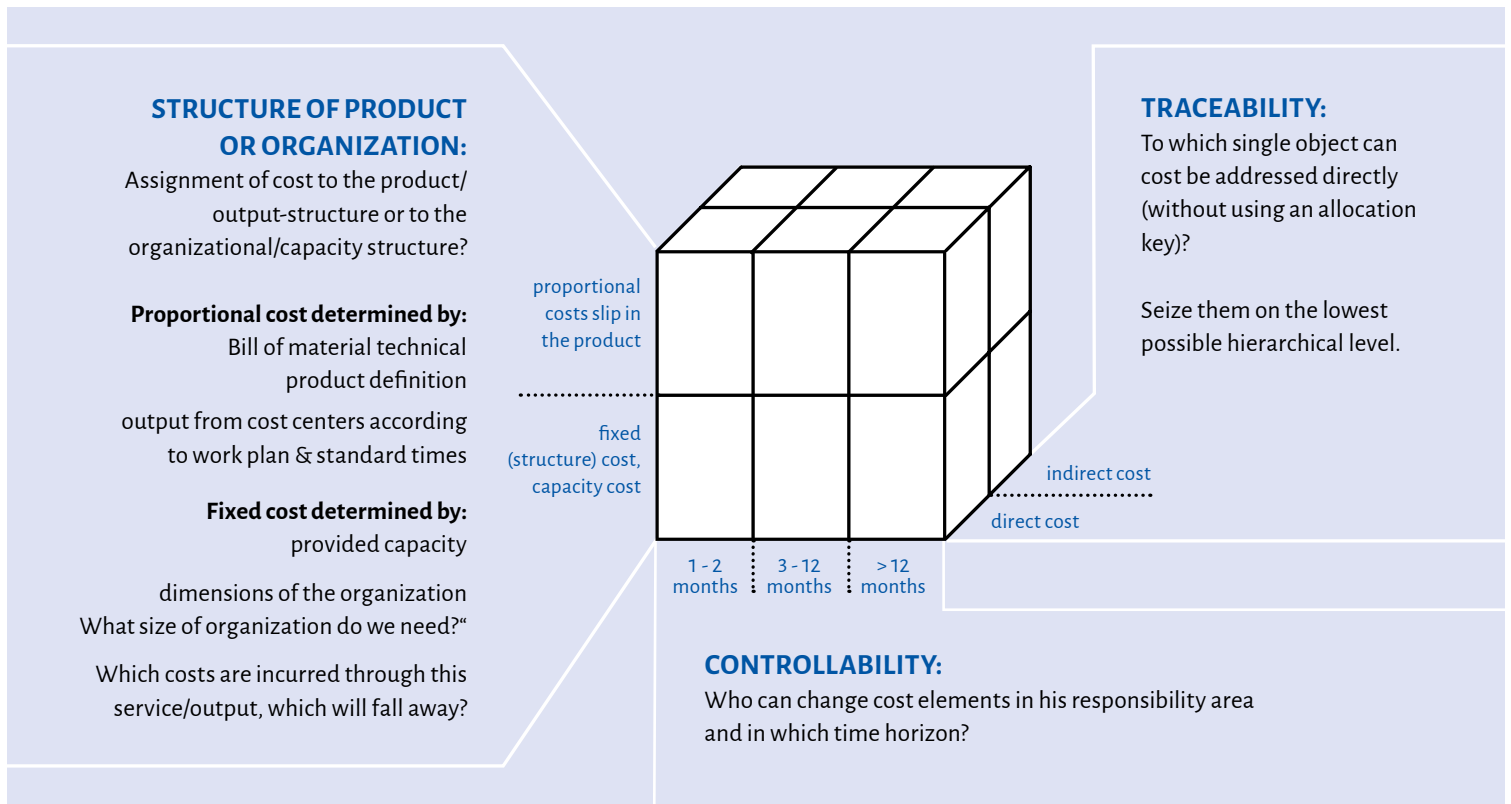


Figure 2: Three cost dimensions relevant to management

This consistent decision orientation requires the use of the well-known cost cube (Fig. 2). It shows the three decision- and responsibility-related dimensions that should be represented in management accounting:

- ▶ The proportional costs are directly caused by the units produced. All fixed costs are consequences of management decisions.
- ▶ Influencing the cost level is a question of the time available and the decision competence of the responsible person.
- ▶ All costs should be planned and recorded at the lowest level, where they can be clearly assigned as direct costs, as this is where responsibility must be taken.

Insofar as accounting standards, local tax law, or the determination of transfer prices require the disclosure of full production costs, these calculations should be made outside of management accounting (in financial accounting). Internally, the focus is on ensuring that each manager can immediately identify the positions for which he is directly responsible and must therefore react when corrective measures become necessary.

External financial statements should only be shown to those managers who bear (joint) responsibility for these financial statements, so that the different valuations do not cause confusion.

In the majority of integrated ERP applications known to us, the implementation of these principles can be set up without changing the software. In practice, we unfortunately often find that the calculation of full production and cost price per unit is weighted higher than the consistent decision orientation of management accounting. Practice, however, consistently shows that the market sets the sales prices, not the company's costs.

Managers expect us controllers to provide the management control system that enables them to prepare, evaluate, and control their decisions and to keep their business under control. Delivering controllers become valuable management partners.

Please visit our blog <https://en.management.control.eu> and discuss with us. We publish two posts every month and are looking forward to your comments or questions. ■

3 prestigious awards – applications are welcome

Every year, the ICV awards three controlling prizes: the ICV Controlling Excellence Award, the ICV Newcomer Award, and, as a cooperation partner, the Green Controlling Award of the Péter Horváth Foundation. Applications in German or English are welcome for all three competitions.



Hans-Peter
Sander

Team PR / New Media ICV

ICV Controlling Excellence Award

“Exemplary controlling work can give other controllers impulses for a concrete improvement in their controlling,” explains Prof. Dr. Dr. h.c. Jürgen Weber, WHU – Otto Beisheim School of Management, Vallendar, Germany. Prof. Weber has been chairman of the jury for many years and has given this honorary position now to Prof. Dr. Utz Schäffer, Chairman of the ICV Board of Trustees. “Most solutions are innovative and show new ways. Important to us is the practical feasibility and making controlling more efficient or effective, and not just in the opinion of the controller, but also the manager.”

The ICV Controlling Excellence Award 2019 was given at the Munich Congress of Controllers to Unitymedia GmbH. Munich Re and Metro AG were also nominated for the 2019 award. In 2020 the nominees for the award were: A1 Telekom Austria with the project “Working Capital Management – Agile Methods in Finance,” BASF with the project “PACE (Predictive Analytics Estimate) – the IT-based financial forecast to support corporate planning and management,” and Diginet GmbH & Co. KG (Pixum) with the project “Vision Team 42 – future-oriented controlling and modern data solutions from a single source”. – The winner 2020 could not be honored at the Munich Congress because of the corona crisis. In the meantime, BASF has been announced in the online channels, all 3 winners will be honored at the Congress 2021.

Green Controlling Award

Controllers as business partners are required to actively support the implementation of sustainability targets. The ICV supports its members and the entire controlling community with experience from this area. For example, the ICV expert work group “Green Controlling for Responsible

Business” has worked on this topic for over ten years. The Péter Horváth Foundation awards every year in cooperation with the International Association of Controllers (ICV) the most innovative and effective “green” controlling solution for the design and management of ecological strategies, programs, projects, and measures in companies and public institutions in order to promote the work of controlling on the “green challenge.” The prestigious Green Controlling Award went in 2019 to VERBUND AG in Vienna for the “Green Finance” program.

ICV Newcomer Award

“For the practical further development of controlling, the intensive exchange with universities and other training institutions is necessary. In this sense, we would like to acknowledge the performance of newcomers who have already developed innovative scientific solutions to practical problems of controlling during their studies,” explains Prof. Dr. Nicole Jekel, Professor at the Beuth University of Applied Sciences Berlin, Jury Chairman of the ICV Newcomer Award. “For the controlling practice, it is very important that students not only deal with theoretical concepts and methods during their studies, but also with their practical application and resulting problems.” The ICV Newcomer Award 2019 (1st prize) was presented in Berlin to Daniel Braun and Jakob Merz from the WHU – Otto Beisheim School of Management for their master’s thesis “Agile@Controlling. How Can Controlling Support Different Degrees of Agility in Organizations?” The 2nd prize went to Gernot Domes from the University of Applied Sciences Carinthia in Villach, Austria, and the 3rd prize to Anna Adam from the Baden-Wuerttemberg Cooperative State University, Stuttgart.

More about ICV awards: www.icv-controlling.com ->The Association ->Awards ■

Rooting the ICV controlling philosophy



Controlling as known in German-speaking regions was definitely influenced by Dr. Dr. h. c. Albrecht Deyhle and the International Association of Controllers ICV. The ICV's internationalisation strategy is aimed at rooting this controlling philosophy in neighbouring countries. The International Association of Controllers is meanwhile represented in 15 countries with knowledge transfer, exchange of experiences and networking.

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. 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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Additional ICV Work Groups in German-speaking countries: Austria, Germany and Switzerland
www.icv-controlling.com/en/work-groups

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