

## FOREIGN EXPERIENCE IN APPLICATION OF CONTROLLING

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*The article presents the experience of using controlling by the largest companies in the USA, Germany, Japan in the context of globalization. The use of controlling in anti-crisis measures is considered, the need to adapt to new developments is substantiated as a tool to increase the efficiency and competitiveness of business.*

**Key words:** controlling, globalization, business, anti-crisis measures, competitiveness, production, companies.

*Мақалада жаһандану жағдайында АҚШ, Германия, Жапонияның ірі компанияларының бақылауын қолдану тәжірибесі ұсынылған. Дағдарысқа қарсы шараларда контроллингті қолдану қарастырылады, бизнестің тиімділігі мен бәсекеге қабілеттілігін арттыру құралы ретінде жаңа әзірлемелерге бейімделу қажеттілігі дәлелденді.*

**Тірек сөздер:** контроллинг, жаһандану, бизнес, дағдарысқа қарсы шаралар, бәсекеге қабілеттілік, өндіріс, компаниялар.

*В статье представлен опыт применения контроллинга крупнейшими компаниями США, Германии, Японии в условиях глобализации. Рассмотрено использование контроллинга при проведении антикризисных мероприятий, обоснована необходимость адаптации к новым ведением, как инструмента для повышения эффективности и конкурентоспособности бизнеса.*

**Ключевые слова:** контроллинг, глобализация, бизнес, антикризисные мероприятия, конкурентоспособность, производство, компании.

Controlling is recognized and used as a business management tool in all developed countries of the world. As a result, there is a mutual enrichment of the best experience in this area, although national differences are fully taken into account in practice, which is an important factor in increasing the effectiveness of its application. In the context of globalization of the world economy, there is an active movement of capital from one country to another. For example, Japanese-owned car factories in the United States actively use controlling tools developed in Japan, and at the same time, Germany is adopting the positive that has been accumulated in this area in the United States; legal, economic, and social conditions are fully taken into account. these countries

Mutual enrichment of experience, which is actively promoted by controlling, turns it into a multifaceted universal management tool that becomes an integral part of modern international management, contributing to the qualitative improvement of management.

With a globalized business, controlling responsibilities expand to include global financial budgeting and planning, overseeing operations management, and global reporting of profitability. Controllers closely related to functional areas of activity take the greatest part in the company's operating activities.

Controlling is actively used during anti-crisis measures.

The anti-crisis management system is an integral part of the overall management system of an industrial enterprise, therefore, its structure must be integrated with the overall organizational structure. Such integration will reduce the overall level of management costs, coordinate and regulate the actions of the anti-crisis management system with other management systems of the enterprise and, as a result, increase the efficiency of control over the implementation of strategic decisions.

In the United States, much of what is associated with the role and function of a controller is usually the responsibility of the vice president of finance. The controllers here are involved in a much larger range of business operations. They are responsible for performing the functions of financial accounting, information systems. In addition, US controllers are responsible for the financial systems of the enterprise, for many aspects of financial management, and for the financial statements of the enterprise. The following functions of the controller can be noted: monthly financial management and external reporting in accordance with the law; formation of the budgeting process, relevant reporting and analysis; establishment of financial control and tax reporting; financial transactions: accounts payable, fixed assets, general accounting, and so on.

In the process of changing the business environment, the controller had to adapt to new requirements, which include strategic planning and business partnerships. Controllers are designed to assist the manager in forming a strategic vision for the development of the enterprise, while maintaining the ability to work to provide consulting services to the management, as well as to take an equal part in the formation of the company's strategy.

In the United States, the knowledge and skills required to work as controllers are precisely defined. For this, many studies have been carried out and summarized, and the knowledge necessary for success in an international, Internet-oriented business environment has been identified.

Cost management has been one of the main goals of controlling since its inception. Here, in addition to German and American specialists, a great contribution was made by Japanese scientists, who, back in the 1960s, developed the concept of management at a target cost, which has been successfully used in practice since then.

Modern markets are changing, and technologies are progressing so rapidly that it forces managers to use new approaches to management, focusing on consumer behavior, and to develop appropriate planning, measurement, accounting and cost control tools that are combined into controlling, primarily into a cost management system. The usual approaches that do not meet the requirements of modern competition are being revised. A special place is occupied by the modification of the methodology for accounting for costs and calculating the cost of new (innovative) products. It is the use of the target-costing system that is today one of the most promising ways to solve this problem. In the Japanese automotive industry, the target cost is determined not only for each new model, but also for each part of the designed vehicle. The designers develop a pilot project and find out if the estimated cost of the car is within the target cost. If not, then the necessary changes are made to the project. This process continues until the difference between the estimated and target costs disappears. Only after this is a prototype vehicle for testing made [1].

It is impossible to accurately determine the target cost of a product or service without proper marketing research of the market and its prospects. But bringing the estimated cost in line with the target cost presupposes management experience for managers, engineering knowledge for designers, and analytical thinking for accountants who are specialists in management accounting. All these people are connected by one goal - to eliminate the difference between the estimated and target costs.

In the context of the globalization of the world economy, the accelerated development of international economic relations, many innovations appear in the field of controlling. Benchmarking helps to use them better. It opens up the possibility of comparing economic efficiency in the broad sense of the word, that is, it makes a realistic assessment of the vulnerable and rational sides of the company's activities in comparison with competitors and world leaders in a particular field. Key goals - benchmarking:

- identification of the company's competitiveness, its strengths and weaknesses;
- statement of the necessary changes;
- selection of innovative approaches to cardinal improvement of business processes;
- determination of optimal methods of work for companies of a particular type;

- development of innovative approaches to the fundamental improvement of business processes;
- providing conditions for the development and use of more accurate indicators of the quality of work.

Naturally, these goals are fully consistent with the goals of controlling.

Countries with developed market economies have accumulated extensive experience of effective work in market conditions based on the controlling system, which is widely used, in particular, by many leading companies in Germany. In the theory and practice of managing German companies, the most important component of controlling is management accounting. Accounting is subdivided into financial and production. The controlling scheme operating in Germany cannot be used directly in domestic conditions, since the accounting and analytical schools of Germany and Kazakhstan are different and, although they have large features, are based on their own traditions and experience. The mentality of accountants, managers and entrepreneurs is also significantly different.

Controlling is not equated in Germany with the words control and revision. Although they are consonant with controlling, they have little to do with it. Enterprise management is the task of management. Real management without control, especially financial control, is impossible. At the same time, it is incorrect to confuse the concepts of management and control, since controlling does not implement a management function. Controlling employees do not make managerial decisions, which remains the function of the enterprise management [2].

A study of the controlling system operating in German enterprises shows that the distinction between Kazakh and German accounting, analytical, financial and planning services is, in essence, external. However, the form of organization of labor, production, sales, the culture of market agents, and market infrastructure in Germany are significantly ahead of domestic ones. Meanwhile, because of the unsatisfactory organization of production and management, mismanagement of the enterprise incur huge losses [3].

It is realistic to apply in practice the experience of German companies in the development and application of the controlling system at our enterprises, but this should be done gradually. It is necessary to fully take into account the peculiarities of economic development at each stage of the advancement of the economy of Kazakhstan to the market. At the first stage, the problem of survival, retaining qualified specialists, and providing them with acceptable wages is of paramount importance for most domestic enterprises. In such a situation, a simplified version of operational controlling can function, focused on the maximum utilization of existing production capacities and the release of a break-even product at direct costs, while ensuring its sales and payment.

At subsequent stages, it becomes real to use more methodologically complex controlling options based on the choice of the best alternative for capacity utilization, the use of various discount systems to ensure more efficient sales of products, etc. The most complex controlling system is characterized by the search and justification of the choice of production and financial investments. It is realistic to apply it in practice in the conditions of Kazakhstan when the economic situation at enterprises is firmly stabilized, and market-based management tools will be fully used.

Consequently, in Germany (as in other countries), controlling is an integral element of management accounting at enterprises of various fields of activity. Practice has proven that the toolkit of counterrolling is very beneficial for the functioning of any enterprise. Thanks to its introduction into the practice of modern business, most economic entities limit their production costs and, as a rule, as a result, strengthen their positions in the market segment in which they operate, and in most cases expand the sale of their own products.

In the practical activities of enterprises, controlling materializes as a cost management apparatus. For this purpose, special accounting and analytical tools are used, in particular, direct costing, calculation of break-even points, formation of a pricing policy, analysis of the relationship between production volumes, cost and profit, etc. For enterprises, it is possible to recommend the use of a multi-stage scheme for the formation of the amounts of coverage, and ultimately the profit of the enterprise. Such an approach provides conditions for increasing the effectiveness of internal

control over the efficiency of the profit and responsibility centers, since in this case the contribution of a particular level of management to the formation of the production result becomes more prominent [4].

The possibilities of controlling concern not only the management of production costs, but also affect other areas of enterprise management. It manifests itself as a set of techniques aimed at improving accounting policies and management practices of enterprises, based on financial criteria for the success of their operation. Controlling not only opens the door to cost efficiency, but also actively stimulates senior management to think in financial categories, moving technology management closer to the production process.

Controlling is widely used in the United States, where recently there has been a significant increase in the participation of company management in the development of controlling programs.

American controllers are responsible for performing the financial accounting function, filling the main components of information systems. In addition, US controllers retain responsibility for the financial systems of the entity, aspects of financial management, and elements of the entity's financial statements. The following functions of the controller are characteristic: 1) regular monthly financial management and external reporting in accordance with the legislation; 2) the budgeting process, related reporting and analysis; 3) creation of an environment for financial control and tax reporting; 4) purely financial activities: accounts payable, fixed assets, general accounting, etc. [5].

We identify several additional responsibilities of the controller in the new environment. These include global financial budgeting and planning, oversight of operations management, and reporting of profitability. The greatest participation in the operational activities of the enterprise is taken by controllers closely related to the functional areas of activity.

The controller is designed to offer a strategic vision of the business by becoming a business partner in the management process, rather than simply providing information as an executor. Supervisors should actively collaborate with business leaders as a partner. It is required to expand the service functions for top management in matters of ensuring strategic initiatives, as well as more efficient management, including personnel.

As the business environment changes, the controller has to adapt to significantly different requirements, which include strategic planning and partnerships. Successful supervisors are called upon to develop skills that include helping the leader form a strategic vision for the enterprise while maintaining their core competencies, i.e. the ability to work with the numerical characteristics of the process, acquire the skills to provide consulting services to the management in goal-setting, and also take an equal part in the formation of the company's strategy.

The effectiveness of the managerial decisions made, the formation of conditions for their practical implementation, the real possibilities of monitoring the achieved results and predicting future achievements largely depend on the quality and effectiveness of the controller, his service.

The analysis of practice proves the objective need to expand the functions of controlling, to strengthen its role in solving not only operational business problems, but also those of a strategic nature, in the timely identification of business weaknesses and the development of programs for eliminating shortcomings, determining the available opportunities to accelerate economic growth and increase profits.

The use of controlling is becoming an international phenomenon that is becoming more and more widespread, and has proven to be highly effective in a wide variety of market conditions. But in each country there are differences in the use of controlling. The study of the best results of foreign practice can make it possible to identify innovations that can be really applied in domestic practice, taking into account its real conditions.

Analysis of the experience of using controlling, accumulated in advanced countries, in particular in the USA and Germany, convinces that its capabilities in Kazakhstan are still insufficiently used. But much more, in our opinion, the possibilities for accelerated implementation and improvement of controlling practice lie in the generalization, careful study and implementation of the experience of leading domestic enterprises that have achieved great success in this area. It is

in this area that one of the important reserves for a significant increase in the efficiency and competitiveness of domestic business lies.

Controlling is becoming an increasingly important factor in realizing the enormous opportunities that the knowledge society presents to business. It is to specialists - controllers that the role of the main organizers and conductors of radical business transformations, generators of innovations, ensuring its development and maintaining competitiveness, is gradually shifting today.

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