

# FORMATION OF CONTROL PROGRAMS IN THE STRUCTURAL SUPPORT OF THE ORGANIZATION'S ENTREPRENEURIAL ACTIVITY

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## ABSTRACT

***Aim of the study:** Information and evidence about the origin and application of controlling in practice has a long history, during which both the types and forms and methods of this type of economic activity have changed. At the initial stage of its development, controlling activity was considered, first of all, a separate, specifically defined type of management tool, the task of which was to carry out analytical assessments of completed processes. With the growing role of long-term planning and, especially, forecasting, and, accordingly, the need to expand the field for information support of long-term management decisions, this tool is gradually becoming a means of overcoming the information deficit not only of an operational but also of a predictive nature.*

***Methodology:** The very first main functions of controlling consisted in in-depth content of calculation construction and its analysis, and therefore its types, forms and methods were aimed at providing these functions. Rapid and dynamic changes in the environment and the need for more extensive information with its projections on expectations, which led to a shift and orientation of controlling to strategy, greater subordination to the goals of the enterprise. As for practice, it can be noted that the function of controlling activities in domestic enterprises is mainly associated with income, expenses and financial results in the future. In accordance with this, the most common methods of controlling activities are those that detail the composition and structure of expenses and revenues for individual objects, and establish the profitability of certain types of activities.*

***Conclusion:** In General, the types, forms and methods of controlling activities at various enterprises and in the context of specific economic conditions of their operation are considered differently. In many cases, the position is held that currently controlling can be defined as a system for managing the process of achieving final goals, mainly classifying it as a system for managing the financial result (profit) of an enterprise. At the same time, controlling methods find their expression in the totality of specific tools involved, which makes it possible to practically implement the goal of controlling in enterprises of a particular industry.*

**Keywords:** Entrepreneurship, Structural, Support, Investment Program, Control.

## INTRODUCTION

Some scientists, according to the proposed paradigm of conceptual content, direct the action of controlling activity and, accordingly, its development and adaptation through specific (most important for the enterprise at this stage) objects – income, expenses, financial results or

other management objects (for example, business value growth) (Branzei, 2010; Camuffo, 2012; Ceci, 2019). Another group of scientists positions controlling activities through the development of a comprehensive information-analytical and coordination management tool based on a specific concept of controlling. Based on the results of scientific research, we note that the proposed paradigms and the conceptual basis of this system are developing in different directions. In particular, Russian scientists offer conceptual foundations (approaches) to the formation of a system of strategic controlling (Collins-Dodd, 2005); financial and anti-crisis financial controlling (Durmanov, 2019; Hovne, 2014); innovative concept of controlling (Jensen, 2014; Liu, 2014); logistics controlling (Ling, 2019).

In addition, researchers suggest a diverse nature and content of the monitoring system as a tool: accounting and information system (Camuffo, 2012); controlling mechanism with the allocation of functional subsystems (Ceci, 2019); controlling model of the process of forming a forecast profit (Jensen, 2014); a set of methods and tools of the controlling mechanism using management methods (Kumi-Ampofo, 2009); a system mechanism for implementing a set of tasks by controlling (Lee, 2013); the concept of controlling as an innovative management resource (Liu, 2014); concepts of the process approach (Shirokova, 2020); concepts of controlling using economic expertise (Williams, 2018); concepts of controlling knowledge (Williams, 2017).

The problem of a more clear and unambiguous formalization of the theoretical and methodological design of the controlling system is also associated with the existence and growth in modern practice of numerous and diverse risks in the conduct of business by enterprises. For this reason, a significant number of business entities introduce a risk-oriented component in the architecture of modern management concepts. Undoubtedly, such a management component should be objectively based on reliable information about the likely occurrence (occurrence) and ways to eliminate (minimize) risks. To ensure such information needs of the management system, scientists suggest introducing the "*concept of risk – based control for risk identification and assessment*" into controlling.

In modern practice, the concept of strategic management dominates, the basic basis of which is strategic planning and other management functions that are adequate for these purposes. Therefore, an important task in developing a controlling system is to coordinate its functions with the areas of strategic planning and strategic management. From this position, scientists conclude that strategic planning needs a coordinating function of controlling to the same extent as operational planning.

Positioning of the modern controlling concept as a whole follows from the term "*Management accounting*" (management accounting), introduced in the domestic business environment from English, and directly controlling (controlling)-from German. The modern content of the term "*Controlling*" comes from the English "*To control*" - to manage, manage, control, although in English-language sources it is not directly used, but is replaced by the term "*Managerial accounting*" (management accounting). In the modern sense, this term (die controlling) is adopted from Germany, where the concept of controlling developed by scientists and practitioners has received a fairly wide practical application, and the created society "*Economic science and practice in the system of controlling and accounting*" is constantly improving the content of controlling activities.

To highlight the functional focus of controlling and management accounting, scientists argue that the functions of controlling are broader, since they include not only the tasks inherent in management accounting for the formation of relevant information for making management

decisions. Scientists also raise the issue of controlling as a system management tool in the management structure, according to which controlling is considered as a management function, but many works on management do not even mention controlling as a General management function. Despite the great importance of controlling in ensuring high efficiency of the management system, some scientists hold the position that controlling provides methodological and informational support for management, providing services within its framework. In General, we can adhere to the position that in the modern economy, controlling is considered by the company's management as a mechanism for managing various areas of financial activity. As a result-oriented function, controlling should provide management personnel with information to adjust their decisions to respond, coordinate, and adapt to changes in external and internal business conditions in order to achieve their goals.

## METHODOLOGY

The initial concept of controlling as a tool of a certain (limited) management system was clearly oriented to its informational essence. It considers controlling as a purely informational system. The development of this concept covers mainly accounting, profit orientation, the use of best practices and tools in the organization and the expansion of management accounting parameters. In modern theory and practice, controlling as a tool for coordinating the components of the management system is considered an important element, and therefore its role is to perform its main function of supporting the position of management in the process of solving their common task of coordinating the functional divisions of the management system. In this context, controlling is revealed as a management tool in solving common organizational problems.

Classification of controlling has theoretical and practical significance. It allows you to identify different types of controlling on various grounds, define more specific methods of controlling activities and thereby help the company's management to make timely and effective management decisions (Abramov, 2018). However, the authors note that the separation of controlling for any one criterion does not give a complete picture of its structure and content as economic activity in General, and for the successful implementation of this challenging but undoubtedly very useful for many enterprises, information systems and effective use of its potential requires vision types of controlling through the prism of complex classification.

The analysis of literature sources on the classification of controlling confirms its division by the majority of Russian scientists only on one basis – time orientation, that is, operational and strategic types of controlling are distinguished. In this case, the essence of operational controlling is reduced to the formation of tools for effective management of the current goals of the enterprise. The content of a certain type of strategic controlling is considered through its orientation to the potential for successful functioning in the long term, taking into account the existing probable chances and risks. In detail, the types of modern controlling are considered in those works where such classification features as the subject (controlling personnel, resources, orders, innovations, etc.) and areas of activity are highlighted, dividing financial, production and financial and complex controlling by this feature. The next feature of the classification of controlling scientists distinguish the idea (goals) of the enterprise and, according to this feature, controlling is divided into: controlling structures and controlling results. Explaining that using the first type of controlling covers the functioning of all departments, services and divisions of the enterprise that perform certain tasks; controlling structures covers not only the activities of

structural divisions of the enterprise, but also monitoring the performance of certain functions by responsible persons.

Despite the limitations in the economic literature of classification features of controlling activity, based on our own definition of its content, we consider it appropriate to Supplement them with a division by level of formation (specifics of the organizational and managerial structure). On this basis, we suggest dividing controlling into centralized and decentralized. The first type of controlling is organized on the basis of tasks of the highest level of management, while the second type of controlling tasks are set at the level of structural divisions involved in the activity. In the classification of controlling activities, we also suggest using the methodology of controlling procedures (Rodnyansky, 2019). On such a basis, we propose to classify the controlling on the current and accumulative. The first is carried out using the latest methods of controlling activities, the second – using previously used and proven methods. Separation of controlling with the attached classification criteria will expand the functional support of enterprise management to enhance its effectiveness.

The development of a conceptual framework for controlling activities, its organization and implementation in practice is based on a well-founded set of conceptual, theoretical and applied foundations concerning the structure, functions, principles, organizational issues and methods of a functional-oriented tool for a particular enterprise.

The theoretical foundations for building many types of management tools are quite developed, but regarding controlling such a system basis has not been fully investigated. The solution to this problem lies, first of all, in defining the clear content of the concept of controlling, and the development of specific types and forms of controlling activities and its methods should be based on well-regulated basic principles of this tool.

## **RESULTS AND DISCUSSION**

Analysis of recent research and publications shows that most theorists and practitioners hold the point of view of the initial feasibility of analyzing the basic system of those tools that are used in conditions of unstable use in practice of certain management concepts. In modern economic conditions that require permanent changes in management technologies, a clearly defined type of controlling activity is needed that would integrate the latest methods in the field of accounting, analysis, planning, monitoring, diagnostics, control, and so on. Such an adaptive system of controlling through the combination of a system set of tools should provide the basis for developing effective management decisions: today there are problems in ensuring the effectiveness and adequacy of tools for those elements of enterprise activity that are subject to controlling.

In General, the tools of controlling, and hence its types, forms and methods are conditionally divided by the period of action and phases of the cycle of controlling activities. Since controlling is considered extremely diverse, including its operational and strategic nature, it is considered necessary to further study its goals, functions and principles in the enterprise management system.

To compare and analyze the types and forms of controlling activities and the methods used in them at machine-building enterprises, it is necessary, first of all, to establish the objects of controlling. Today, we can distinguish different views of scientists, which, regarding the object of controlling, differ significantly from each other. Some consider it an object of the management subsystem – the organization as a system, the competence of the Manager and management team, all aspects, functions, organizational structures, functional divisions and

network management mechanism at all levels and in all structural divisions, subsystems of the management system, between which coordination is provided (planning, accounting, economic analysis and control), while allocating objects (processes of creation, distribution and use of property, economic results of the business entity, economic funds, sources of their formation, etc.

These different types of definitions of controlling objects should obviously be considered erroneous, since they relate to the management system. Another group of scientists includes other, narrower areas of enterprise activity as objects of controlling, in particular, in-depth research of the external environment and innovative processes that take place both in the region and in the economy as a whole. In this position, the objects of controlling include various areas of activity of the enterprise, which can be supplemented by other (more detailed) areas of management and economic or financial and economic activities.

In numerous scientific studies directly to the objects of controlling include: indicators of the efficiency of production factors, their use and organizational factors, the potential of the organization (number, fixed assets, capacity, production and sales); indicators of financial condition in comparison with the forecast. Despite the above groupings of objects of controlling activity, the economic literature is dominated by the recognition of expenses and incomes of an enterprise as objects of controlling. This is due to the fact that controlling in domestic research is further identified with management accounting or its extended version.

Summarizing the views of researchers on controlling objects, they can be divided into two groups: some refer to the objects of controlling all management relations, which identifies controlling with management (controlling as a management concept), others limit the content of controlling to indicators of financial condition, classify only a certain process, resource or result as its objects, identifying its content with a somewhat in - depth version of financial and economic analysis of detailed information about specific (specific) objects. Based on the results of the conducted research and the agreed point of view of scientists and practitioners regarding the main goal and direction of controlling to improve the efficiency of the machine-building enterprise, the object of controlling, in our opinion, should be performance indicators, the system of which depends on the operational and long-term goals defined at a particular enterprise.

In the context of the above selection of the object of controlling a machine-building enterprise, its subjects should determine the services and divisions that, based on the formed mechanism of tools and methods, form a system of management decisions aimed at improving the efficiency of the enterprise. Based on this, one of the most important components of the subject of controlling is the coordination organization of relations that arise to achieve management goals.

In accordance with certain objects, you can formulate the goal of controlling a machine-building enterprise. The scientific justifications of various authors regarding the purpose and, accordingly, the functional orientation of controlling activities differ significantly. Research is dominated by the position that entire businesses are a common reference point for controlling. In addition, other goals of controlling activity are argued: permanent assessment and diagnostics of changes in the financial and economic state to establish trends and patterns of development of the enterprise with an analysis of the impact of internal and external factors on its performance and position in the competitive market.

## CONCLUSION

In a generalized form, the main goal of controlling is considered through the construction of an effective system for supporting management decisions aimed at obtaining an achievable

financial result, for high-quality information support for management decisions. Agreeing with these definitions and taking into account the need to minimize the negative impact of uncontrolled areas of work of management personnel, the main goal of controlling a machine-building enterprise, in our opinion, should be recognized as the development of a comprehensive system of interrelated tools and methods that would ensure optimal results in the context of strategic goals.

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