

ORGANIZATIONAL ASPECTS OF MANAGEMENT CONTROL SYSTEM IMPLEMENTATION

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The introduction of management control systems is caused not only by production needs, but also by the desire of owners to monitor income and expenses and have a complete picture of the real financial situation in real mode for the planning and management decision-making process. Production should function as a well-established mechanism, and this requires a permanent system that allows you to track information about business transactions, product costs, production costs and profitability of production as a whole. Also, the need to obtain up-to-date information on costs and revenues is due to the increase in overhead costs (distribution and marketing costs), which have a significant impact on economic performance. This is especially true in the case of large-scale enterprises and foreign markets, where total selling costs far exceed similar production costs.

Thus, at the initial stage of the organization of management control should take into account the circumstances that necessitate the introduction of systematic management control, which is characteristic of all enterprises:

- 1) obtaining reliable current information on the state of the enterprise;
- 2) the formation of a proven database as a basis for planning.

Undoubtedly, parameters such as cash flow, cost of production, production and marketing costs must be accurate and take into account all components and are consistent with internal accounting rules and procedures [1].

Management control is primarily a set of procedures that make up a system of rules, the application of which is necessary depending on the chosen strategy of enterprise development, a specific goal. In this regard, the process of implementing management control should begin with the preparation of medium-term strategic plan of the enterprise (3-5 years), which includes not only the growth of measurable indicators (profitability, profitability, number of outlets, etc.), but also secondary parameters - brand formation, professional and cultural growth of employees, assistance to society on the basis of social projects. Defining strategic parameters greatly facilitates the choice of tools for implementing a system of management control of the enterprise.

The determining factor is the simplification of business processes, so that radical innovations provide information content of management work, which consists of the following elements:

- centers of responsibility (zones);
- primary management accounting documents;
- reporting forms;
- accounting procedures (collection, processing and presentation of

information to users).

Management control is based on the primary documentation collected in the areas of responsibility and is the basis for the analysis conducted by the financial manager. We can say that the financial manager at the stage of formation of management control acts as a statistical department and deals with the processing and analysis of all data flows to report to the general manager and owner of the enterprise. The movement of internal information of the enterprise should be coordinated by the general manager who connects all departments and employees [2].

This system is based on a hierarchical management structure, which has a number of distinctive features:

- simpler division of responsibilities;
- standardization of production processes;
- high staff turnover;
- lack of a well-functioning corporate culture;
- Lack of understanding at this stage of the relationship between enterprise development and their own development.

The task of implementing management control is the rational use and prevention of waste of inventories of the enterprise. Also, at this stage, it is necessary to improve the work with the staff of the enterprise, to regulate staff turnover. In order to reduce the risk of loss and encourage loyal employees in the company, it is necessary to adhere to the conclusion of employment contracts with them, which should specify the responsibilities for management control.

References:

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