# pragma

controlling
for
small companies
and
service enterprises

project report

# controlling
# for
# small companies
# and
# service enterprises

From October 1997 to February 1998 pragma GmbH[1] carried out a model project 'Controlling in Small Companies' developing and (partly) realizing a professional controlling system with three small companies / service enterprises. The brochure at hand is a summary and presentation of the backgound, the course and experiences gained from the working processes. It is aimed mainly at the proprietors and managers of companies with up to 30 employees wanting to improve the controlling in their companies, who are therefore interested in examples and experiences, and at organizational and consulting enterprises working with small companies.

The project 'Controlling in Small Companies' was promoted financially by EU means and out of the funds of the QUATRO programme of the federal state of North Rhine-Westphalia.

Text: Michael Schrader und Gabriele Dahle
Layout: Gabriele Dahle
Translation: Gerhild Güdücü

organization
management
controlling
labour market politics
job transfer

**pragma gmbh**
**schwerinstr. 44**
**44805 bochum**
**Tel. 49 / 234 / 8 90 90 83**

1 Gmbh = ltd. - the translator

# Contents

**0. Controlling – what is that?** p. 4

**1. Small Companies and Controlling – a Status Description** p. 6

1.1. The situation of small companies p. 6
1.2. Controlling in a ‚typical‘ small company p. 9
1.3. Controlling for small companies of the future p. 10

**2. The project ‚Controlling in Small Companies‘** p. 12

**2.1. Scope and aims of the project** p. 12

**2.2. Concept for controlling in small companies and service enterprises. A modular model** p. 13

**2.3. Course of the project ‚Controlling in Small Companies‘. Three examples for controlling processes** p. 14

2.3.1. fesch / Austausch und Begegnung[2]: education as a service p. 15
- background p. 15
- the development of controlling p. 16
  a. the status of controlling p. 16
  b. diagnosis of the main problems p. 16
  c. the development process of controlling p. 17
  d. result and outlook p. 18

2.3.2. LKM: priority: organization development p. 19
- background p. 19
- the development of controlling p. 20
  a. the status of controlling p. 20
  b. diagnosis of the main problems p. 21
  c. the development process of controlling p. 22
     - IT development p. 23
     - development of organization p. 23
  d. results and outlook p. 25

2.3.3. CoMa: priority: controlling of performance p. 27
- background p. 27
- the development of controlling p. 28
  a. the status of controlling p. 28
  b. diagnosis of the main problems p. 29
  c. the development process of controlling p. 29
  d. results p. 30
  e. outlook p. 31

**2.4. Résumé** p. 32

2.4.1. The individuality of small companies p. 33
2.4.2. The importance of organization development in controlling p. 34
2.4.3. The integration of competencies p. 35
2.4.4. The concept ‚Development of Controlling in Small Companies‘ p. 36

**Appendix** p. 38

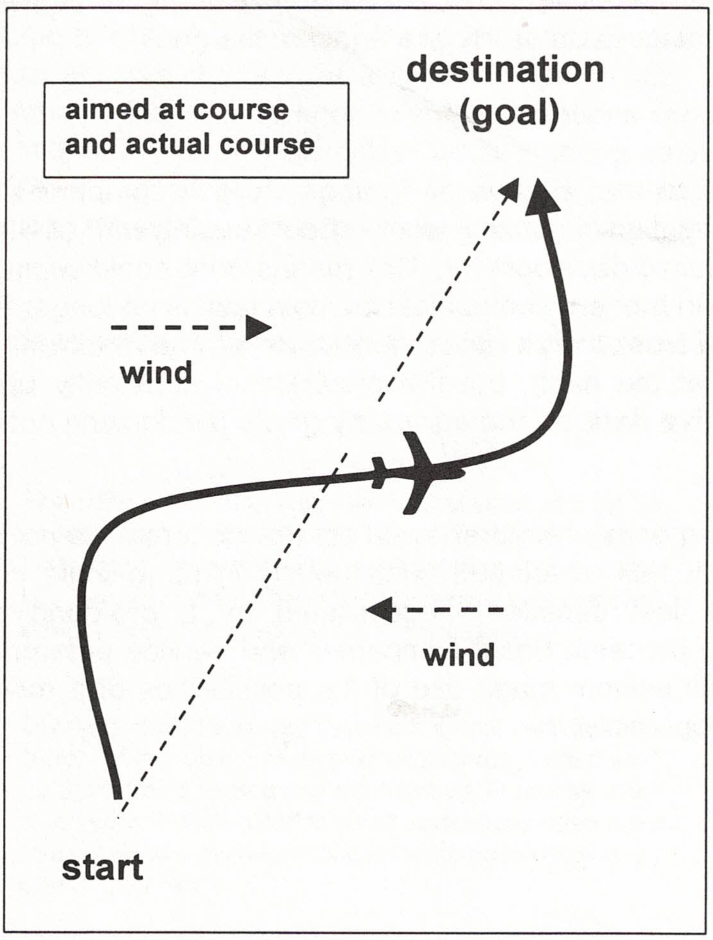
[2] exchange and meeting – the translator

# 0. Controlling – what is that?

'Controlling' means those control instruments which a company needs for its daily running. The more precise these instruments are, the more flexible, faster and more efficient can the management react e.g. to a changed order situation, a new competition situation and other alterations in the business situation.

*controlling is a control instrument*

This is best described with a picture: The task of controlling in a company is comparable with the navigation for an aeroplane.




Aeroplane navigation and controlling are mechanisms which serve to quickly correct deviations from the course caused by outside influences (like side wind or e.g. a sudden sinking demand for a certain product), so that you stay on course and reach your destination safely.

*task: staying on course*

Precondtion for a well functioning control system is, however,

*goal*

*measuring instruments*

*control instruments*

1. to know one's course, that is to have a goal (or goals),
2. to have measuring gauges which can register and announce deviations from the course as precisely as possible and
3. to have the necessary control mechanisms at one's disposal to safely aim again at the goal.

*bookkeeping: planning instead of documentation*

The core of the measuring gauge , which companies have for their 'navigation', is of course their bookkeeping with all the data on the economic development. This means, that bookkeeping plays a new role in modern companies: its main task is no longer the **(most exact) retrospective documentation** of the financial dealings (looking at the past), but the provision of constantly **up-to-date, informative data on the company goals** (i.e. looking ahead).

*small companies seldom have modern controlling*

Controlling as an entrepreneurial control instrument is not a new invention. It has developed continuously in large-scale companies over the last decades -necessitated by a profound economic changing process. Small companies and service enterprises have up to now seldom made use of the possibilities of a modern controlling approach.