

Платформа VI

Інноваційні форми та фінансові інструменти активізації інвестиційної діяльності корпоративного сектору

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FINANCIAL CONTROLLING IN BUSINESS

Finance as the science of management, creation and study of money is an essential tool in order to propel the business activity forward. However, any financial performances would be senseless without being controlled. It is in this perspective that it would be of the utmost importance to realize the meaningful importance and objectives of financial controlling in business. Controlling is a function of management which helps to seek planned results from the subordinates, it helps in measuring the progress towards the organizational goals. Nowadays financial controlling occupies a big post in company's finances. Thus, the analysis will be devoted to the meaning of financial controlling, the importance of financial controlling in business and the financial controlling objectives.

Financial controlling is a method used by businesses in order to monitor and controls the business activity and maintain the usage of their financial resources taking into consideration their objectives and business plan.

Financial controlling is a key element of the proper functioning of corporate finance insofar as it ensures the proper functioning of the business activity .Financial controls are subdivided and dedicated to many areas where they have different mission in order to insure the well-functioning of the business activity . Financial controlling influence in cash flows maintenance which is important because it gives an idea of the business transactions and the economic health of the business. Reliable

financial controlling provides analysis of the incoming and out coming cash flows in order to monitor and plan business operations.

Fraud avoidance is also a result of a good financial controlling performance, it can serve to avoid undesirable situations such as online scams or employee's misappropriation of funds and many other through monitoring cash flows.

Financial controlling also ensures the financial resources protection. As important assets for businesses, the financial resources help in the operating activity in the sense that they lead to the acquisition of other resources. Reliable financial controlling ensures the resource management .

Financial controlling involves in company's management system and it helps to define a company's mission and vision, it also improves the communication across different departments and ensures a more efficient allocation of resources .The financial controlling performance reduce risks and unexpected situations such as overdue debt, uncontrolled costs and running out of cash . If there is an absence of effective financial controls the business can face problems such as cash flow difficulties , uncontrolled costs, late invoicing and overdue debts which can result in running out of cash and the unauthorised access to the business accounts and systems which can lead to error, duplication or gaps in records. Non effective financial controls will be always a liability for the business because they can lead to the business failure.

Financial controlling aims to maximize profit by compelling the management to procure funds from cheaper sources and apply the said funds in order to lead to the profit maximization. Also by verifying the adequacy of capital and hence the evils of over-capitalization or under capitalization can be avoided .In order to create a satisfaction of shareholders the financial controlling aims to distribute a fair and adequate dividends to the investors.

Every business regardless of its size and industry needs to have financial controls policy in place .Such a policy does not only ensure the accuracy of reporting but also helps to prevent and eliminate fraud and protect the organization's physical and intangible resources.

Financial controlling is undeniably playing an important role in the business activities to the extent that it helps to analyse, understand, and manage the business industry. With efficient financial controls the company resources can be organized and lead to planned and predictable outcomes.

References:

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MICROSOFT STRATEGY - FORMULATION AND IMPLEMENTATION

Satya Nadella became a new Microsoft's CEO in 2014 he has focused on 'humanising' the company by improving its organizational culture and he also enhanced the coordination of efforts across the departments and groups of the company [1].

Microsoft Corporation uses broad differentiation as its generic strategy for competitive advantage. Broad differentiation involves unique products sold to a wide variety of customers. In this case, Microsoft's products are unique in terms of