

CONTROLLER[®]

CONTROLLING INTERNATIONAL

Magazin

SPECIAL



DIGITISATION
The biggest challenge ever

ICV: **It's also about the digital transformation of controlling**
IGC: **Controllers have to adapt constantly**
CA International: **Clear and significant presentations**

Poland: **Fruitful Mistakes**
Slovenia: **Changes brought by IFRS 9 and 15**
South Africa: **Successful in South Africa**



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Dear readers,

We've done it again: our Controller Magazin Special „Controlling International“ in english is now out again this year. The title “Digitisation – The biggest challenge ever” points the way forward: digital transformation affects all corporate areas, and of course also controlling. At the same time, controlling unlocks new opportunities through the analysis of mass data in real time, for instance.

Subjects like the new IFRS standards at the interface between controlling and financial accounting or recipient-oriented reporting are also sure to be of equal interest to controllers in a wide variety of countries. This magazine demonstrates how these developments are discussed and adapted at international level: by the International Controller Association (ICV), by the work of members of the International Group of Controlling (IGC) and trainers and participants of the CA controller akademie (CA). Our thanks go to all the authors who have contributed to such an exhaustive range of topics.

Another impressive view of internationalisation was offered in May 2017 at the Munich Controller Congress entitled “Agile controlling in the digital reality – successfully managing change” attended by 600 participants. For the first time the host ICV provided live German to English interpreting at Europe's largest controlling congress. The ICV will offer interpreting again next year and hopes to attract even more guests from non-German-speaking countries. As always, the Controller Magazin team will be on the spot.

We hope that you enjoy reading this Controller Magazin Special – and look forward to meeting many of you personally at the Controller Congress 2018 in Munich or one of the other ICV, IGC or CA events in Germany or abroad.

Conrad Günther,
Chief editor and publisher

Hans-Peter Sander,
Head of Team PR/New Media, ICV

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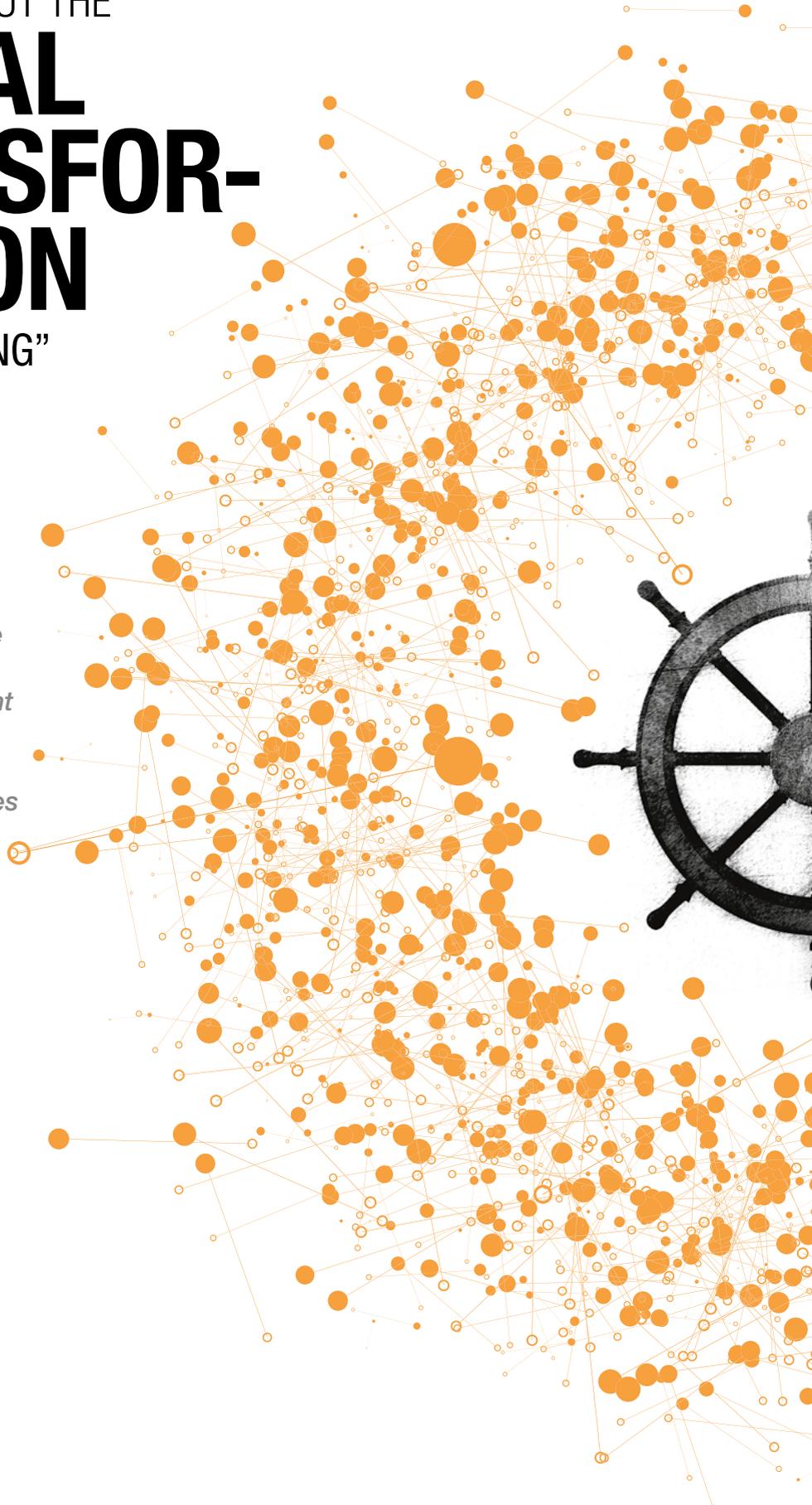
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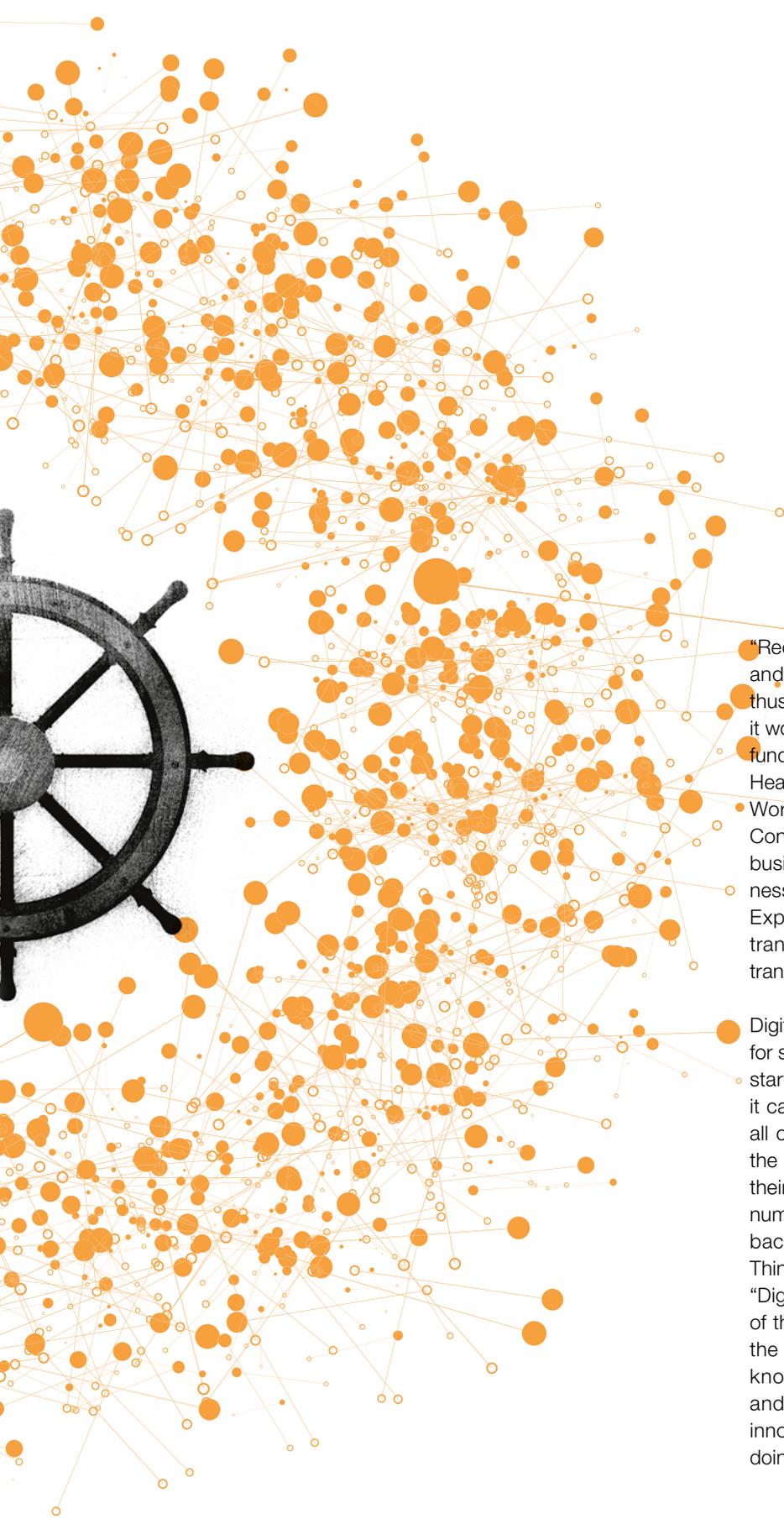
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“IT’S ALSO ABOUT THE
**DIGITAL
TRANSFOR-
MATION**
OF CONTROLLING”

ICV Think Tank to investigate the fundamental change in corporate controlling brought about by digitisation / ICV Expert Work Group “BI/Big Data and Controlling” initiates “digitisation offensive”





Hans-Peter Sander
*Head of PR / New
Media ICV*

“Reducing digitisation to just the standardisation and automation of transactional processes and thus cost savings would be more than just fatal; it would be downright negligent. The changes are fundamental in nature”, cautions Andreas Seufert, Head of the “BI/Big Data and Controlling” Expert Work Group at the International Association of Controllers (ICV). “Digitisation will impact not only business processes but also products and business models.” At the ICV, the Think Tank and an Expert Work Group are focusing on the digital transformation of business – controlling will be transformed, too.

Digitisation has long been seen largely as an issue for start-ups in Silicon Valley. A change in thinking started to emerge only when the disruptive effects it causes began to shake core industries. Today, all companies probably see the need to identify the potential offered by digitisation and to adapt their business models to exploit it. This leads to numerous business-related questions. That is the background which, in 2016, prompted the ICV Think Tank to derive its latest subject focal point: “Digital Business Model Innovations and the Role of the Controller.” The focus of the initiative is on the question of how controllers can apply their knowledge and expertise in the development and implementation of digital business model innovations, and the challenges that result when doing so.

The ICV Think Tank systematically monitors developments in the controlling-relevant environment in order to identify significant trends at an early stage. Based on these observations it develops trend-setting discussion papers, called “Dream Cars”, for the controlling community. Its ideas and findings are then transformed in the ICV’s Expert Work Groups or other project groups into products that can be put into practice. The subjects covered by the ICV Think Tank are characterised by both continuity and the utmost topicality, and have included “Volatility” (2012/2013), “Big Data” (2013/2014), “Business Analytics” (2015/2016) and, since 2016, the subject of “Digital Business Model Innovations”.

FROM BIG DATA VIA BUSINESS ANALYTICS TO DIGITAL BUSINESS MODEL INNOVATIONS

In 2014 the ICV Think Tank published the Dream Car “Big Data – Potential for the Controller”, in which it called upon controllers to address the growing flood of information resulting from big data. After all, providing information to decision makers is one of controlling’s core responsibilities. This paper saw that the availability of a wide variety of monetary and non-monetary information associated with big data will provide controllers with an opportunity to improve the planning and controlling activities at different levels of the company. Controllers should additionally initiate the integration of big data into the sub-sections of corporate management and act as project managers to support this process. Controllers must know – as per the message being conveyed by the ICV Think Tank – which data and what data-management technologies are available. In addition, they must have expertise regarding analysis techniques and visualisation possibilities.

In 2016 the ICV published the Dream Car entitled “Business Analytics – The Road to Data-Driven Corporate Performance Management”, in which it addressed two questions: what controllers must know about business analytics, and how controllers can use business analytics to design controlling processes effectively. According to the Think Tank, digitisation will have a profound impact on corporate performance management, making it highly automated, analytics-driven and integrated, and thus enabling real-time performance measurement. Controllers must therefore address the subject of business analytics and know which analysis tools and methods are available and what they can contribute. The Think Tank believes that controllers, in their role as coordinators, must design the joint business-

analytics process and act as the liaison between management, data scientists and IT. The thought leaders are convinced that business analytics will make it possible for controllers to fulfil their role even more actively as a business partner with a catalyst function. When using business analytics in actual controlling practice, it must be ensured that controllers remain the “single source of truth” for management information in the company.

FUNDAMENTALLY NEW BUSINESS MODELS

The ICV Think Tank has been continuously working on the subject of digital business model innovations since 2016. Fundamentally, the term business model, as defined by the Think Tank, is a simplified depiction of the company’s activity aimed at generating a profit. It is comprised of several components. The Think Tank anticipates that the use of digital technologies (e.g. high-performance computers, broadband Internet, etc.) will lead to dramatic changes in the central components of corporate business models, maybe even to fundamentally new business models. When implementing digital business model innovations, several components of the business model are usually impacted at the same time, including clients, the value proposition, the value-added chain and the earnings mechanism.

The implementation of digital business model innovations, which change industries within a very short time, requires agility, writes the Think Tank. This is true for both the business model itself and for the controlling function too. In addition, the corporate culture is crucial for the development and implementation of digital business model innovations.

DRIVER FOR CONTROLLING

Two main perspectives are particularly important from a controlling standpoint. First, controlling acts as an enabler for the development of digital business model innovations, and second, the implementation of such business model innovations must be seen as a driver for making changes to controlling tools and methods.

When we speak about controlling as an enabler for digital business model innovations, we primarily mean that controllers must be involved in the planning and development of digital business model innovations. Strategic planning is important to identify the potential for success associated with digital technologies for the long-term viability and value enhancement of the company. To that end controllers must take on a leading

moderator role, according to the ICV Think Tank. This does not mean that controllers determine the strategy, but rather that controllers support corporate decision makers (including at the CEO level) during the strategic planning process. This process must likewise identify and assess the risks associated with digitisation, and derive suitable risk-mitigation measures to address them.

If the focus turns to digital business model innovations as drivers for controlling, the adjustments within controlling itself become particularly important. One example the ICV Think Tank points to is the fact that data in the digital age is becoming a significant corporate re-source, which leads to the question how it will be possible to monetise and price data. Controllers are therefore called upon to use their expertise in cost, performance and earnings measurement to answer precisely this question. Another task results from potential investments in start-ups, or attempts to acquire these new firms, which is a significant component of the digitisation strategy for many companies. These require that controllers prepare and apply suitable methods as part of their project and investment controlling activities in order to value the start-ups.

DIGITAL CONTROLLING: EXPERTISE URGENTLY NEEDED

ICV expert Andreas Seufert refers to “digital controlling”, saying “it’s also about the digital transformation of controlling itself. While it is certainly true that dealing with information has traditionally been seen as the focus of controlling, the status quo in the controlling function of many companies has not kept pace with the times. The possibilities to develop, network and analyse data have improved dramatically in recent years. In order to exploit these trends, it is urgently needed to develop the corresponding expertise.”

The network of experts that he leads at the International Association of Controllers (ICV), the “BI/ Big Data and Controlling” Expert Work Group, has therefore launched a “digitisation offensive”. The Expert Work Group is collaborating with partners to realise several initiatives to assist controlling in companies with the digital transformation. These initiatives include webinars and information events, a business innovation lab serving as a “digital tasting room”, and a boot camp, as well as research/transfer projects in association and exchange with other companies.





ICV INTERNATIONAL WORK GROUP

RESULTS FOR AN INTERNATIONAL WORKING COMPANY

Members from Croatia, Germany, Hungary, Poland, Romania, Russia, Slovenia, Switzerland



Dr. Herwig R. Friedag
Leader ICV International
Work Group

In 2015 we started with a new project, an international oriented ICV Work Group, of course English-speaking and open (only) to experienced controllers and consultants from all European countries. Why?

Controllers are more and more seen as consultants, as internal advisers in their companies. And companies in Europe are more and more internationally oriented, having to learn to work with the different cultures of Europe to be successful. We as controllers have to learn both: to be internal consultants and to realise the different European cultures as a very important factor for success in business.

This has to be professionalised in the ICV international Work Group. Therefore the work group members from Croatia, Germany, Hungary, Poland, Romania, Russia, Slovenia, Switzerland are spending time and money to come together, to work together, to learn together and to develop together.

WHAT ARE WE DOING AS AN INTERNATIONAL WORK GROUP?

Every year one company (target company) will be analysed in order to provide the target company with ideas, suggestions and proposals (but not end-to-end management consultancy) for modern management in all economic areas. We spend two days in early summer to get to know the company's business processes, habits etc. and further on we work in teams, consisting of three or four ICV work group members and employees of our target company.

The owner family and all team members from LUG and from the ICV work group at LUG met in Zielona Góra, Poland, October 2016.

The topics of the three or four teams are defined together with the target company's management and have a wide range: there are typical controlling topics like "KPI", "a new reporting system" and "sales controlling", but we also have to handle issues like "motivational factors", "ideas to change the company's culture", "future product range", "excellence in performance/processes", "improvement of internal and external reputation", "market design", "market entry in foreign European states" and of course "how to work on a new strategy".

The mixed teams, consisting always of a controller from the three represented regions (Poland/Russia, Croatia/Slovenia and Germany/Switzerland) and some managers from the target company, then start to work on their own. The communication is realised by Skype meetings, telephone calls and sometimes also the team leaders are organising personal meetings – not easy to organise with these distances!

VISITING PRODUCTION AT NOMAXTRADING IN PIEKARY ŚLĄSKIE IN JUNE 2015

Then, usually in September, we have an "exchange workshop" in a European town to present and to discuss the results. Of course, there are many ideas to make the outcome even better – and so there is a change in the groups: new members, new ideas to improve a good result! We have a meeting of two more days in late autumn at the target company: the first day is reserved for preparation of the final presentation and then – on Saturday – the teams present the results to the owner, to the top management etc. One piece of work we do not realise: implementing these ideas. That is the task of the management, of the employees who have been part of our teams. For the target companies of 2015 and



International Work Group 2016

2016 we already know that they have done a lot to implement many of our ideas and suggestions. And the companies have already realised a very good improvement in their figures!

Of course, the work on these topics takes for all ICV work group members a lot of time: we usually have to spend more than seven days for travelling to the target customers or to the exchange meeting place – and don't forget the time we are spending preparing the discussions ... Besides the time there are the costs for flights and hotel accommodation, although the hotel and food at the target company's principal office is paid for by the target company. But we love it!

In 2016 we worked in and for LUG, a light-system company in Zielona Góra, Poland. We had great experiences there – discover more at “experience 2016” on our ICV website: www.icv-controlling.com/de/arbeitskreise/international-work-group/experience-2016

The target company in 2015, Nomaxtrading from Piekary Śląskie near Katowice in Poland, was very satisfied with our work: “Summary of our

experience. We would like to say thank you to all of the ICV team as we are highly impressed with their engagement, dedication and hard work. They are a wonderful, open and cheerful group of people whose ambition leaves a strong lasting impression. The team was able to quickly ascertain our strengths and weaknesses which we hadn't seen or didn't want to see. Through this joint co-operation the ICV team had a very positive input on our business.

Thank you one more time!”
Lukasz Janus, CEO

**OUR 2017 TARGET COMPANY MDM,
LJUBLJANA, MAY 2017**

In 2017 we started at the end of May to work with and for a Slovenian company: MDM d.o.o from Ljubljana. More on this can be found at www.mdm.si. MDM is a family business with 130 employees. Next year we can report about the results we have accomplished there.

If a company is interested in being our partner, our target company in 2018, please apply to Herwig Friedag, consult@friedag.com

CONTROLLERS HAVE TO ADAPT CONSTANTLY

IGC





Prof. Dr. Heimo Losbichler

Chairman, International Group of Controlling (IGC), Vice Chairman of the ICV Board, University of Applied Sciences Upper Austria



International Group of Controlling

In 2011 the International Group of Controlling (IGC) released its Controlling Process Model, which describes the main controlling activities as a blueprint for controlling processes in companies. As a result of the accelerated pace of change the first revision will be released in autumn 2017.

The International Group of Controlling is trying to promote the function and role of controllers and to establish an internationally accepted concept of controlling. With its publications, the IGC has created important foundations for effective controller work and an internationally accepted controlling standard.

BENEFITS OF THE CONTROLLING PROCESS MODEL

The IGC controlling process model, published in 2011, provides a framework for structuring controlling activities. It thus serves managers and controllers as a guideline for effectively designing their cooperation in the management process of setting objectives, planning and controlling. The controlling process model helps to explain controlling processes in a quick and uncomplicated way and as such is very suitable for use as a template for both designing and evaluating processes.

BASIC STRUCTURE OF THE CONTROLLING PROCESS MODEL

The controlling process model has a hierarchical structure. Controlling as a process on level one within the business process landscape of a company comprises ten main controlling processes (process level two):

- Strategic Planning
- Operational Planning and Budgeting
- Forecasting
- Cost Accounting
- Management Reporting
- Project and Investment Controlling
- Risk Management
- Function Controlling (Group, R&D, Production, Sales Controlling etc.)
- Management Support
- Enhancement of Organisation, Processes, Instruments and Systems

The model describes the ten main controlling processes in a standardised way down to sub-process level (process level three). It defines coordinated objectives, content, inputs and effects for the main controlling processes. In general, industry or size do not play a role, but the model is not specific to either industry or company size but

focuses more on mid-sized to large manufacturing companies and service providers.

THE REVISED CONTROLLING PROCESS MODEL

IGC's controlling process model has been a great success. However, the business landscape is rapidly changing. Due to the accelerating pace of change, controlling and controllers have to adapt constantly. Higher expectations of management, increased volatility, new analytical IT tools, shared service centre organisation, and a broader range of activities raise new challenges for controllers. As a consequence, IGC decided to revise the mission statement in 2012 as a first step. The revision of the mission statement was released in 2013. In 2015 IGC started the revision of the controlling process model. The revision is led by IGC's board member Prof. Dr. Klaus Möller, University of St. Gallen. The project team consisting of IGC members has updated the model over the last year based on the input of many IGC members and a large international study about the recognition and adoption of IGC standards. The exposure draft was widely discussed in May 2017 at IGC's annual meeting.



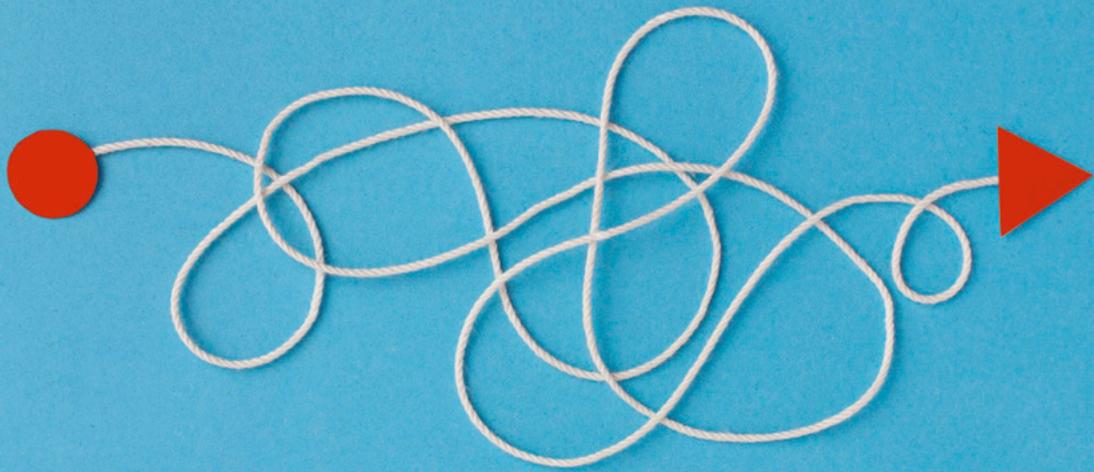
Discussion of the exposure draft in Skopje at IGC's annual meeting

The controlling process model 2.0 will further consist of ten main processes, however in a different structure.

THE TOP FIVE CHANGES OF THE REVISION

- 1.** The main processes "Operational planning and budgeting" and "Forecasting" will be merged
- 2.** The main process "Project and Investment Control" will be separated into two main processes
- 3.** New main process "Data Management"
- 4.** Inclusion of outsourced controlling processes in shared service centres
- 5.** Inclusion of analytics

The controlling process model 2.0 is adapting controlling processes in today's competitive environment. It will be published in autumn 2017. (www.igc-controlling.org)



FOCUS!

MAKE YOUR PRESENTATIONS CLEAR AND SIGNIFICANT



PowerPoint as used here is a synonym for presentation software. This means the following applies equally for Keynote or other software products.



Dietmar Pascher

Partner and Trainer of the
CA controller akademie,
Manager International
Program



All of these applications have one thing in common – they are excellent tools to support presentations with visualisation. You can use them, for example, to project pictures or show films, and to take a step-by-step approach to addressing difficult topics.

But over the decades since these products first appeared, a “presentation culture” has emerged with a focus on text lists and “bullet-point language”, often unfortunately accompanied by distracting decoration and embarrassing animation. All too often, “gimmicks” surrounding the presentation seem to be more important than the actual content. This “PowerPoint culture” makes it difficult to understand complex topics. In most cases, far too many presentation slides with little to say end up tiring the audience.

THE FOLLOWING 6 TIPS SHOW YOU HOW TO DO IT BETTER:

1. Don't use PowerPoint as a teleprompter

The slides should support and strengthen your

words, not repeat them. Your audience has come to see and hear you, not to read your presentation. PowerPoint slides are not cheat sheets. Cheat sheets (in the truest sense of the word) are pieces of sheets in your hand, on the table or in electronic notes on concealed windows of your computer screen.

2. Create a handout as a written document

PowerPoint does not replace your documentation. A presentation aims to sell your most important messages and their arguments emotionally. The handout can follow up on this by providing more facts and details in order to convince the reader through an intellectual approach. If the audience members can rely on a proper handout they do not need to write so much. That way they can focus more on the emotional and intellectual aspects of the presentation.

If time is lacking, a compromise would be to place the image and text on two slides. During the presentation itself the text slide is faded out, whereas the handout can contain a printout of both slides on one page.



Negative



Better



More impressive

3. Invest in the preparation of your message and arguments

There is no short-cut to creating an excellent presentation! Directors don't make movies without a script. Begin conceptionally on paper, not in PowerPoint. Use the "Yes, I SEE" formula (i.e. Yes, I understand!). First, think about the messages that you want to convey. These are your statements. Every statement needs 2-4 arguments and subarguments, which – like a pyramid – support the message and provide an explanation. Include 2-3 examples that support each of your messages and arguments.

Statement Explanation Example

Your audience will understand your messages and most important arguments only if they can see them. It is therefore necessary to visualise them on the slide and to "prove" them with an image. You then should explain additional arguments in the free presentation and supplement them further in the supporting documentation. A living example strengthens the image on the screen, enhances memory retention and enables precise time management though adding or omitting details.

4. Replace your text with impressive images

Text is to be spoken and provided in the handout for reading. Images support the spoken text and are primarily intended to bolster memory retention. If quotes need to be cited in some places, it is important that the presenter reads the text as shown on the slide in order to support the audience member who is reading the slide. It provides a change of pace if you read the passages to be quoted together with the participants in the documents.

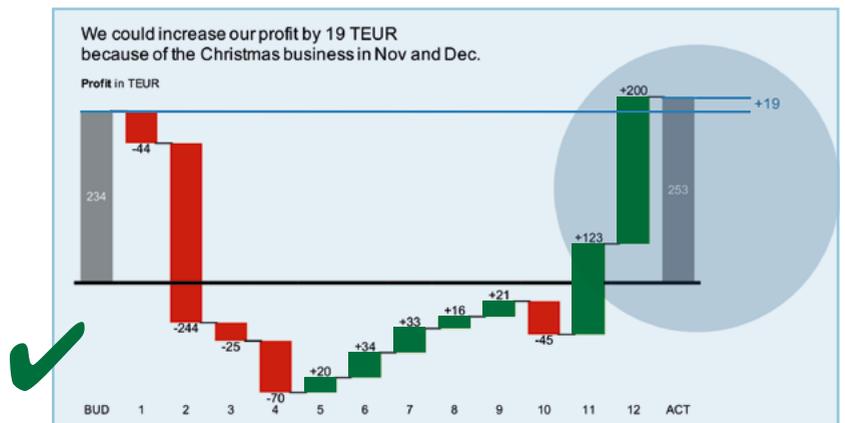
Display your images so that they always fill the screen. That way they make a much better impression than when they are "compressed" into a frame. Write the message above the image, or even better – directly in the picture.

5. Replace the figures with business charts containing a high level of information density

The same is true for figures as with text – they are not particularly well suited for visualisation. Figures belong, like the text, in the supporting documents. To underscore the presenter's message we refer either to the supporting documents or show the figures using appealing business charts. Instead of a boring row of numbers we present, for example, a waterfall chart:

X

BUD	1	2	3	4	5	6	7	8	9	10	11	12	ACT
234	-44	-244	-25	-70	+20	+34	+33	+16	+21	-45	+123	+200	253



Anything that belongs together should be fully displayed on one slide in order to understand the relationships. Instead of individual charts in a sequence of slides we show multiple charts on one slide. We do that by minimising the chart just enough so that you are still just barely able to recognise it.

Pay attention that the information on a slide is complete. That means, for example, that due to the physical limitation of the projector's resolution (number of possible pixels) it may not be possible to place all of the branches on one slide. In that case you should create a "rest branch" that summarises any additional smaller branches. If necessary, apply the drill-down principle on a second slide to show the branches contained in the "rest branch".



Anything that belongs together should be fully displayed on one slide

6. Show pictures of the sources of information

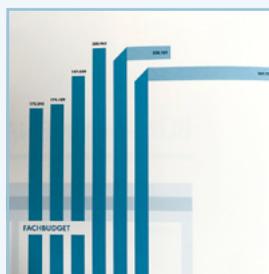
Do you need to show individual values from a table, key performance indicators from a system or a graphic from a report? Don't necessarily recreate them in PowerPoint. That is also more efficient. After all, it is quick and easy to make pictures with your mobile phone. First, show the media, the source of the information, the computer screen, the screenshot, the printed annual report, the complete table and then a close-up of the information to be presented. In films you refer to the "long shot, the big picture" (e.g. the printed report you refer to), "medium long shot, the zooming-in" (e.g. the page inside the report) and a "close-up" (e.g. the message you want to show). That provides the viewers with objects to identify with and an orientation where you are located.



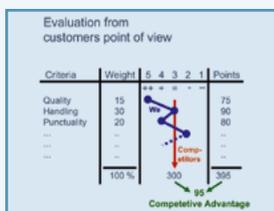
Big Picture



Zooming-In



Close-Up



Close-Up



Zooming-In



Big Picture

You can then place facts and figures in an overall context. This approach makes the presentation more vivid and noticeable.

Another example: "Our products have a competitive advantage of 95 points. That is the outcome which our experts determined during the strategy workshop at Lake Starnberg."



RUSSIA

NEW RUSSIAN ICV WORK GROUP IN MOSCOW

The new Moscow work group Controlling met on 21 February in the German–Russian Chamber of Commerce (AHK) for its first regular meeting. With more than 30 participants it was a superb beginning!

The joint work group Moscow, working together with the Chamber and the ICV, is open to members of both the Chamber and the ICV. With this initiative, the ICV creates the opportunity for its

Founding team of the common Controlling Work Group Moscow of German-Russian Chamber of Trade and ICV (from left): Hans-Peter Sander, ICV, Dr. Georg Schneider, ICV-head of the work group, swilar; Prof. Dr. Sergey Falko, head of Russian Controller Association; Anastasia Flasshoff, swilar; Patrick Pohlitz, YUST law firm, AHK; Hermann Wies, Robert Bosch OOO, AHK-head of the work group; Dr. Robert Breitrner, German-Russian Chamber of Trade.

corporate members in the Moscow region to offer a platform for collective know-how transfer, experience exchange and networking in the area of controlling. After Barcelona, Moscow is the second European metropolis where the country’s Chamber of Commerce and the ICV cooperate with a joint work group. The ICV asks its members to invite colleagues working in Russia to participate. The ICV contact person is the work group’s head, Dr. Georg Schneider.



Dr. Georg Schneider,
Leader ICV work group
Moscow

ICV CONTRIBUTES CURRENT CONTROLLING TOPICS IN SPAIN

Barcelona was in June 2017 the venue of some noteworthy controlling events. One week after the Annual Conference of the IBCS association, two ICV speakers took part in the VII Catalan Accounting and Management Congress with more than 650 participants.

The congress, organised by the ACCID, an association of accounting experts and executives with about 10,000 members, took place at IESE Business School on 8 and 9 June. As with the previous conferences, the ICV work group Spain



ICV was a supporter of the VII Catalan Accounting and Management Congress 2017.

with the support of the German Chamber of Commerce (AHK) and our sponsor JEDOX contributed current controlling topics to the event: Heimo Losbichler from the ICV management board presented the topic “Reporting Design” and explained the results of scientific studies using eye-tracking. Herwig Friedag, head of the ICV International Work Group, organised a workshop on “One Page Only Reporting” with several small work groups. The ICV members Volker Zeng and Axel Ehberger (head of the ICV work group Spain) were the respective coordinators.



SPAIN



Axel Ehberger,
Leader ICV work group
Spain

THE EVOLUTION OF CROATIAN CONTROLLING



Jasmina Očko,
Controlling Consultant,
Kognosko, Leader ICV
work group Croatia

Controlling is a must for hospitals

As a consultant for the implementation of controlling in Croatia, I often find myself compelled to explain to interested people from other walks of life that controlling is all around us and that we simply cannot do without it. An example that best proves this is the role of controlling in hospitals.

And precisely this has been a frequent topic of conversation lately among controllers in Croatia. Hospitals are an excellent textbook example of the role and purpose of controlling, mostly because they tend to provoke the following questions: "Who can decide on the optimal cost when a person falls ill?" Or: "Can you put a price tag on health?"

The real answer is that health is priceless, but the healthcare system comes at a price. This is where controlling comes into play. Healthcare is extremely complex – it provides a wide range of services, uses a sophisticated and costly labour force, demands expensive infrastructure, and it also plays a very important social role. In order to manage this most sophisticated type of business, a good management system is an absolute must, which in turn requires a clear strategy for action and development, as well as consistency in implementation.

On the other hand, we are faced with limited financial resources. The aim is to secure the highest healthcare standards for each user, but with limited resources. Inadequate, non-transparent financing, outdated organisation, the undeveloped general social responsibility of management – all lead to the poor state that hospitals find themselves in.

IMPROVE FINANCIAL MANAGEMENT AND DECISION-MAKING

In this case, the main task of controlling is to define the criteria for measuring the success and performance of a hospital and its staff. In order to create a methodology for measuring the performance of treatments, hospitals and doctors, it is necessary to determine procedural standards, performance norms for each individual service and, above all, standards for healthcare in general.

The role of hospital management is to improve financial management and decision-making continuously, with the goal of delivering services in a regular, economic, efficient and effective way. It is impossible to define areas for improvement without good measuring mechanisms. Therefore, we can conclude that the main task of controlling in hospitals, apart from assuring transparency of

direct costs (costs of medical procedures) and indirect costs (hospital overheads), is to create standards for all services in cooperation with doctors. For a surgical procedure, this would entail defining the duration of the procedure, the level of quality and amount of material and implants used, the number of health professionals needed, etc.

By acting in accordance with these criteria, it is possible to create equal conditions for patients in different hospitals based on certain fundamental quality criteria. Hospitals that want to go even further can upgrade their standards, though this also needs to be defined and evaluated. Controlling evaluates the quality of hospital staff based on performance, using various indicators – reducing waiting lists, absence or frequency of complications, mortality rate, readmissions within a 30-day period, number of transfers, number of infections, number of repeated surgeries, etc.

Pursuant to current prescribed norms and performance standards, it is possible for doctors working on the same ward to earn different salaries, depending on the quality of their work, and also on their level of professional training (clear standards also need to be set in this regard). Paying hospital staff by the hour or according to the number of medical procedures performed is anachronistic.

The development of medicine presents greater opportunities, but also more expensive procedures and medicines. In future, hospitals will have to do much more (ensure more successful recoveries) with even less (funds), which requires

the maximum focus on performance. Therefore, the most important question is what effects do we need to achieve, and what is the most effective use of resources that will make it possible to achieve them? It is not so much the resources that are at our disposal as what we must achieve with them.

MUCH MORE THAN AN EFFORT TO MAKE PROFIT

This example clearly illustrates what we always try to explain – controlling is not the same as control or inspection. It is a system of mechanisms that enable us to measure performance, which in the long run has an effect on the ratio between investment and benefits.

Hospitals play a special role for the whole of society, which means that the effects produced come with special responsibilities. Measuring these effects must be complemented by a specific way of thinking and observing. In this case, the indicators are almost always a combination of quantitative and qualitative performance measurements. Creating the right combination of indicators and performance standards is the key to success. These are the reasons why I like to use the example of controlling in hospitals, as it very simply shows the layered role that controlling plays in modern society, and also proves that controlling is not just an effort to make profit (which may be the case with the companies), but is much, much more than that. And I am glad that, in Croatia, the way we think about controlling is moving more and more in this direction.





The 1st "ICV Controller Award ICV Poland" was handed over by Siegfried Gänßlen, Chairman of the ICV Board of Directors, to Wioletta Nowak, Finance Manager of HORTIMEX.

FRUITFUL MISTAKES

Dangerous KPIs



The digital world necessitates the sustainable thinking of innovations and new ideas in every enterprise. Investment in new ideas is a must and management boards must accept the fact that some capital expenditures will fail. Dr. Richard Lutz, CEO of Deutsche Bahn AG, speaking at the ICV Congress in Munich this year, said: "Inappropriate investments today are better than none".

Agile project management and SCRUM methodology for development, new ideas and solutions caused the need to think differently about making plans and objectives for such SCRUM teams. Creativity needs more freedom and trust. For controlling this means that monitoring of uncertainty and risk becomes as important as never before.



Edyta Szarska
Controlling Partner,
ICV Poland

Leaders are to motivate employees, to make them think about development, about unconventional solutions, give employees self-confidence and a willingness to learn every day. Only in this way can a business follow new technology and future services, products and processes. Meanwhile "Agile Controlling" should support such management with valuable information.

"Inappropriate investments today are better than none".

3 EASY MISTAKES

Following the traditional idea of management by objectives (MBO), every project team has to achieve goals and controlling finds the measures for such goals and reports them. Agile controlling for SCRUM MBO has to avoid several common mistakes that can be easily made:

Mistake 1: project team goals are not associated with the company objectives;

Mistake 2: KPIs are not associated with critical factors of company success;

Mistake 3: the project team gets the value of KPIs planned (i.e. lead or lag measures calculated on some basis) and achieving these values becomes more important than the project goal.

IMAGINATION AND UNCERTAINTY

The world is changing very quickly and in the very near future we will have completely new job positions. It is almost impossible to imagine future tools and ways of communication. Dr. Walter Schmidt said to me during one of the meetings that controllers should be ready to give the solution even before the manager thinks about the future problem. This creates new challenges for controllers in charge of planning, as they "take their share of responsibility for the company's success and for achieving objectives" (see more at www.icv-controlling.com: 10 Core Elements of Sustainable Controlling).

For the idea of an agile business world, the most dangerous is mistake 3. For example, following Dieter Eschlbeck from MoveYourProject, KPI for SCRUM project team could be "Proportion of Bug Fixing" with formula as below:

Proportion of Bug Fixing = [User Stories for Bug Fixing]/[Total Number of User Stories]

Such a measure is very interesting, but giving any plan value for such KPI can make people less creative than before. If somebody gets a target for this measure, he or she starts to think about 1) counter [User Stories for Bug Fixing] or 2) denominator [Total Number of User Stories] to achieve desirable value. Instead of thinking about new ideas or new solutions, team members focus on numbers and values. They lose their space of freedom and in this way creativity can be killed.

Modern Budgeting and Corridor Planning

NEW ROLE OF AGILE CONTROLLING

The role of agile controlling for research and development, innovations and new ideas is to discuss the frames of budget. This means frames of costs or resources: people, competences, time (hours, days or weeks) they should spend on the project. Such a plan should be a special kind of budgeted

space of freedom for project manager decisions, with planned safety margins for uncertainty. The role of the controller is to monitor and analyse what the probability is that the project team will achieve the goal (find new solution, discover new services or product). Working close with such project teams, the controller analyses inside and outside conditions and reports what the risk is to determine a safety margin, when to stop tests or what the moment is for stopping the project if it is too risky to be profitable. This concept,

described by ICV as modern budgeting and corridor planning, seems to be extremely important in times of agile controlling development. Risk and opportunity probability, frames of budgeted freedom, and perfect communication between controlling and business are the main directions for digitisation in the business world.



Anna Woźniak
Member of ICV Warsaw

Anna Woźniak is a member of ICV Warsaw WG. She has worked as a controller for several medium-sized Polish companies in the energy and construction sectors. After almost 20 years of experience in controlling she has found that relations and soft skills are extremely important for ambitious controllers who are willing to develop, change or implement new ideas.

Below Anna Woźniak, financial controller of Key-lite, advises how to gain support in business for changes in controlling.

1. Use controlling stakeholders (managers) to promote your work.

If you start your new job in controlling and nobody trusts you, your attitude is observed very carefully. In the first days of my work for one company I realised that the controlling services that I prepared for the sales director helped me. He wanted to defend the bonuses of his employees and asked me for reports on sales, costs and product profitability. Working together we both decided to prepare more detailed information about costs of sales, analysing them per unit and per km. After the presentation of this information, the other directors were more open to me and asked for similar management analysis.

2. Offer your personal help as often as possible.

Meetings are always more efficient than emails or phone calls. If I make some reports, I try to meet my customers personally. First, this makes me sure that my message will be properly understood. Secondly, this way I can get information to

analyse and draw my conclusions. Talks on business are often technical, so to understand each other we need to draw, explain and discuss.

3. Use co-branding of your job with a strong partner. Working together you can create unique value for your internal customers.

In every company there are charismatic persons. In my case this was our Chief Accountant. She was very wary and sceptical of me as a controller. The reason for this was her conflict with previous controllers. To understand her negative attitude I asked her for a personal meeting. We both agreed that our common goal is to act for the good of the company and we defined our different fields of interests and responsibilities. After that, during next two years I could always count on her and we both supported each other.

4. Mix controlling with other services.

My company organised training for regional sales managers two times a year. During one of these training events our controlling team prepared a course on the new budgeting process. In the evening we could integrate with our business partners. We followed the same idea with technical teams. It was a much more difficult but extremely efficient way to improve controlling skills in business.

5. Find your most expensive waste.

Thinking about lean controlling, I always remember useless and boring meetings, and plenty of reports and analyses that were never opened or used. You should do your best to avoid as much waste as possible.

THE 5TH ICV CONTROLLER CONGRESS

CONTROLLER 4.0 – BUSINESS DIGITISATION

At our 5th ICV Serbia Controller Congress, we brought together 400 controllers and CFOs in one place.



This number of attendees was contributed to by a quality agenda and 22 great speakers. The Congress topic was “Business Digitisation – Controller 4.0”. The Congress was held on 26 May 2017 in Belgrade.

The Congress was opened by Bojan Šćepanović, President of ICV Serbia and Manager of the Management Centre Belgrade. The Congress moderator was Vladimir Đorđević, a famous playwright, and we really enjoyed his announcements.



Bojan Šćepanović
Head of ICV work group
Serbia

The 22 speakers were divided into two groups: speakers on the main topic “Business Digitisation – Controller 4.0” and panellists (HR, Marketing). The order of the speakers and panellists was as follows:

- Alexander Picker, President, Komercijalna Banka
- Milan Simić, Executive Director, IT Support and ICT Services, Telekom Srbija
- Branislav Lončar, CFO, Publicis One
- Miomir Živadinović, BI and Strategic Insights Manager, JTI
- HR Panel – How Does Digitisation Change the Work with People?
- Ivana Milić, CFO, Microsoft
- Branislav Zobenica, CEO, M&I Systems, Co. Group
- Marketing Panel – What Would Future (Digital) Marketing Look Like?
- Dragan Munjiza, CEO, Jakov Viktor
- Radmila Miletić, EB Member and CFO, Wiener Re
- Jelena Vučković, Head of Controlling, Grammer Systems
- Branimir Spasić, Head of Controlling, Societe Generale

The first speaker was Alexander Picker, President of Komercijalna Banka. Alexander began his speech by explaining the way in which digitisation had been shaking the whole world for a long time. He pointed out that digitisation is a process

improvement, i.e. a way of performing tasks differently and more efficiently. He continued his presentation with a story about digitisation in banks and referred to a statement by Bill Gates: “In the future, banking will be needed, but not necessarily the banks.”

The next speaker was Milan Simić, Executive Director, IT Support and ICT Services at Telekom Srbija. The first topic of Milan’s speech was the changes in the whole world caused by digitisation, and then he briefly mentioned the division of industry in terms of digitisation:

- Industries that completed the first wave of digitisation
- Industries that are in the middle of the transformation process
- Industries preparing for the transformation process

He also noted that, in addition to too severe competition, they had to keep pace with changes during digitisation more quickly and efficiently.

The next was Branislav Lončar, CFO at Publicis One, who started his presentation with a short film about the future of business. He talked about the changes that digitisation brought not only when it comes to technology but also when it comes to human relations. Does the future bring us emotion-showing robots, 3D printing, cars that can park themselves, or will this remain a small segment when it comes to digitisation? Since the aim of each Congress is also meeting new people, Branislav’s presentation was followed by Speed Networking.

Miomir Živadinović, BI and Strategic Insights Manager, Japan Tobacco International, talked about the benefits that digitisation brings and about the way in which they had accepted digitisation in their company. He talked about Qlik, an intuitive tool with unlimited data visualisation abilities. He also mentioned their partnership with Adacta, as well as the results they had achieved.



400 guests of the 5th ICV Serbia Controller Congress followed interesting panel discussions.

Miomir's speech was followed by an HR Panel discussion – How Does Digitisation Change the Work with People? The panellists were Sanja Jevđenijević, VP of HR, Delhaize; Nikola Stokić, HR Manager, NIS; Desa Ćuk, Head of HR, Siemens; Dragana Smolović, Head of HR and Organisation Department, Banca Intesa; Maja Mrkalj, HR Manager, Dr. Oetker; Dušan Krejaković, HR Manager, Dexy Co. The moderator was Bojan Šćepanović. Questions were asked about changes in HR, especially when it comes to companies that do their entire business over the Internet, so the question was what the role of HR was in companies whose employees work from home. The audience could ask questions by sending text messages as well. After this interesting panel discussion, Ivana Milić, CFO at Microsoft, mentioned business digitisation as a fourth industrial revolution and talked about the way in which digitisation accelerated changes in society. She explained what the Internet of Things was and why it was important for the operation of a company, as well as what changes it brought into the world of finance.

Branislav Zobenica, CEO, M&I Systems, Co. Group, presented a four-stage digitisation:

- Let's Familiarise Ourselves
- Let's Identify Ourselves
- Let's Teleport Ourselves
- New Value

He also explained using practical examples what information companies should use to improve their business.

A Marketing Panel discussion followed, the topic being: "What Would Future (Digital) Marketing Look Like?" The participants of this panel discussion were:

- Matija Protić, Executive Director, Marketing, MERCATOR S
- Nemanja Knežević, Marketing Manager, ZLATIBORAC
- Vladimir Zarić, Head of Digital, PUBLICIS ONE
- Katarina Šibalić, Marketing Manager, STRAUSS ADRIATIC
- Vera Vuković, Marketing Specialist, EMIL FREY AUTO CENTAR
- Srećko Šekeljić, Digital Marketing and Communications Expert, SOCIETE GENERALE BANK

The moderator was Bojan Šćepanović. The panellists answered questions relating to social networks, personalised customer services, as well as whether they were for or against self-branding. Texting questions was allowed for this panel discussion as well, which made the discussion particularly interesting.

Dragan Munjiza, CEO, Jakov Viktor, explained the relation between sales channels and customer segmentation, as well as what market trends should be followed. He gave an example of strengthening the Omnichannel strategy and the retailtainment concept.

Radmila Miletić told us about three new risk types brought by technology development: Cyber risks, Mega risks, Car driving risks. She ended her presentation with an explanation that insurance was being transformed from a financial service to a risk management service.

Jelena Vučković, Head of Controlling, Grammer Systems, spoke about how digitisation could create chaos in an unorganised system due to an excessive amount of rapidly incoming information. On the other hand, it brings a lot of benefits as well, such as the possibility of faster company development. She ended her presentation with a question: "In the future, will the controller's job be taken over by robots?"

Branimir Spasić, Head of Controlling, Societe Generale, informed us about the history of banks as well as how much the banks had developed since the creation of the first bank in the 12th century. With the arrival of digitisation, the changes have come faster, so Internet banking developed fast as well. We owe special thanks to our sponsors for supporting the Controller Congress.

This year's Controller Congress was a really great event. The speakers and panellists gave their views of digitisation and showed how it impacted business in their companies. What a new age will bring us – maybe this will be the topic of a future gathering. Until then, enjoy controlling. You can download full presentations of the 5th ICV Congress online. Please take a look at the pictures from the Congress on our Facebook page.

CHANGES

BROUGHT BY IFRS 9 AND 15

Accounting in the companies using IFRS will change significantly after 2018 with the newly adopted standards coming into effect.



IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers will be applicable from 1 January 2018 on, IFRS 16 Leases from 1 January 2019 on and IFRS 17 Insurance Contracts from 1 January 2021 on. Since controllers are closely linked to financial and accounting functions in the company, they should be aware of and ready for the changes.



Dragica Erčulj,
*ICV regional delegate
for SEE region
Leader ICV WG Slovenia*

Two standards which will make the highest impact on the work of a controller are IFRS 9 and IFRS 15. IFRS 9 will replace the old IAS 39 and it will improve the inconsistencies and late recording of impairments, which was a big problem at the outbreak of the financial crisis in 2008. IFRS 15 will replace quite a few older standards and interpretations (IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets to Customers and SIC-31 Revenue–Barter Transactions Involving Advertising Services).

Changes in IFRS 9 were published in three phases, and the final version was adopted in July 2014.

The first phase is classification and measurement of financial instruments, which brings a new model of classification based on the contractual characteristics of the cash flows of the instrument (SPPI test) and the business model of the company. The SPPI test (Solely payments of principal and interest) checks whether the expected cash flows of the instrument are solely due to the payment of principal and interest. Financial instruments can be classified into three different groups.

The amortised cost model contains financial instruments which intend to collect cash flows and consist exclusively of principal and interest. The fair value through other comprehensive income contains financial instruments, which can be either held to collect contractual cash flows at maturity or sold before maturity. Cash flows consist exclusively of principal and interest.

The fair value through profit or loss model contains financial instruments that do not qualify for the previous two groups or in case the company chooses this model. Financial assets can be classified into all three models, while financial liabilities can be allocated only to the amortised cost model or to the fair value model through profit or loss. The reclassification of assets can only be made if the business model of the company is changed while reclassification of liabilities is not allowed.

The second phase brings the most important change in the new standard, which is impairment of financial instruments. It changes from the old model of incurred losses to a new concept of expected losses, where the estimates of future events and the influence of the environment should also be taken into account. By introducing a model of expected losses, the recognition of losses will be more in line with the actual situation in the economy. In accordance with IAS 39, companies were liable to recognise credit losses only at the time when there was objective evidence for them. As a result, recognised losses were too low and recognised too late, which was also the biggest critique of IAS 39 during the financial crisis. For trade receivables, a simplified approach is



Tanja Sibičič,
*Consultant for Controlling
and Trainer of the
Controlling School*

possible where life-long anticipated losses can be formed based on historical experience. In accordance with the new standard, financial assets are divided into three groups: performing, underperforming and non-performing. For performing assets, 12-month expected losses are calculated, while for under and non-performing assets, life expectancy losses are formed. The calculation should take into account all (reasonably acquired) information, discount expected cash flows with the original effective interest rate and must consider various probable outcomes. Interest income for the first two groups is calculated on the gross value of assets, while for the third group the interest is calculated on the impaired value of the asset.

The last phase of the IFRS 9 standard introduces changes in the hedge accounting, where hedging is more in line with risk management activities and the accounting is simplified.

In May 2014, the accounting principle IFRS 15 Revenue from Contracts with Customers was published as part of the IFRS-US GAAP convergence project by the IASB and FASB. The new standard introduces a new five step methodology for revenue recognition with a greater emphasis on timing and amounts.

THE STANDARD REQUIRES THE COMPANIES TO:

- 1. Identify the contracts with the customer**
The contract must meet different criteria set by the standard to be within the scope of IFRS 15. If the contract does not meet all of the criteria yet, it needs to be reassessed at a later date.
- 2. Identify the performance obligations in the contract**
At the inception of the contract, the entity must

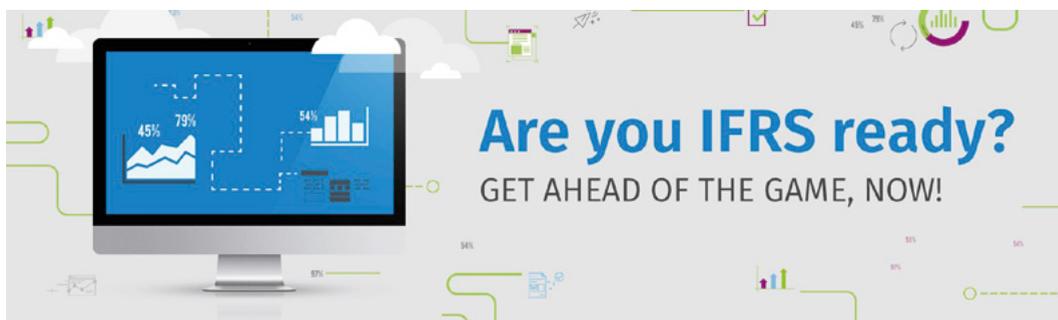
assess the goods or services promised to the customer and identify them as a performance obligation.

- 3. Determine the transaction price**
The transaction price is the amount which the entity expects to receive from a customer in exchange for providing goods and services. It can be either fixed or variable.
- 4. Allocate the transaction price to the performance obligations**
When a contract has multiple performance obligations, the allocation should be done in consideration of the relative standalone selling prices.
- 5. Recognise revenue when a performance obligation is satisfied.**

An entity recognises revenue when it fulfils the performance obligation by transferring the promised goods or services (assets) to the buyer. The asset is transferred when the buyer acquires the control of this asset.

The changes brought by the new standards will require a lot of new data collection, preparation and modelling. Many financial institutions and companies had to invest significantly and upgrade their IT solutions in order to be prepared for the new requirements the standards are bringing. The preparation for IFRS 9 started years ago since the first two phases were published in 2009 and 2010 and the companies (specifically financial institutions) had enough time to prepare for the changes.

On the other hand, IFRS 15 might catch some companies unprepared since it changes the accounting principles of revenue recognition in a lot of different sectors, especially in cases where companies have long term contracts, give different kinds of guarantees, offer payments in instalments, offer coupons or value points and many other cases.



IFRS – INTERNATIONAL FINANCIAL REPORTING STANDARDS

are a set of accounting standards developed by the International Accounting Standards Board (IASB) that is becoming the global standard for the preparation of public company financial statements.



SUCCESSFUL IN



SOUTH AFRICA



An Austrian between the accountants in South Africa

During the start period of macs in South Africa Wolfgang Döllner (with his wife) was strongly supported by Hans-Georg Plaut (with his wife). Plaut designed the method Grenzplankostenrechnung and was a leading pioneer in the field of business software solutions – before SAP times.



“We have a very successful office in South Africa.” This sentence always raises eyebrows when a member of the team from macs Software GmbH presents to potential customers. This small Swabian software company, specialising in tools for controlling, management accounting and BI, is headquartered in Rottweil and employs in total only 25 people. The fact that a branch has been set up in Cape Town – literally at the other end of the world – always causes amazement.

The answer is quite simple and lies in the tenacious nature of an Austrian who moved to South Africa 30 years ago. The former employee of Plaut Consulting first implemented Plaut’s costing and management accounting system in a branch of an Austrian textile manufacturer.

Wolfgang Döllner started a family in South Africa and became a controlling expert in several companies using the software of Plaut and later SAP. He often calls himself a missionary in a country dominated by Anglo-Saxon accounting. He never took No for an answer with the confidence that he had a superior product.

As Mr Döllner became more interested in topics of integrated business planning (IBP), marginal costing and contribution margin calculation/forecasting and simulation, he realised he needed to find more suitable, sophisticated software to integrate with the major ERP systems (Oracle, SAP and JD Edwards). In 2002, after some detours and coincidences, he found the solution he was looking for in Rottweil.

Their first joint venture was with the company Nampak Ltd, the largest packaging producer in the southern hemisphere. The controlling know-how of Mr Döllner and the software solution led to a considerable improvement in earnings at the subsidiary specialised in the production of paper bags. This improvement not only saved the subsidiary from being spun off, but word of the successful implementation quickly spread within Nampak. Consultants from the macs offices in Rottweil were always allowed to return to assist with projects in South Africa, in part due to a lack of controlling and cost accounting experts, but also a lack of technical understanding. Since then the solution has been implemented with several divisions of the group and their ERP system JD Edwards.

Due to relatively large movement of management skills within South African companies, the success of this venture was strongly aided, as one says in South Africa, “by word of mouth”. Next macs found its place in the milk company Clover, where the requirements of a sales planning and product contribution margin calculation tool are met by the macs tools.

With Rainbow Chicken (today known as RCL Foods) the next large group to identify a need for the macs solutions, South Africa started to take notice. With his expertise, Wolfgang Döllner could conceptualise a special development for the slaughtering and disassembly industry. The solution developed with this customer was integrated into the standard functionality of macs Complete. With the disassembly costing functionality Rain-

how Chicken is able to evaluate the individual levels of disassembly with the respective activities costed at each level. The product mix is also optimised by means of reverse demand planning.

As RCL Foods acquired other companies at that time, Macs could further expand within the growing group. Meanwhile, macs is regarded as the key tool for the critical topics of customer and product contribution margin and EBIT. The project is seen with special importance as SAP is the ERP system in use across all of RCL Foods, with macs integration for their specialist controlling requirements.

Other customers in South Africa include the local subsidiary of Amcor (the world's largest producer of flexible packaging with 28,000 employees) and Bliss Brands, the washing detergent manufacturer. For both customers macs implements a driver-based integrated planning and forecast calculation based on sales volumes, prices, sales deductions as well as bills of materials and routings. As a basis for the cost calculation, an analytical cost planning concept according to the method of Kilger and Plaut is devised. This is still passionately carried out by Wolfgang Döller himself. The drivers for the variable costs are then the reference quantities/activity types of the cost centres determined by backflushing of the sales or production quantities. Wolfgang is often heard saying that once the planning base is established then simulations and future planning processes are quick and easy.

CONTROLLING CAN BE FURTHER EMBEDDED

South Africa has many strong manufacturing companies with excellent management and therefore the market for the "small enterprise" is practically unlimited. There is already a bottleneck however, as qualified employees are hard to find – large consultancy firms quickly absorb all the suitable graduates and employees. However, Wolfgang Döller and his son Michael are also confident that the success of controlling in Europe can be further embedded in the bigger South African companies. Meanwhile, the team in Cape Town has a headcount of five. Even though the large corporations such as RCL and Nampak sometimes criticise the size of the team, they still put their faith in the proven expertise of Wolfgang and his team and claim "Macs is business critical".

Disrupting factors for growing macs as a business but also for the entire country has been the topic of load-shedding. Due to the energy shortage electricity is switched off at announced times and regions. Unfortunately, this is often very disorganised – power cuts are announced on Friday but then performed on Thursday. Projects are disrupted with consultants having to close



Mr. Wolfgang Döller, head of macs in South Africa, with Mrs. Gladice, controller by Nampak Ltd., Johannesburg.

their laptops and go home. The implication for the manufacturing companies (continuous starting up and shutting down of machines, loss of production and material shrinkage) can only be imagined by every controller from Germany. Wolfgang Döller and his team have also often struggled with a lack of infrastructure (poor Internet, network connection). His determination is to be admired. Nevertheless, the trip to South Africa is always highly desirable for employees from Germany. To this day the waiting list among the macs employees to take part in a project in the Cape region remains quite large. One can simply live very well down there with excellent food and, of course, also work on the side. Wolfgang Döller enjoys the advantages of the beautiful country with his team on site but the abovementioned disturbances can still often cause frustration.

South African firms are struggling with a lack of skilled resources, as well as with political uncertainties. These are the result of a government where blatant and open corruption is visible. A highly volatile currency, crime, social unrest and strikes are the biggest challenges for the people, the companies and the country, otherwise very rich in raw materials. The negatives are also an opportunity for macs – the need for a controlling tool that allows for the simulation of the variables becomes all the more important. This will be the key to success in South Africa and will allow macs in Germany to continue using the sentence in presentations:

"We have a very successful office in South Africa."



Wolfgang Döller
Head of macs, South Africa



Volker Faulhaber
Managing Director macs Germany

A HUGE POTENTIAL: REGIONAL ICV WORK GROUPS IN 15 COUNTRIES



Carmen Zillmer [CZ] has been Managing Director of the International Association of Controllers (ICV) since 2016. We talked with her about the potential of the regional work groups for the further internationalisation of the ICV and the acquisition of further individual members as well as corporate memberships.

In the ICV, work groups cover a wide range of areas. The Association also runs them for the acquisition of individual members and corporate memberships. There are more than 70 regional work groups in 15 European countries. This is a huge potential!

[CZ]: Yes, that's true! Membership is part of the Association's work. We are successful when we make right and useful offers. Like our work groups! They are the backbone of our Association. Their commitment cannot be valued highly enough because they are platforms for experience exchange, know-how transfer and networking on the spot.

The Association has over 6,000 individual members and more than 130 corporate memberships. And it has around 70 regional work groups: is the potential already exhausted?

[CZ]: Purely mathematically, we can see that it is not. In the Board we follow the situation of the work groups and support our leaders on the spot where we can. But, yes, our potentials can be used even better.

What unused opportunities can you see?

[CZ]: Every individual and every corporate member can work in the regional, sector and expert work groups. Take advantage of these opportunities! Simply inform yourself and contact the work group leader. In the regions where there is no work group, interested parties can look for fellow employees and build a new network. Our regional delegates will help.

What is the role of regional work groups in the internationalisation of the ICV?

[CZ]: There are active ICV work groups in 15 Euro-

pean countries. These work groups also benefit from the know-how of the participants from international companies. It is a win-win situation for all – every member brings their know-how to others and gains new knowledge. The internationalisation of the ICV works in regional work groups when international companies are involved too. Until now, this opportunity has unfortunately rarely been used by the corporate members – these companies would benefit from encouraging their employees to participate in the work groups and to contribute to their work. And in return, the ICV work groups with new, interesting participants can get new impulses, also international. The internationalisation of the ICV also means that we want to spread our knowledge across national borders as the acknowledged controlling competence address.

Does it work?

[CZ]: Yes! For example, in our new work group in Moscow: some ICV corporate members had expressed their interest to work together before the work group was founded. At the first meeting employees of the Russian subsidiary of BLANCO, for example, took part. We hope that it will catch on – also in other countries, wherever international companies have employees in controlling and finance in subsidiaries or branches. Also here some advice: inform yourself, look for suitable work groups for example with the help of the ICV website, please contact the work group leader and take advantage of the opportunities!

Speaking of work group Moscow: this is a joint work group with the German–Russian Chamber of Foreign Trade. Is this also one of the new success models in the ICV?

[CZ]: We would like it very much. From the cooperation of the ICV with chambers of foreign trade all parties can benefit. The start in Russia is promising. By the way, there has been such a cooperation in Spain for several years. It is so successful that we have used it as a model for Russia. In other countries, for example in China, we are currently investigating these possibilities of cooperation.



Hans-Peter Sander
Head of PR / New
Media ICV

ROOTING THE ICV CONTROLLING PHILOSOPHY IN EUROPE

Controlling as known in German-speaking regions was definitively influenced by Albrecht Deyhle and the International Association of Controllers ICV. The ICV's internationalisation strategy is aimed at rooting this controlling philosophy in neighbouring countries.

The International Association of Controllers is meanwhile represented in 15 European countries.

The ICV offers the opportunity to exchange ideas both within these countries and across borders. The association translates its most important publications for controllers in these countries into English or, in some cases, the relevant national language. In doing so, the ICV supports international groups with their expansion into Europe and the development of the local controlling expertise this entails. Thanks to its members in those countries the ICV can draw on an excellent network of specialists who are familiar with general local economic and intercultural conditions. The ICV is able to establish contacts locally, which can also be used in recruitment assignments.



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Member benefits

- Access to controller know-how at international level
- Contacts to controllers and CFOs in Europe
- Work group meetings as practically focused, free further education
- Co-authorship of future-focused controlling concepts and tools

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