

THE ALGORITHM OF FORMATION AND APPLICATION OF CONTROLLING SYSTEM IN THE FIRMS OF CONSTRUCTION COMPLEX

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Fundamental methods of forming the controlling system are examined. The author's vision of the algorithm of formation and application of controlling system in the firms of construction complex, whose ultimate goal is the application of brand new system of company management elements and instruments, is presented.

It is essential to build up the controlling system in the firms of construction complex, whose the methods of management and the results of financial and economic activity don't satisfy the contemporary requirements.

In scientific literature there are three most accepted methods of developing the controlling system.

The first method means that managers make a decision to build up the controlling system as an institution in case the firm never had the controlling system and to organize independent controlling service with certain goals, purposes and functions.

The second method represents changes in the existent controlling system, i.e. addition to the functions, purposes, tooling, in accordance with the changes in exterior surrounding.

The third method allows reorganizing and improving the controlling system, i.e. it allows to use the advantages of the previous method

and to review controlling philosophy in the firm to a certain degree.

The algorithm of controlling system formation and application should be seen as certain order or succession of processes.

The formation and application of the controlling system in firms of construction complex represent the system of organizational and economic measures, taken exactly in the order, illustrated in fig. 1.

The key points of each stage are presented in the form of an algorithm in fig. 2.

Stage 1. "Forming the conceptual foundations of the controlling system in a firm" includes:

- ◆ forming controlling philosophy (defining the principle, the goals, the purposes, the functions, the methods and the instruments of controlling);
- ◆ informational and technological security of the controlling system.

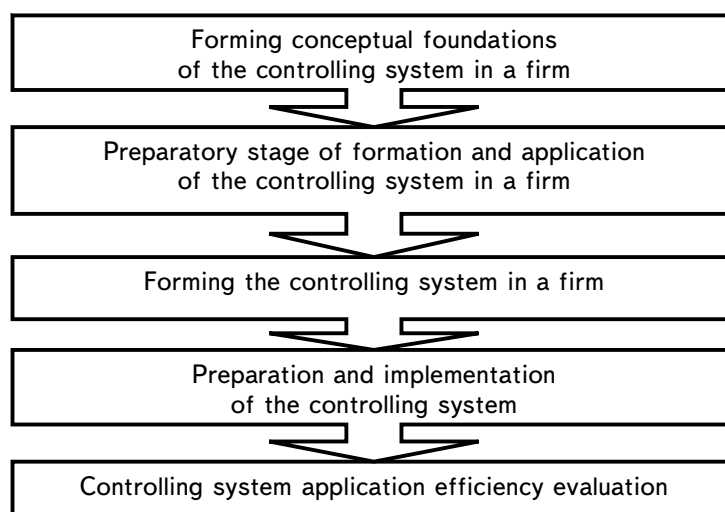


Fig. 1. Primary stages of formation and application of the controlling system in the firms of construction complex

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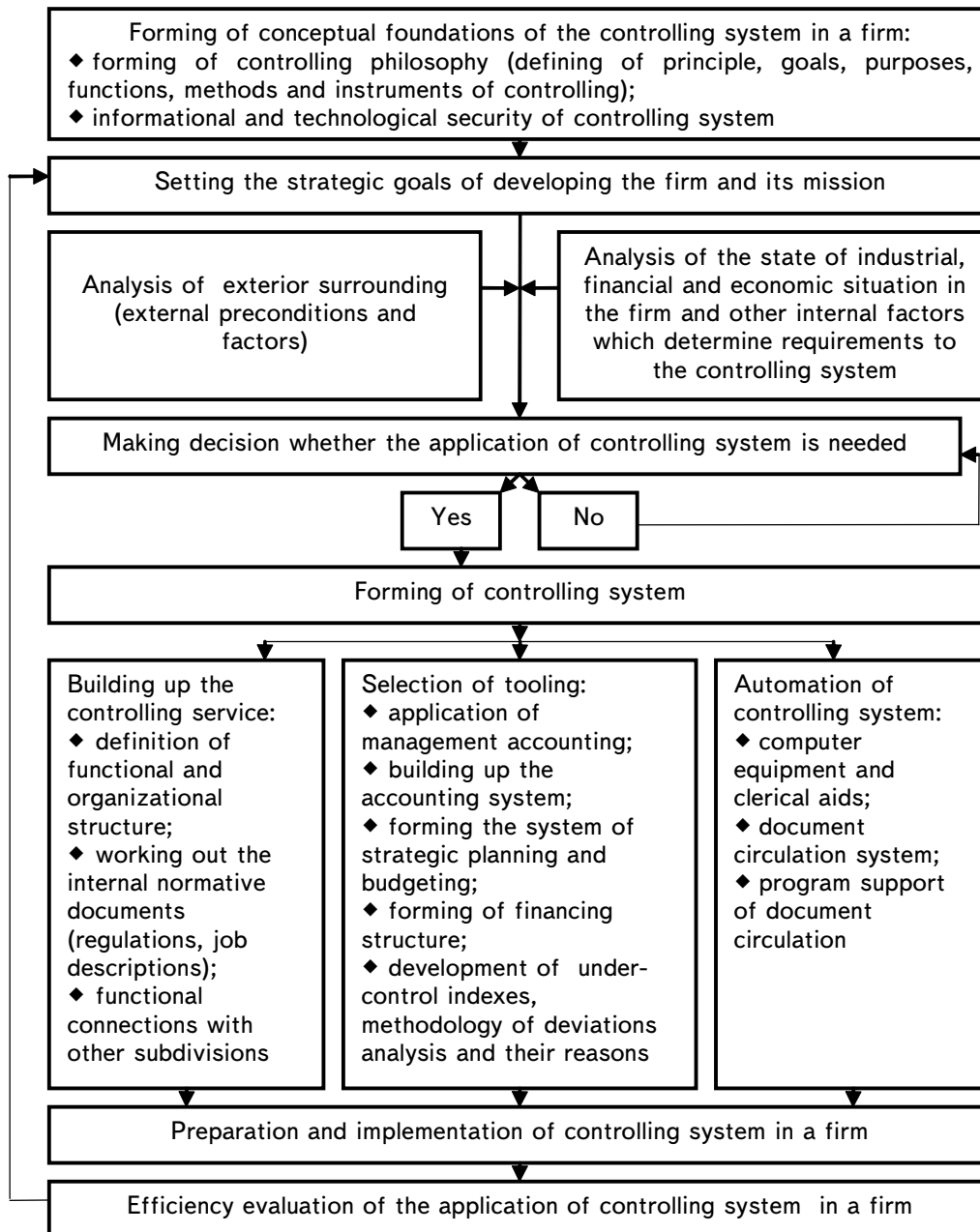


Fig. 2. Algorithm of formation and application of the controlling system in the firms of construction complex

Stage 2. "Preparatory stage of formation and application of controlling system in a firm".

This stage includes:

- ◆ definition of strategic goals of firm development and its mission;
- ◆ analysis of financial and economic state of the firm;
- ◆ evaluation of internal and external preconditions;
- ◆ analysis of internal and external factors, which determine the requirements to controlling system;

- ◆ evaluation of the existent controlling elements in a firm;

- ◆ making a decision whether to introduce controlling system in a firm.

The introduction and functioning of controlling system should in the first place assist the achievement of the strategic goal of a construction firm, the main mission of a construction firm being putting a construction project of specified quality and characteristics into operation.

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