Controlling as a Tool for Implementation of the System for the Enterprise Resource Potential Management in its Capitalized Form

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Abstract: At the present stage of the economic science development one of the topical issues is the corporate capital assessment. In order to perform the assessment it is needed to carry out the valuation of the tangible factors of production, resource potential and development of the methodological provisions as to inclusion thereof both into the capital structure and the economic relations system. The specified issue is of the macroeconomic nature. In order to discover the potential enterprise capabilities a specific tool for implementation of the system for the enterprise resource potential management is required which namely controlling is. Controlling suggests the system monitoring of the enterprise resource potential not only on a real time basis but is also included into the overall management system through strategic (forecasting) management. Within the frameworks of the present article controlling is considered as a tool for implementation of the system for the enterprise resource potential management in its capitalized form.

Key words: Resource potential · Tangible factors of production · Capital · Current controlling · Preliminary controlling · Final controlling

INTRODUCTION

At the present stage of the economic science development one of the topical issues is the corporate capital assessment [1]. In order to perform the assessment it is needed to carry out the valuation of the tangible factors of production [2], resource potential [3] and development of the methodological provisions for inclusion thereof both into the capital structure and the economic relations system. The specified issue primarily has the macroeconomic nature [4] and implies the following stages: inventory of the available enterprise resources; development of methods for valuation of the tangible factors of production; inclusion of the value of the capital stock, land and manpower resources into the corporate capital and the course of business.

Main Points: The valuation of the enterprise may be more or less than the capital valuation and that will be determined by the place of the enterprise itself at the market for the like products and services. The capital valuation, in its turn, shall represent the actual value of the enterprise assets. However, the enterprise valuation is performed without regard to the value of the capital itself [5] that together with the fixed assets valuation [6] shall include in monetary terms the land and manpower resources.

At the present time inclusion of these resources into the enterprise capital is complicated firstly by the necessity of adaptation of the land cadastral valuation to the new economic conditions under which the enterprise performs its activities; secondly, by absence of the manpower resources valuation method adequate to the new economic conditions. The mentioned circumstances impede the valuation of the enterprise capital and its practical application in the course of extended reproduction.

Structurally, there is a good reason to consider the overall enterprise capital as a total of the balances tangible factors and the institutional factors of the
resource potential, charter capital that is also gained as the result of their interaction in the course of the productive potential implementation.

The tangible factors are: the resources the sources for creation thereof lay beyond the examined production system and are supplied from outside (capital stock, manpower and land resources).

The institutional factors are: some conditions allowing coordination and efficient management of the resource utilization [7] (technological, economic, social and environmental), we determine the balance of the tangible factors as the proportional relationships between the capital stock, land and manpower resources.

The total of the tangible factors as a whole represents the enterprise resource capital. The efficiency of the resource potential utilization is determined as relation of profit to the resource potential [8] and represents the enterprise productive potential. By determining the efficiency of the resource potential utilization it makes sense to use not the operating profit but the balance profit of the enterprise. This is due to the fact that the balance profit unlike the sales profit more completely represents the financial and operating performance of the enterprise since it is subject to taxation the assessment basis of which is the capital stock value or number of employees. Moreover, the non-operating gains and losses of the enterprise depend on the resources available [9]. Thus, the aggregate capital structure includes the resource potential, productive potential, charter capital and profit.

The study of the theoretical provisions as to economic substance of the resource and productive potential [10] allows determining their features. The resources represent the material basis of production but in static form, i.e., till the moment of their inclusion into the manufacturing process. They are only the initial point of the manufacturing process [11] and represent the expenditure side of the manufacturing process and also specify only the items that can be used and not what can be gained in the course of the manufacturing process, in other words, the resources represent the dialectical opposition to the enterprise performance. They determine the results, constitute the non-separable integrity with them but are not identical to them.

As opposed to the resource potential as the expenditure side of the manufacturing process, the productive potential should always be considered on the side of the performance part of the manufacturing process. Thus, speaking about the resource potential of the enterprise, it is usually described by the figures of the land area, capital stock value and presence of employees or these three items are reduced to the single aggregate resource potential turned into cash.

While speaking about the productive potential of the enterprise it is necessary to specify what kind of products was manufactured with the use of some or other resources or the gross value of output in monetary terms.

Therefore, although the units of resource and productive potential measurement are equal by form the inner substance of these measurement units is completely different: in case of the resource potential they represent the expenditure side of the manufacturing process, its presuppositions and in case of the productive potential-its output.

The productive potential appears to be the real structure only when the resources constituting the seamless integrity are able to maintain the output of products. By studying the formation and utilization of the enterprise resource potential, we arrived at the conclusion that the seamless integrity of resources may ensure the balance criterion. Balance of the major elements of the resource potential ensures, first of all, the optimum enterprise size and is the initial condition for the efficient development of the productive potential and enterprise capital valuation.

A number of scientists-economists hold another point of view: they believe that the productive potential is calculated as the standard volume of production determined by the resources with due account for their overall return the value of which depends on a group of objective conditions.

We believe that in first line the balance shall ensure the qualitative characteristics of the productive potential and its subsystems (technology, manufacturing systems, etc.). The environmental aspect may appear to be this very qualitative component. At this point it should be mentioned the methodologically relevant provision that exists in reality and is absolutely not considered by the productive potential valuation.

The productive potential balance divides the resources themselves into two kinds: 1) mobilizable resources (real) functioning within the existing technology and 2) non-mobilizable (possible) resources the utilization of which is not possible without their redistribution or conversion.

Thus, at the present stage, due to moving the gravity center to the investment factors of the production intensification, the studies of the economy development efficiency should be based not on the attained level of the resources utilization but on the possible enterprise capabilities.
A specific tool for implementation of the system for the enterprise resource potential management is required for determination of the possible enterprise capabilities. Since we study controlling as a tool for implementation of the system for the enterprise resource potential management, the classification criteria for both controlling (as a tool) and function (action) shall be uniform and divided by: objects including the resource potential joint elements; by consumers of the resource utilization; by the area of the resource utilization.

At this point it should be noted that controlling is not identical to the idea of control since control deals with statement and valuation of the facts that have already accomplished in the enterprise activity as to resource potential utilization whereas controlling is aimed at the prospect, i.e., at the possible capabilities of the enterprise resource base. At the same time monitoring fulfills a function of a connecting link between the past, present and future of the productive-economic status of the enterprise with account for the enterprise resource potential utilization. Since we believe that controlling in its category essence is a wider term than the terms “control” and “monitoring”, we suggest classifying controlling as preliminary, current and final one.

Controlling provides for system monitoring of the enterprise resource potential not only on a real time basis but is also included into the overall management system through strategic (forecasting) management. Accordingly, the current management processes are monitored by the current controlling mostly. It coordinates the processes of the operational planning of the enterprise resource base, the accounting and reporting with the aid of the modern information system.

The preliminary controlling provides for system monitoring of: the gap between the target and forecasted resource potential values; optimality of the enterprise plans in terms of achievement of objectives as to efficient resource potential utilization; external and internal conditions negatively affecting the fulfillment of the goals set; trends in the development of the enterprise resource base.

The final controlling provides for determination of difference between the actual values of the resource potential utilization and the target ones, analysis of causes thereof.

The controlling results constitute the information basis for making of the strategic and operating managerial decisions as to formation, utilization and reproduction of the enterprise resource potential.

CONCLUSION

Thus, in the enterprise resource potential controlling system the emphasis is shifted from the simple statement of the past facts to the prospective, forward-looking controlling, i.e., not only the past but also the present and future appear in focus of controlling. All elements of the controlling system for the resource potential management from scheduling to corrective actions as to plan implementation are necessary in first line for making possible the analysis of the resource potential utilization and assessment of plans as to efficient resource potential reproduction, results and deviations.

Taking the foregoing into consideration, the controlling system for the resource potential management may be represented as follows: