

Dear Readers,

another year comes to an end. Probably not everything went as you planned - but we hope you were able also to take advantage of the new situation - learn something new and prove yourself. Also at the ICV not all autumn conferences could take place as arranged – but the organizers were well prepared to the changes in the last minute – that’s what COVID pandemic taught us. You can read reports from some of the ICV events in this Bulletin.

In this issue also a large dose of knowledge - interview with Péter Horváth and Claudia Maron. Sustainability permeates every corporate area and controlling has not only been preparing for the new tasks since yesterday. In the interview “Sustainability in Corporate Management: Basics – Instruments – Practical Examples” they focus on the challenges of green controlling. As an ICV Member you can receive the newest ICV Dream Car Report “Always remaining on track” by the ICV Think Tank - now available also in English.

We also encourage you to share your know-how and experience and participate in to ICV competitions - first is the ICV Newcomer Award - because one of the ICV goals is developing the new generation of controllers. The second one is the ICV Controlling Excellence Award - where controllers and controlling teams can show off with their best solutions. Application deadline is January 31, 2022.

For the upcoming holidays and the New Year we wish you much health and great time with your families and friends! Let’s hope for face-to-face meetings!

Much pleasure while reading!

Yours  
Bulletin Team



### Important topics:

- “Always remaining on track”  
ICV publication available also in English
- Challenges of green controlling  
- interview with Péter Horváth and Claudia Maron
- Reports from successful ICV events - on-site and online



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## Literature tip: "Always remaining on track" with controlling

**An important publication at the right time! The ICV International Association of Controllers has published the Dream Car Report of the [ICV Think Tank 2019/2020](#) on a burning topic: "Always remaining on track - How the controlling navigates companies through times of crisis". In compact form and using practical examples, the publication shows how controlling, providing systematic approaches, makes a decisive contribution to keeping companies on course in situations that threaten the existence of the company and to initiate realignment and a new start.**

In the new publication, the ICV Think Tank shows possibilities of working your way out of the serious corona crisis. Corporate crises and the associated tasks, instruments and processes are described along a phase model - from crisis detection and prevention, through short-term survival and stabilization to realignment and a potential restart.

When the team of the Think Tank began to deal with the main topic in 2019, it was not nearly clear what current relevance "Controlling in times of crisis" would soon be and what challenges the corona crisis would pose for companies. Now the results of two years of work have been processed in the Dream Car Report. The team of authors of the ICV Think Tank: Prof. Dr. Ronald Gleich, Frankfurt School of Finance & Management; Stefan Tobias, Horváth & Partners; Prof. Dr. Heimo Losbichler, University of Applied Sciences Upper Austria; Siegfried Gänßlen, ICV; Manfred Blachfellner; Change the Game Initiative; Dr. Lars Grünert, TRUMPF; Prof. Dr. Péter Horváth, Horváth & Partners; Prof. Dr. Mischa Seiter, Ulm University; Karl-Heinz Steinke, ICV; Prof. Dr. Jürgen Weber, WHU Otto Beisheim School of Management; Dr. Jan Christoph Munck, EBS University for Economics and Law; Alexander Schlueter, EBS University for Economics and Law (both were the editors). The editors would particularly like to thank the companies KÄRCHER, TRUMPF and SIEMENS for their practical contributions and their insights.

The authors leave no doubt: In crisis management, the first thing that counts is "Cash is King!". Short to medium-term liquidity is to be secured, for example, by calling up / expanding credit lines or working capital measures. Companies with a strong equity base have proven to be particularly resilient.

Once liquidity has been secured, it is important to work on the earnings base. "In current crises, blunt cost cutting does no longer justice to the situation. Clear analysis, clear delimitation of future topics on which you must not save, as well as the identification of vital areas and processes require tailor-made approaches, which have to be backed up with reliable controlling information."

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### Always remaining on track – How Controlling navigates companies through times of crisis

A Dream Car report of the ICV's Think Tank in 2019/2020



HORVÁTH & PARTNERS  
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HAUFE.

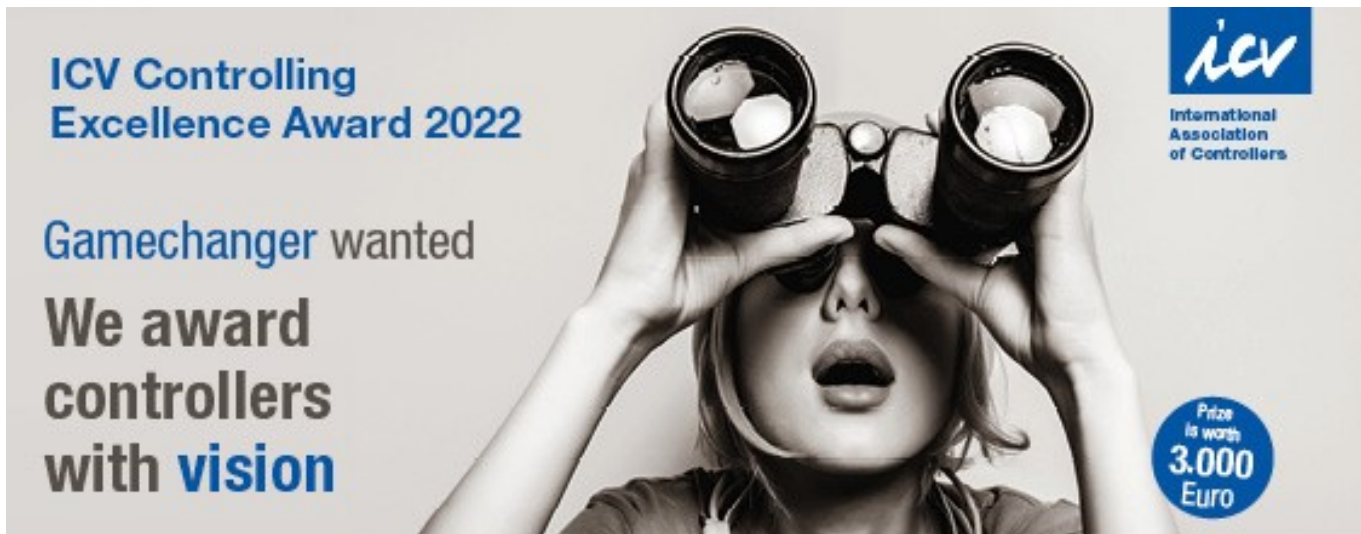
The publication distinguishes between five phases of crisis management. Most companies are currently in "phase 3", which follows the previous "securing survival" and "stabilization", although these two remain vital. The publication helps to keep a look ahead. The short to medium-term future of the company is secured with the stabilization phase, but it is now important to deal intensively with the future design of the business model and value chains. The focus is on core areas of the company: "Vital processes and procedures must be prioritized according to their efficiency so that any gaps can be closed". Speed is required for this.

Especially when revising the business model or strategic realignment, the resilience ability and agility of an organization should be incorporated into the upstream analyzes and considerations. Flexible structures should in future be a matter of course for every aspiring and established organization.

**Always remaining on track - How the controlling navigates companies through times of crisis / Dream Car report of the Think Tank of the International Association of Controllers 2019/2020**, ISBN: 978-3-648-15029-0, 88 pages, also in English.

The ICV Members can receive the publication for free.  
More: [https://www.vereinonline.org/Int\\_Controller\\_Verein\\_eV/?module=shop](https://www.vereinonline.org/Int_Controller_Verein_eV/?module=shop)

# Compete for the ICV Controlling Excellence Award and present your controlling solution at the ICV Congress of Controllers



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We are sure that by the end of the year you are not bored, but the ICV encourages you to put together the application documents for the ICV Controlling Excellence Award soon. The application deadline on January 31, 2022 is finally getting closer and closer.

Take the opportunity and present your outstanding controlling project to the expert Jury. Prof. Dr. Utz Schäffer, the Jury members Prof. Dr. Andreas Seufert, Prof. Dr. Ute Vanini, Roland Iff, Dipl. Wirt. Ing. Jens Bienik and Dr. rer. pol. Lars Grünert look forward to applications from individual controllers or a controlling team, from Germany or abroad, as well as submissions from small companies or large corporations. It is

important that the controlling solution gives impetus for improvement, is innovative and shows new ways. The practical feasibility should also play a role. If all of this is fulfilled, there is a good chance of receiving a nomination and taking part in the “Congress of Controllers” on May 9/10 in Munich to be awarded. Thanks to the main sponsor ATVISIO and the sponsors CA Akademie, Hansgrohe SE and IGC, the winner will also receive prize money of 3,000 euros.

You can find all information on the ICV Controlling Excellence Award on: <https://www.icv-controlling.com/en/association/awards/icv-controlling-excellence-award.html>

## The Jury of the ICV Newcomer Award is already looking forward to master and bachelor theses

The ICV is looking forward to submissions for the “ICV Newcomer Award”. The objectives of the ICV Newcomer Award are the promotion of young academics in the field of Management Accounting and the transfer of innovative and practicable ideas from the university environment to the active practice of Management Accounting where they can be applied by a huge number of professional Management Accountants.

In the ICV Newcomer Award prizes are awarded for three master theses or exceptional bachelor theses that discuss Management Accounting innovations or the practical application of classical Management Accounting issues. A further wish is, that the applicant critically discusses the guidelines of the ICV. Papers submitted at any European University after April 30, 2020 are accepted. Professors acting as supervisors for the relevant theses may submit proposals for the

ICV Newcomer Award 2022. The deadline for submissions is May 15, 2022. We welcome the submission of theses from any aspect of Management Accounting in either German or English.

The total award of the ICV Newcomer Award is EUR 4,000, sponsored by Haufe and the Haufe Akademie. In addition, all prize winners will receive one year’s free membership with the International Association of Controllers (ICV) which also includes a subscription to the Controller Magazin (delivery only in German-speaking area).

The Jury is looking forward to your participation and is excited about reviewing the innovative and practicable Management Accounting ideas. Read more at: <https://www.icv-controlling.com/en/association/awards/icv-newcomer-award.html>

# New mindset? Interview with Péter Horváth and Claudia Maron

Sustainability permeates every corporate area and controlling has not only been preparing for the new tasks since yesterday. In the interview

“Sustainability in Corporate Management: Basics – Instruments – Practical Examples”, which was published by Haufe in September 2021, Claudia Maron, ICV Board Member and Head of Governance at Datev, and Prof Dr. Dr. h. c. mult. Péter Horváth, founder and Deputy Chairman of the Supervisory Board of HORVÁTH AG focus on the challenges of green controlling.

## A) Background & Goals

**Controlling-Berater:** Professor Horváth, even quite early on you were of the view that controllers had a role to play in sustainability: In an interview ten years ago, you talked to us about sustainability and green controlling, a topic that you had put forward for the ICV ideas workshop. For controllers in particular, this was still a fairly new area at the time, so it is not surprising that a certain reluctance was voiced on a number of occasions. How would you appraise the situation today? To what degree has sustainability in controlling found its way into operational practices today?

**Péter Horváth:** Sustainability – in a broad sense – is now part of a controller’s everyday routine. Sustainability has become increasingly important, and our society as a whole now recognizes its existential significance. Going hand-in-hand with that is the fact that stakeholders of organizations are also actively demanding sustainability – financial profit alone is no longer enough. So sustainability has moved from something of a fringe topic to being an integral component of corporate objectives. If the controller wants to fulfill their role as a “business partner”, they need to take this trend into account.

**Controlling-Berater:** Ms. Maron, how do you perceive this from the point of view of the ICV?

**Claudia Maron:** Sustainability is definitely an issue for controllers. So is their reluctance to address it! Two trends can be observed. On the one hand, there is a clear shift towards more sustainable corporate governance. The EU Green Deal, the climate goals of the German Federal Government, and sustainable finance mean that the sustainability debate has arrived in the corporate world. However, sustainable management is not yet at the top of the watchlist for controllers; in fact it was not identified among the top 10 future topics set to be relevant for controlling in 2025<sup>1</sup>. Why is that? In many companies, the main responsibility for sustainability is usually assumed by top management and by specialized departments (e.g. environmental management).<sup>2</sup> Controlling is often on the sidelines.

The ICV took this up at an early stage. Since 2011, the ICV’s Green Controlling for Responsible Business expert work group has been<sup>3</sup> identifying, discussing and

developing goal-oriented, practical and feasible solutions for green controlling.

**Controlling-Berater:** Sustainability is a rather broad topic which takes in social and economic aspects as well as environmental considerations. In practice, the current climate discussion often seems to be limited to ecology. To what extent do you think this makes sense?

**Péter Horváth:** This almost-exclusive focus on ecological concerns – in particular the CO<sub>2</sub> issue – does indeed fall short of what is required. Instead, companies need to pursue a holistic concept of sustainability in terms of ESG criteria. In addition to broader ecological considerations such as water, waste and biodiversity, this also concerns social and governance components. In order to be truly sustainable, companies must identify and consider their impact and dependency on natural and social capital, and ensure minimal negative impact.

**Claudia Maron:** Prompted by the environmental and climate debate, the English word “green” has become established as a brand name for sustainable activities. This may suggest that environmental protection and ecological issues are the sole focus, but sustainable business actually involves a great deal more. Responsible corporate management<sup>4</sup> will always take social and economic aspects into account.

**Controlling-Berater:** In your opinion, does positioning and integrating these issues more strongly in the corporate strategy make sense for facilitating their practical implementation? Here I’m talking especially about striking a balance between economic, environmental and social dimensions considering the various conflicts of objectives that regularly arise between the three areas.

**Péter Horváth:** Discussing sustainability without any context is fundamentally not effective. Sustainability always requires a specific business context as well as a basic sustainability concept. In practice, it is really important to establish a clear connection between corporate mission statement and strategy; to integrate financial and non-financial value drivers; and to create a balance in the sense of a “triple bottom line”. As you mentioned, this is the only way to achieve company-wide acceptance, and to identify and balance potential conflicts of objectives.

**Claudia Maron:** The integration of environmental and social issues into a corporate strategy is certainly part of sustainable corporate management. It ensures that company management has a clear framework and commitment to addressing these issues. The conflicting objectives often arise due to a short-term view of added value. For example, a photovoltaic system incurs costs and has a longer payback period. On the other hand, it has a positive impact on the CO<sub>2</sub> balance, and as such improves corporate image and employer attractiveness. Investment can be financed via green loans, which in

turn has a favorable effect on sustainability ratings. So in the long term, conflicts of objectives often resolve themselves. However, it is important to transparently set out any opposing objectives to get an idea of the impact, and to make informed decisions.

## B) Tasks & Content

**Controlling-Berater:** *Does sustainability represent an opportunity for our profession? Do you see parallels in this with the megatrend of digitization?*

**Péter Horváth:** The integration of sustainability into the controlling system is indeed an opportunity – in fact an obligation! Any organization has to take sustainability into account, but effectiveness and efficiency cannot be achieved without controlling. As with the megatrend of digitization, sustainability transformation is a cross-functional challenge which requires collaboration across a whole range of corporate divisions. In this area too there is a risk that controlling will stand passively on the sidelines for too long. It is high time that controlling took on a more creative role and played a more active leadership part in this.

**Claudia Maron:** The sustainable and digital CFO and controlling agenda – both of these topics are forward-looking. They represent a realignment of the finance department and thus have a spillover effect on controlling. Controllers will ideally act as change agents to help shape these change processes. It brings up the same questions: How is the financial organization changing? What are the implications for the controller role? Are new processes required? Which methods and tools should be used in future? How does this affect the business model?

**Controlling-Berater:** *What will be the resulting additional tasks for controllers?*

**Péter Horváth:** Controlling has the fundamental task of defining an overarching management approach which views financial and non-financial aspects holistically and consolidates them, as well as ensuring that common goals are achieved. Controlling is particularly sought-after when it comes to establishing processes and systems for successful implementation of a sustainability strategy.

In addition to company-related tasks, I see a new challenge in the systematic consideration and incorporation of an external perspective, so that not only input and output calculations, but also outcome and impact considerations will be required in order to track the economic value to society and to nature throughout the entire value chain. What kind of positive and negative impacts on society, the economy, and the environment could result from the company's activities? And what are the financial implications of the impact of corporate activities on society and the environment? The current work of the Value Balancing Alliance is certainly interesting in this regard. I should also mention that an ICV expert working group has just developed a comprehensive impact measurement system.

**Claudia Maron:** Their proximity to management and corporate management means that controllers are particularly well positioned to address the economic aspects of sustainability. However, the social and environmental considerations can also be integrated without significant additional effort or new processes. A planning or reporting process is not made different by the inclusion of non-financials alongside financials. Instruments and processes are the same and just need to be updated to include sustainable aspects.

There are also new requirements for controllers though, such as impact measurement<sup>5</sup> (correlation of cause/effect mechanisms), double materiality (considering the stakeholder view in addition to the corporate view), external CSR reporting, sustainable finance and green rating requirements. Controlling must also address the implementation of EU taxonomy as a European classification system for environmentally sustainable activities.

The ICV “Green Controlling for Responsible Business” expert working group is currently working on a white paper on this topic, which will be published in the second half of 2021.

**Controlling-Berater:** *On this topic, can you see risks that could arise – for our companies, but also for controllers?*

**Péter Horváth:** I say that there's no alternative to sustainability and its integration into controlling. So yes, I do see a risk for companies, most prominently in their ignorance of the topic. In my opinion, there are no specific risks in implementation, but rather numerous challenges, and opportunities to rethink and amend. That means there are huge opportunities for integrated governance as a basis for expanded accountability, with the aim of creating a more sustainable economy and inclusive society.

**Claudia Maron:** For companies, the risks are increasingly tangible. Any company that does not address climate risks will pay for this in future in the form of a carbon price. At present this price seems to be fixed, but if you follow the political and scientific debate it may have to double, so it is certainly fraught with risks to companies. As part of the German Corporate Due Diligence Act, companies will have to address the risk of non-compliance with human rights in the future. If the necessary certifications are not in place – e.g. for environmental management or energy systems – there is a risk that companies will not acquire customers or will even lose them. The issue of sustainable finance is also gaining traction. Sustainable management, which is certified by a sustainability rating, affords access to more favorable financing terms.

The risk then is that controllers will have little input into the key issues of the future. Finance still remains the key factor, but stakeholders' interests are also driving a shift towards sustainably managed companies.

**Controlling-Berater:** Against the backdrop of this extended scope, what do you see as the biggest challenge for controlling?

**Péter Horváth:** To my mind, the greatest challenges are establishing a fundamental willingness to change, to look beyond the company's borders, and the very closely integrated interdisciplinary collaboration that is required. In addition, I see the need for a process of sustainability-focused development of all instruments, from operational cost accounting to strategy development.

**Claudia Maron:** The main challenges are to move away from purely financials towards non-financials, and to think in terms of analytics, and to do so with closer reference to the corporate strategy. For example, customer and employee satisfaction or the net promoter score are already among the top strategic KPIs. The Internet of Things delivers an incredible amount of data through smart data. Linking this non-financial information to the financial world, casting it into data models, and analyzing it with AI or business analytics is precisely where controllers can start to generate benefits in the value chain. How lean would a strategy and planning process be if we could quantify that a 1% increase in employee satisfaction costs xxx euros, while at the same time proposing the five most effective measures based on AI?

Controllers play a key role as change agents and partners of management.

### C) Instruments & Methods

**Controlling-Berater:** *To what extent do we need to update our existing metrics and control instruments in light of our reporting systems' continued focus on finance, and the changes to controlling tasks that we discussed earlier? Or do we fundamentally need completely new metrics and information systems?*

**Péter Horváth:** I see a fundamental need for a process of sustainability-focused development of all instruments, from operational cost accounting to strategy development. In my opinion, the biggest requirement is the development of new environmental and social metrics and their links (cause-effect) to the financial dimension. Moreover, suitable business analytics tools have to be developed to go with them.

**Claudia Maron:** The question of metrics and control instruments comes second. As a top priority, the switch towards integrated reporting and changed tasks that consider environmental and social aspects as well as economic parameters requires a change of mindset in controlling. Integrating non-financial information into business management is a new challenge for more finance-oriented controllers. The "green" controller model provides<sup>6</sup> guidance. As partners to management, controllers make a significant contribution to the sustainable success of an organization in economic, environmental, and social terms.

Only then is it worthwhile to look at metrics and control instruments. The most important new characteristics are greater integration into the strategy process, thinking in

terms of cause/effect relationships (impact measurement), and supporting decisions based on data- and driver-based models.<sup>7</sup> Non-financial information is the well from which AI and business analytics drink. In future, external reporting will also focus more keenly on the green interests of stakeholders and politically prescribed standards.

**Controlling-Berater:** *In which existing information systems do you see the greatest need for adaptation and where are the biggest challenges?*

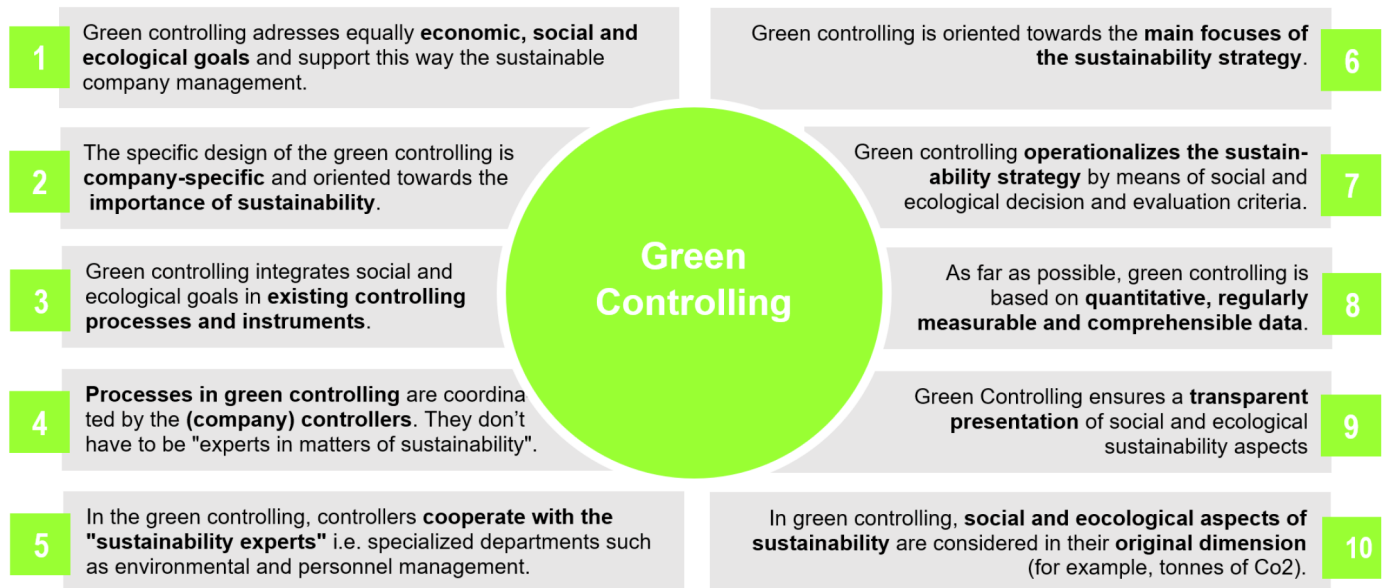
**Péter Horváth:** Controlling is absolutely central to development and implementation of strategy, management of measures, and to reporting and success-monitoring. Strategic planning must absolutely play the key role in designing the route map. Scenario analyses and the inclusion of external, sustainable context are increasingly vital tools in presenting options for the future. Existing instruments for operationalization of the strategy, including the balanced score-card, must be expanded to include non-financial value drivers. In terms of operations, I feel measurability of impact – in other words, the use of outcome-impact evaluations – will be one of the greatest challenges.

**Claudia Maron:** One major challenge will be to combine the various already-existing environmental and social information systems with the established financial information, and to mold them into an integrated information system.

Several questions arise here: How should we collect data in a structured way? How should the wealth of sensory information be used? How can suitable data management systems, such as data lakes, be set up? How can the analyzability of structural and transaction data be ensured? How can financial and sustainable data be linked by means of AI and business analytics in such a way that added value for corporate management is created? How should controlling be positioned? Are BI-related topics migrating towards Business Intelligence?

**Controlling-Berater:** *It is often argued that for many key sustainability indicators, a lack of monetization makes a holistic, integrated approach to corporate management difficult. However, there is an opposing argument that says monetization prevents us from tackling the fundamental issues. What do you think about this, and how can companies overcome this barrier?*

**Péter Horváth:** In my opinion, an artificial conflict is being created here. It is certainly not possible to develop KPIs for all sustainability issues and to assign monetary value to all impacts. There is a learning process under way on this, underpinned by ongoing advances in technology and science, and this should lead to greater precision. As a general rule: A qualitative opinion is better than no assessment at all! It is crucial that we highlight direct and indirect impacts, that they are afforded the right degree of significance, and that this information is incorporated into corporate decision-making processes.



Claudia Maron: The mix of physical, quantitative and monetary variables and their integration into a holistic corporate management concept is crucial. At this point, I'd just like to draw your attention to the ten theses on green controlling<sup>8</sup> formulated by the ICV, as they make a clear statement on this.

Monetization should be task- or contingency-based, particularly in the context of reporting, and should focus on the information needs of stakeholders. As such, data should, as far as possible, be quantitatively and regularly measurable and transparent (Thesis 8). For internal management of the sustainability strategy and measures, the ICV recommends considering factors in their originating dimensions (e.g. metric tons of CO<sub>2</sub>) (Thesis 10). Factoring in the financial consequences, for example those arising from environmental pollution or a lack of digital skills due to minimal further training, will allow companies to manage environmental and social goals within a comprehensive framework.

**Controlling-Berater:** *Is there not a need to focus more on the long-term perspective? Has quarterly thinking finally become a thing of the past?*

**Péter Horváth:** I fully agree with you, though this applies regardless of the sustainability aspects. Quarterly thinking is not compatible with a long-term perspective on sustainability. It is far more important to safeguard and enhance the long-term profitability of the company by implementing sustainability measures. This requires flexibility, diligence, and self-reflection.

**Claudia Maron:** By definition, sustainability is already geared towards the long term. Short-term thinking and management based on quarterly results should be reinforced by a long-term perspective in terms of a triple bottom line – though it does continue to make sense to report non-financial information such as energy consumption or waste generation, for example, during the course of the year. Globally relevant output factors,

such as CO<sub>2</sub> emissions, must become long-term considerations within the context of a company's strategic goals. Sustainable business also requires uprooting the shareholder value concept and moving towards considering stakeholder value. Investors, finance providers and rating agencies are also increasingly looking at their environmental and social footprint, and medium-term perspectives are assuming greater significance as a result.

**Controlling-Berater:** *In addition to pure measurement, there is an ongoing focus on reporting. A frequent criticism of ESG reporting is a lack of consistency and comparability in ESG metrics. Today, where do you see the key challenges in ensuring high-quality reporting?*

**Péter Horváth:** The existing lack of consistency and comparability in ESG reporting, though also in the field of rankings and ratings, currently makes it difficult to make a solid assessment of a company's sustainability performance, and would ultimately make it harder to take effective decisions. This is why we urgently need standardization in ESG reporting as well as in ESG ratings and ESG indices.

**Claudia Maron:** Sustainable standards for ESG reporting already exist, such as the Global Reporting Initiative (GRI), the CSR Directive (Corporate Sustainability Reporting Directive) and the DNK (German Sustainability Code). At the same time, sustainability ratings such as Ecovadis and CDP<sup>9</sup> aim to make it easier to compare environmental, social and economic performance.

The application of these standards creates transparency. However, there is still a lack of standardization for risk-based investment and financing decisions. The room for interpretation makes it difficult to assess and compare. For example, it is important to scrutinize the disclosure of a company's climate goals. The scope of what is to be offset (scope 1, 2 or 3) or whether the off-setting is

climate-neutral or climate-positive cannot be reasonably interpreted without knowing the objective of the individual companies.

At the same time, we are currently seeing a consolidation of the “reporting market”, in which more and more providers are collaborating with each other to develop common standards. This is an important step, but also presents challenges in combining the various methods.

**Controlling-Berater:** Recent developments on the part of the EU, such as the current draft EU directive on sustainability reporting, or the EU sustainable finance taxonomy, clearly indicate the direction of future regulation: The creation of transparency and comparability, as well as the establishment of uniformity in reporting. Against this backdrop, how do you assess the future importance of integrated reporting of financial and non-financial KPIs?

**Péter Horváth:** These recent developments are indeed helpful and necessary, and show that we are already on the road to some degree of standardization. This process of developing standards and norms is typical when new issues arise.

The increasing importance and demand for non-financial information and its linking to classic financial indicators, as well as its consideration in routine processes and reports, promotes this trend towards integrated reporting. It is an issue that controllers and accountants have been working on for a long time.

**Claudia Maron:** Its importance is considerable. The EU taxonomy clearly defines the criteria that economic activity must meet in order to be considered environmentally sustainable. It also sets a standard that companies will have to follow in the future to report their sustainability performance. Controllers should therefore familiarize themselves with these issues at an early stage in order to be able to actively support the process.

In addition, the ICV expert work group has developed practical proposals for implementing an integrated reporting system<sup>10</sup>, with an emphasis on the definition, collection and presentation of indicators which primarily represent a gateway to non-financial KPIs.

## D) Organization

**Controlling-Berater:** *What do you think will be the organizational impacts on a company, and on controlling in particular? To what extent will processes and structures in controlling have to change due to greater consideration of sustainability?*

**Péter Horváth:** We really have to make a distinction here depending on the industry and company size. Organizational anchoring can vary greatly depending on the extent of the requirements relating to sustainability transformation. We can essentially assume that, on one side, sustainability considerations must be integrated into all processes; the flip side is that specialization will also increase.

**Claudia Maron:** In organizational terms, the ICV recommends that small to medium-sized enterprises anchor the economic pillar of a triple bottom line into controlling, and integrate it into corporate management together with the departments responsible for environmental and social sustainability. The processes involved, from planning through decision-making to reporting, must be expanded to include non-financial information.

Large corporations, on the other hand, often have their own department that covers all aspects of sustainable management. The important thing is that each company finds a way that suits them best.

**Controlling-Berater:** *Along with creating processes, there is also a need to establish supporting IT systems to enable regular and integrated data collection and provision. What developments are you seeing here and what do you think are the biggest challenges?*

**Péter Horváth:** I absolutely agree that this is needed, and I think that collaboration with technical functions in particular will have to be strengthened. Controllers need the help of data scientists here. They must also be able to discuss this expansion of their information needs!

**Claudia Maron:** It will be crucial to bring together the two megatrends of sustainability and digitalization. After all, new information needs which arise as part of sustainable corporate management – in particular the issue of impact measurement – can only be addressed if the corresponding digital infrastructure is built. Controllers should assume a leadership role here.



**Controlling-Berater:** *Within the context of sustainability reporting, the facets of assurance and sustainable corporate governance are also coming to the fore. In view of this, what are your expectations regarding controlling requirements?*

**Péter Horváth:** Controlling is a key element of effective governance. Controllers have a large set of instruments at their disposal that they can use to make an effective contribution to sustainable corporate management. They have experience and the appropriate tools to collect data, implement internal control and supporting management systems, and generate complete and transparent documentation. Sustainability is also a cultural issue! Controllers can ensure credibility, consistency and acceptance, in particular through their interface to the financial sphere.

**Claudia Maron:** Sustainable governance ensures that reports and communication on CSR (Corporate Social Responsibility) activities hold up to a fact-check. In other words: Green stories instead of greenwashing! Sustainable commitment must be authentic. When assessing environmental or social risks, the problem is that the time horizon in question is too short, at one to three years. In future, a long-term focus must also be reflected in long-term risk assessments.



**Controlling-Berater:** *An increased focus on sustainability must be supported internally by an appropriate corporate culture. What barriers do you see in this regard and how can controlling contribute to this?*

**Péter Horváth:** The main barrier is “small-minded” controlling. Controllers must consider and actively promote the opportunities that sustainability brings, and the link between sustainability and profitability: “Stay in the black by being green!”

**Claudia Maron:** In the best-case scenario, sustainability should not be a matter for one company department or staff unit that deals exclusively with these issues; it should be an applied understanding of responsible business practices, covering conventional economic considerations alongside social and environmental issues. The chance of sustainable values becoming part of the corporate culture grows in proportion with the commitment of management and anchoring in the corporate strategy.

There are also some great controlling services relating to sustainability, and the best of these green controlling services are recognized once a year. This award is presented by the Péter Horváth Foundation in partnership with the International Association of Controllers. So get involved<sup>11</sup>! We look forward to hearing your ideas.

#### D) Outlook

**Controlling-Berater:** *Have we now reached the point, at the European level at least, where there is no alternative to systematically integrating external impacts? Has the right time come to really get to grips with the issue?*

**Péter Horváth:** Sustainability is not a sprint, but a marathon. The implementation and integration of sustainability into corporate processes and systems takes multiple years, and requires a continuous process of development. Taking all this into account, we're actually a long way past the start point! Anyone who has waited this long needs to wake up and smell the coffee, and take action as quickly as possible. There is no alternative for controlling: Sustainability is a must if we want to survive!

**Claudia Maron:** Yes. As part of the EU taxonomy, companies will be required to report on greenhouse gas emissions for the first time in the 2021 financial year. The EU is currently debating whether to extend the reporting obligation to non-capital-market-oriented companies.

This also puts the focus on larger medium-sized enterprises,<sup>12</sup> which should start their preparations now to give themselves enough time to adapt their information systems to the new requirements.

**Controlling-Berater:** *Many thanks for a really fascinating discussion!*

<sup>1</sup> 4. WHU Future Study: Future topics for controlling, 2020

<sup>2</sup> International Association of Controllers, Green Controlling 2015/2016 – Where are we after 5 years? Wörthsee 2016 (Editors: Steinke, K.-H., Berlin, S., Stehle, A.).

<sup>3</sup> ICV – Expert Working Group on Green Controlling for Responsible Business; Portrait (ICV-controlling.com)

<sup>4</sup> Triple Bottom Line – ControllingWiki (controlling-wiki.com)

<sup>5</sup> International Association of Controllers, Rolle des Impact Measurement in der integrierten Unternehmenssteuerung - Leitplanken und Handlungsempfehlungen für die Implementierung eines neuen strategischen Steuerungsinstrumente [Role of Impact Measurement in Integrated Corporate Management – Guiding Principles and Recommended Actions for Implementation of a New Strategic Management Instrument], Wörthsee 2020 (Editors: Jordan S., Möhrer M., Stehle A., Nunweiler E., Weihofen S.).

<sup>6</sup> International Association of Controllers, Green Controlling – Leitfaden für die erfolgreiche Integration ökologischer Zielsetzungen in Unternehmensplanung und -steuerung [Guidelines for the successful integration of environmental objectives into corporate planning and management], Freiburg/Munich 2014 (Editors: Steinke, K.-H., Schulze, M., Berlin, S., Stehle, A. and Georg, J.), p. 20 et seqq.

<sup>7</sup> International Association of Controllers, Rolle des Impact Measurement in der integrierten Unternehmenssteuerung - Leitplanken und Handlungsempfehlungen für die Implementierung eines neuen strategischen Steuerungsinstrumente [Role of Impact Measurement in Integrated Corporate Management – Guiding Principles and Recommended Actions for the Implementation of a New Strategic Management Instrument], Wörthsee 2020 (Editors: Jordan S., Möhrer M., Stehle A., Nunweiler E., Weihofen S.).

<sup>8</sup> Theses on Green Controlling, ICV expert work group Green Controlling for Responsible Business, 2017, Portrait (ICV-controlling.com),

<sup>9</sup> <https://www.cdp.net/en>

<sup>10</sup> International Association of Controllers, Integrated Reporting – Schritte zu einer ganzheitlichen Unternehmenssteuerung [Steps towards holistic corporate management]: Praktische Vorschläge zur Umsetzung einer integrierten Berichterstattung mit Fokus auf die Definition, Erhebung und Darstellung von Kennzahlen [Practical proposals for the use of integrated reporting with a focus on the definition, collecting and presentation of indicators], Wörthsee 2017 (Editors: Stelkens, V., Ilg, P., Steinke, K.-H.).

<sup>11</sup> Green Controlling Award of the Péter Horváth Foundation (icv-controlling.com)

<sup>12</sup> This applies to companies that meet two of the following three criteria: Number of employees >250, revenue > €40 million, total assets > €20 million.

## The 15th ICV POLAND Congress (CIA 2021) took place on-site in Warsaw and online



Controlling Intelligence Adventure (CIA 2021) – 15th ICV POLSKA Congress “New Reality of Finance and Controlling – uncertain business, digital future” began on October 11, 2021. The Congress was opened by Dr. Tomasz M. Zieliński – Managing Director of ICV POLSKA and Małgorzata Podskarbi – Member Of the ICV Management Board, Manager at Volkswagen Poznań. The event was organized in a hybrid form – participants had the opportunity to participate on-site in Warsaw in the Intercontinental Hotel or online.

**After the presentation of the Speakers and Congress Partners, Dr. Tomasz M. Zieliński and Małgorzata Podskarbi gave a lecture entitled: Future of controlling – competences and roles of controllers and the development of controlling processes. The presentation was prepared basing on the results of a survey on the future of controlling conducted during the ICV webinar. The study aimed to find out the level of competences of controllers and determining the current and expected in five years state of standardization and automation and the use of SSC in controlling processes**

It turned out that one of the key competences of controllers is extensive experience in finance and controlling. The respondents also indicated communication skills as important competences in their work, defined as the ability to conduct constructive discussion, presentation and storytelling to the presented data, the ability to negotiate and mentoring for the management responsible for strategic decisions in the company. The area related to experience in the field of IT technology and analytics was the worst. Only slightly over 25% of respondents assess their competences in this area as high.

Future expectations regarding a high degree of standardization, automation and the use of SSC relate in particular to such processes as: planning, budgeting and forecasting, cost accounting, and management reporting. On the other hand, the areas of controlling, which today are very little standardized, automated and implemented by SSC, relate to direct support of managers by controllers, creative tasks and those related to building new business models and strategies.

### Cost management in times of crisis

Then a famous expert in the field of controlling and finance, Prof. Dr. Ronald Gleich (Professor for Management Practice & Control (FS), Manager of the

ICV Think Tank) gave a keynote. During the lecture entitled: **CONTROLLING & COST MANAGEMENT IN TIMES OF CRISIS**, we got to know the results of research conducted among companies from Germany, Austria, Switzerland and Croatia. The survey in the form of online survey was carried out from March 16 to May 3, 2021. 402 companies participated in the survey. The most important conclusions from the study are as follows:

- Companies show significant differences in their perceptions of the uncertainty resulting from the corona-crisis depending on the country of origin, industry and size.
- The vast majority of companies implemented cost reduction processes during the crisis.
- Especially for large companies, the corona-crisis was an opportunity to optimize cost management.
- Companies that have highly effective cost management use specific resource, process and product oriented tools.
- In the entire surveyed sample, enterprises were able to reduce the share of fixed costs. There are clear differences between industries.
- Two out of three companies tried to reduce overheads during the crisis. The companies identified personnel and IT costs as the most important cost blocks.
- It was found that the surveyed companies were unable to maintain the quality of their products / services during the crisis. In particular, industries that have been hit hard by the crown-crisis are clearly visible.
- Study participants' sales revenue decreased by an average of 18% from 2019 to 2020 because of the crisis.

### About building resilience to crises and managing change

Another lecture was prepared by the representatives of the PKN ORLEN company, Barbara Hajdas (Executive Director for Business Controlling at PKN ORLEN S.A.) and Tomasz Słupecki (Director for Corporate Controlling at PKN ORLEN S.A.). The speakers told how their organization had built resistance to changes and crises. The key factors are:

- Product and service diversity based on many segments, many distribution channels.
- Organic development, own investments and joint investments with JV partners, foreign expansion.

- Business profitability based on operational excellence and cost effectiveness

Then the directions of the organization's development were presented. Business controlling at PKN ORLEN sees the company from a broader perspective, it touches on sensitive issues, feels the financial context, inspires others and itself to change and works in partnership with business. The speakers reported on the scale of controlling activities and showed the Controller's DNA: Data (numbers, information), Tools (models, analyzes), Actions (conclusions, recommendations). We also got to know examples of standardization and automation.



### Robotic Process Automation (RPA) in controlling

After the coffee break, we returned to the main conference room to listen to a lecture by Prof. Dr. Mike Schulze (Professor of Controlling, Accounting and Financial Management - CBS IBS). The lecture entitled: Robotic Process Automation (RPA) in controlling was focused on the research carried out by the International Group of Controlling (IGC).

RPA has been defined as robotic process automation. The name was used for the first time in the early 2000s. The goal is to automate a process that is repeatable in order to ease the workload of the worker. It can be used in an environment whose processes are decentralized to connect them. The main research questions were:

- How to use RPA in controlling?
- What potential does RPA generate for companies?
- What technologies can be used for implementation?

A qualitative study was carried out - interviews with experts and consultants who implemented RPA in various business environments. 7 interviews were conducted in 2020.

As a result, we found out that companies mostly understand the term RPA. The respondents saw a wide range of benefits from RPA implementation, including:

- cost reduction as the main argument for RPA implementation (cost reduction of the robotized process),
- a chance for employees to carry out more important, more complex tasks (many managers who introduced RPA did not aim at redundancies or layoffs),
- faster response time (the computer will always do it faster),
- increase in productivity, there is no limited working time (man works 8 hours, 5 days a week, the robot can work 24/7),

- reduction of compliance risk,
- higher quality and accuracy as well as easier error detection,
- better service for internal and external customers,
- job satisfaction - the employee performs more interesting tasks.

The speaker talked about technological solutions and then discussed implementation problems (including internal resistance in the company, fear of dismissal, lack of IT and top management support, safety concerns).

He also discussed the competency requirements for implementation. He presented the three profiles needed for RPA implementation. The pilot team should include at least 1 person from each profile: RPA business analyst, RPA Developer - deep knowledge of the automated process (controller), Solution Architect (well-developed analytical and communication skills).

He also gave examples of use (simple and complicated) where RPA works well – where in controlling you can use RPA and which processes can be subject to RPA (planning, budgeting, cost accounting, reporting).

The entire report from the research is available to download here: <https://www.igc-controlling.org/>.

### Discussions and experience exchange: The new reality of finance and controlling

The next agenda point was a panel discussion of top managers, who talked about how the reality of controlling and finance should change from the perspective of managers. The panel was led by Dr. Tomasz M. Zieliński and attended by:

- dr hab. Tomasz Cicirko, prof. SGH, Board Member of the Pocztove Towarzystwo Ubezpieczeń Wzajemnych
- Agnieszka Olenderek, Board Member Finance, Purchasing & IT at Volkswagen Poznan
- Marcin Olszewski, Executive Director / Board member at VOX Capital Group

We discussed the challenges that controllers face and what experiences from the COVID-19 pandemic will help us in the development of financial departments in the future.

As Agnieszka Olenderek noted: Controllers have always dealt with cost optimization, but during the lockdown, they were working on optimization, which had to bring big results in a short time. The second challenge, the expectation that emerged, was the necessity to prepare forecasts from week to week, not quarterly or monthly, as it was before. Communication within the company was also a challenge, which turned out to be very important (especially on the controller-manager line).

Dr hab. Tomasz Cicirko, prof. SGH noted that the pandemic made controllers more appreciated in their organizations. Their role turned out to be crucial in maintaining financial liquidity (which, in turn, was the most important for companies to survive). Controller, from the role of an advisor, has become more of a conversation partner.



Marcin Olszewski emphasized that the last six months have been a time of incredible volatility. A situation in which we only know that there is a crisis coming - change is very difficult. The most negative scenarios did not come true. In Marcin's company controllers have also been noticed and are being referred to more and more frequently in board-level discussions. Their opinion counts.

From the point of view of controlling processes before the crisis, we should take care of electronic document circulation, appropriate changes in procedures, and computer connections. If we could change something, we would have intensified the implementation of BI earlier - and BI could have covered many more areas in the organization.

The speakers emphasized the advantages and disadvantages of remote work. It allowed for large-scale activities (we do not have to limit ourselves to 1 time zone), on the other hand, we understood that some issues should be discussed at a face-to-face meeting. We put more emphasis on the relationship and emotions then.

The most important conclusions from the discussion are:

- We should treat volatility as an opportunity. It means more work for controlling, controlling leads, but you have to take it on your shoulders and use it for development.
- For effective partnering of controlling and business, the most important thing is flexible provision of information and business understanding. Communication turns out to be crucial again.

**Topic Sessions: Digital Future and New Reality**

After the lunch break, the main conference room was divided into three smaller rooms. In the first of them, a topic session was held with the participation of the Congress partners. The first lecture was given by Radosław Koziejka - President of the Management Board, Cogit (formerly Codec Polska). During the lecture "Can controlling avoid the cloud? Controlling in the cloud vs classic approach - experiences and best practices" Radosław answered the questions:

- What are the advantages and disadvantages of different approaches from the controlling perspective.
- Which specificity of controlling systems predisposes them to the cloud and which does not.

- What are the functional differences of solutions for controlling in the cloud vs. traditional.
- Hybrids and configurations - possible implementation options.
- When does cloud implementation make sense.



The second lecture at Session A belonged to Plamen Penchev (Sales Manager for CEE at OneStream Software) and Nadine Heydenrych (Global Director: Finance Systems and Transformation at OLX Group). One Stream solution was presented during the lecture: "Introducing solutions in a global pandemic". We also listened to a case study of the implementation of One Stream in the OLX Group.

The most important conclusions from the lecture are:

- Implementing solutions for multiple countries, multiculturalism, multiple languages and time zones in a virtual configuration is difficult but not impossible
- Don't underestimate the impact of changes
- The devil is in the data
- Go-live is just the beginning
- Change is permanent
- Basic principles: safe, simple and scalable

**Topic sessions: Business Intelligence – trends and modern concepts**

At the same time, Topic Session B took place in the second room. The first lecture was given by: Witold Kilijański (Chief Executive Officer (CEO) in NewDataLabs) and Representatives of BNP Paribas Bank Polska: Aleksandra Zouner (Managing Director of the Management Accounting and Investor Relations Division) and Hanna Gutkowska (Business Intelligence Manager - Tableau).

They answered the following questions:

- Why the implementation of modern business analytics does not change anything in some companies and in others it is a strategic project and constitutes a competitive advantage?
- Who should the Business Intelligence platform be for nowadays?
- From Reader to Viewer, from Viewer to Explorer, or how can the work of a manager with Business Intelligence evolve?
- How to make Machine Learning popular in companies and how to make the business understand how to work with it?

The second lecture at this session was given by Radosław Kowalski, ACMA, CGMA, Partner, Head of Data Intelligence Solutions at KPMG and Justyna Piekarska, ACMA, CGMA, Senior Manager, Data Intelligence Solutions at KPMG. The topic of the lecture was: Business Intelligence and Data Governance. How to implement and how to not implement? At the beginning, the speakers presented their conclusions, typical situations that occur during the implementation of BI projects. They presented these conclusions on the basis of short case studies. The most important conclusions are:

- BI implementation is not an IT project.
- A copy-paste approach will never work.
- It is impossible to meet all expectations of all stakeholders.
- During BI implementation, information owners (KPIs) should be established, and the assumptions made should be described and also defined in the report, if necessary.
- Even the most modern BI structure will not bring any benefits without taking care of the high quality of data.

### Topic sessions: Digitization in controlling

At the same time, in the third room, Topic Session C took place. The first lecture was given by Jakub Górski (President of the Management Board of Cubewise Polska Sp.z o.o.). The topic of the lecture was: Going beyond financial planning - How to assess the maturity of the planning process and how to use the latest technologies to get the best accuracy? We talked about:

- Evolution of financial planning - how advanced is the planning process and what to do to improve it
- Managing complexity - how to effectively use the complexity of the ongoing processes in the company and turn it into a market advantage
- What impact the implementing a unified enterprise performance management tool has on decision making
- How to achieve much higher accuracy in planning with the use of predictive algorithms (AI \ ML)
- How to maximize the use of available resources with the help of decision optimization

Another lecture at this session was given by Robert Woźniak, Digital Advisor & Founder at Elitmind. The topic of the lecture was: Plan, analyze and verify in one place. How to increase the efficiency of your work at a low cost with the help of Microsoft Power Platform.

One consistent and flexible platform for planning, analyzing, reporting and automating work at a time on the one hand saves a lot of time and money, and on the other hand, gives unlimited possibilities of creating new solutions and ideas. During the lecture, Robert reported on the use of the no-code platform Microsoft Power Platform (Power BI / Power Apps / Data Flow).

### You can find the best controllers in the... sales department

The last lecture during the first day of the 15th ICV POLAND Congress (CIA 2021) belonged to Valentin

Userkov (Founder of the USENKOV.PRO project ([www.usenkov.pro](http://www.usenkov.pro)), certified controller, partner, and certified trainer of CA Controller Akademie AG (Wörthsee, Germany). Despite the hectic day and the late hour, Valentin caught the audience's attention, and his lecture, "Who is your Mr. Customer?"



Valentin made a thesis: You will find the best controllers in the sales department, not in the financial department! Controlling for him is marketing of economic and management tools. What does it mean? The controller must have communication and persuasion skills to persuade management to make decisions based on data and analysis. The controller must be able to "sell" his analyzes and conclusions well. Then, using various examples, he explained all the roles played by customers.



### Transformation is more than digitization!

On the second day of the Congress, we met at 9:00 a.m. at a lecture by Kamil Witkowicz (Controlling Director at DB Cargo Polska Group, CFO at DB Cargo Czechia). During a lecture entitled: "Transformation is more than digitization! - importance of the role of future controlling in the DB Cargo Polska Group", he talked about the concept of a controller as a business partner in DB Cargo, which has been developed since 2014. In addition, he talked about the path of digital transformation of his company. The pandemic accelerated the need to consider broad digital transformation at the organizational and controlling level. Controllers were challenger by:

- The growing demand for management information
- Expectation of greater transparency in the presented data
- Intensive reporting on shorter deadlines
- Modeling of financial forecasts

Following initiatives were undertaken:

- Development of the use of BI solutions (Report Robotics @ DB Cargo in TM1 Planning Analytics Workspace, Tableau, Zebra)
- Orientation towards simplification / automation of transaction processes such as liquidations, credit verification



## Financial management in conditions of business uncertainty

Another lecture was given by Wojciech Rosa (Director of Corporate Finance, Member of the Management Board of the Polpharma Group). The title of the presentation was: Managing the finances of capital groups in the conditions of business uncertainty. The role of CFO in managing change and adapting the organization to the new reality.

At the beginning, Wojciech Rosa presented the company - Polpharma, the largest pharmaceutical company in Poland, operating on the global market. During the pandemic, they initially focused on the safety of workers, patients and the availability of drugs. They decided to change the work mode of their employees (from working in an office to working in a home office), and to develop a cash work room model.

In the beginning, they built risk maps and maps of possible scenarios, what and when might happen. The greatest risk turned out to be production stoppage, e.g. due to COVID-19 among employees (they introduced tests, they managed to avoid the virus). The next element is the supply chain. The greatest success was that there was no shortage of medicines - every 10th medicine used in Poland is from Polpharma, most of which in HEDs and ICUs. Stocks are critical. Monitoring

the quantity of purchases to demand and reserves was introduced, the mode of reporting changed from monthly to daily, real time reporting - instead of preparing reports, a self-service BI solution was used. You have to understand that it's not finance that owns the data, it's business that tells you how to read data.

What has changed:

- high employee morale
- digitization of processes
- reporting on a weekly and daily basis
- redefining the value chain
- sales access to doctors.

Hyper trends in finance that, according to the speaker, are worth observing are ESG, digitization to which we have to adapt, demographic changes, a new type of customer and employee.



## Is Business Intelligence a solution?

The next speech was prepared by Dariusz Okniński, a controlling manager with many years of experience, leader of the ICV Work Group Dolny Śląsk and Dorota Sieklicka, Manager of Business Intelligence at CCC S.A. The speakers presented the implementation of BI in CCC:

- How can BI support an organization?
- What were the stages of implementation?
- What had to change in the team and processes?
- First of all, BI is not only about reporting. BI should allow us to make informed decisions. If we define the goal the implementation this way, it will certainly give us many benefits.

When we decide to develop this type of tools, remember that BI must go through the entire organization - only then it will fulfill its role. We have to deliver reports to the entire organization - not only financial reports, the entire organization should be covered.

Data-driven organization - BI primarily gives answers to the question of what happened and why. Advanced analytics responds to what will happen or even what should happen. Each of us should consider what stage we are at. You can always jump several stages, a few "steps", but this puts you at risk of injury.

What would it not work without?

- Without the support of the Management Board,
- No training for employees at every level,
- Without listening to the needs of the organization and adapting to its analytical maturity,
- No concern for compliance and correctness of results - stabilization and confidence in the tools.

What would they do differently?

- Maintaining a dictionary of terms from the beginning of implementation,
- Earlier provision of dedicated support for each department,
- Earlier implementation of Data Governance practices

### Panel discussion: Why do managers need knowledge of controlling?

After a networking break, we listened to an interesting panel discussion led by Dr. Paweł Błaszkiwicz - managerial skills trainer at Akademia Controllingu. The discussion was attended by: Anna Woźniak (CFO in a trading company), Danuta Janasik (Production Director at Herlitz Sp. z o.o.), Maciej Czosnowski (Group Controlling Manager at Amica SA), and Tomasz Zdziarski (President of the Management Board at Hydomat Sp. z o.o.)

The speakers talked about soft, relational aspects - how to cause the knowledge to be transferred to managers. They also discussed concerns about the controller's work and cooperation with the manager. The panelists reported on their experiences.

Conclusions, main thoughts:

- Managers understood that the work of a controller can add value to their work.
- There is a need for cooperation and understanding.
- Changing the role of a controller from a data provider to a management function.
- The controller must have puncture power.

There was also an interesting question: What can an organization do to ensure effective cooperation of a controller with the manager:

- training, learning a common language (so that controllers know the business, e.g. in the area of logistics),
- realizing that thanks to the cooperation of controllers and managers the work will be done better and the company will function more efficiently,
- communication and an impulse from the management board so that managers cooperate with controllers is particularly important.

We also talked about the concerns of managers regarding such cooperation. The main fears are: gaps in economic education and an overabundance of information and tasks. In such situations, the controller should demonstrate the ability to adapt, flexibility, and adaptation to the team. In addition, they should demonstrate knowledge of the business and work on building their authority in the organization.

### Summary of the 15th Congress ICV POLAND:

After a short break, we met in the main conference room. The main conclusions of the 15th ICV POLAND Congress (CIA 2021) are:

- The new reality introduces new working methods and challenges team management
- The time of crisis is an opportunity to optimize and improve efficiency
- It is necessary to increase the efficiency and flexibility of controlling processes
- Managers' expectation is a business partnership
- Transformation is needed, not just simple digitization
- We develop competences in controlling teams related to new technologies and modern, agile management methods.
- Marketing is needed in controlling.

**We already invite you to the 16th ICV POLAND Congress on October 13-14, we see you in Poznań!**

Klaudia Blicharz



## A report from the 9th ICCC – International Controlling Conference in Croatia 2021



**On November 11-12 the second year in the row, the 9th ICCC was held in English and online via YouTube. The theme was inspired by the rapid development of data analytics which undoubtedly influences the direction of traditional controlling towards new areas. The organizers were consulting company Kontroling Kognosko and media company Lider media under the patronage of ICV. They sent us a report from this event – thank you!**

The two-day online conference gathered 14 exceptional speakers from Switzerland, Germany, Australia, Austria, France, the Czech Republic, Poland and Croatia. Almost 160 participants from many countries attended this conference. Topics included sustainability, predictive analytics, modern accounting for controlling, customer profitability analysis, storytelling with business data, hospital controlling, Monte Carlo simulation. We tackled many dilemmas, doubts, and questions regarding merging controlling and data analytics on both days.

Among all lecturers, we would like to highlight some:

Dr. Lukas Löhlein, Asst. Prof., WHU – Otto Beisheim School of Management (Germany) – Lucas held the presentation named “Predictive analytics in management forecasts: The role of social ties and local knowledge.”

Romina Orešković, CFO, Orbico Group (Croatia), member of the WG ICV International, with her colleagues – Nikolina Bašić, Controlling Manager and Leo Rupčić, BI Reporting Manager – held the presentation named “Data challenges.”

The following two members of ICV International Work Group – Luiza Arcab, Financial Controller, (Poland) and Jörn Ney, Innovation Manager, Eckert & Ziegler Strahlen – und Medizintechnik AG (Germany) showed us Monte Carlo simulation in the presentation “Liquidity planning under uncertainties.”

Prof. Dr. Michael Wasserman, Ph.D., Professor of International Management, Münster University of Applied Sciences (Germany), and his colleague Paola Giroto, Quality and Document Control Consultant at the Janssen Pharmaceutical Companies, presented “Big green data: How controllers can use data analytics to drive sustainability throughout the organization.”

Prof. Dr. Klaus Möller, Partner, Professor for Controlling / Performance Management, Director Institute of Accounting, Control and Auditing, University of St. Gallen (Switzerland), spoke about the “Flexible financial planning & forecasting – combining target setting and progress measurement using analytical driver models.”

Prof. Dr. Imke Keimer, Professor, Lucerne School of Business (Switzerland), held the presentation about the “The digital maturity of management accounting” and

Jens Ropers, Partner and Trainer, Controller Akademie (Germany), asked the question: who is leading the dance in the presentation “Data literacy as a core competence not only for controllers.”

Reinoud van der Vliet, Head of Controlling, IT and ERP (Germany), presented the topic “How to successfully manage the challenge of digital transformation (in controlling) in small companies” and Melanie Holzapfel, Data Scientist & Chief of Staff, BTPeXperience Operations & Services, SAP (Germany), presented the “IBCS with SAP Analytics Cloud.”

The conference moderator was Jasmina Očko, Controlling Consultant, Kontroling Kognosko (Croatia). She closed the conference with the topic “How to understand sales data.”

This conference was very well received with excellent feedback by many visitors. The conclusion is that this pandemic caused the conference to be extended to two days, and the largest number of speakers so far was gathered.

But of course, all participants report that we still hope that the next – the anniversary 10th ICCC should be held live – in Zagreb as in the good old days, in front of a packed hall of interested participants. If we are lucky, it will happen on November 11, 2022.



# CCS 2021: New knowledge for controllers

November 25, 2021 was the date of the online conference 19th CCS Controlling Competence in the SPACES. With four keynotes, 18 lectures including panel discussions and workshops as well as three network formats that dealt with expert know-how (Connect topics) and the participants themselves (Speed Connect, Open Connect). The highlight for many visitors was the keynote “Alternative Data”, which drew new and astonishing pictures of what is already commonplace in business today – and what will ultimately have an impact on the job description of the controller, as well as the already available high degree of automation in controlling.

Prof. Dr. Matthias Mahlendorf drew attention to the current collection, evaluation and knowledge options for external data such as credit card statements, satellite data, e-mail attachments, content from social apps and use of the Internet. On the basis of this data, companies already evaluate the behavior and thus the intentions and strategies of their customers and their competitors alike. For example, by placing job advertisements, the capacity building and thus the strategy of a company can be followed. The analysis of the products sold and the associated prices, in turn, allows conclusions to be drawn about the product mix strategy. Twitter messages have a significant impact on share prices within a very short period of time. The increasing use of algorithms that influence each other is already causing distortion of competition and the risk of cartel prices. As an example Mahlendorf named the use of price algorithms that “push each other up” by petrol station operators.

### New perspectives for controllers: there is a lot to do!

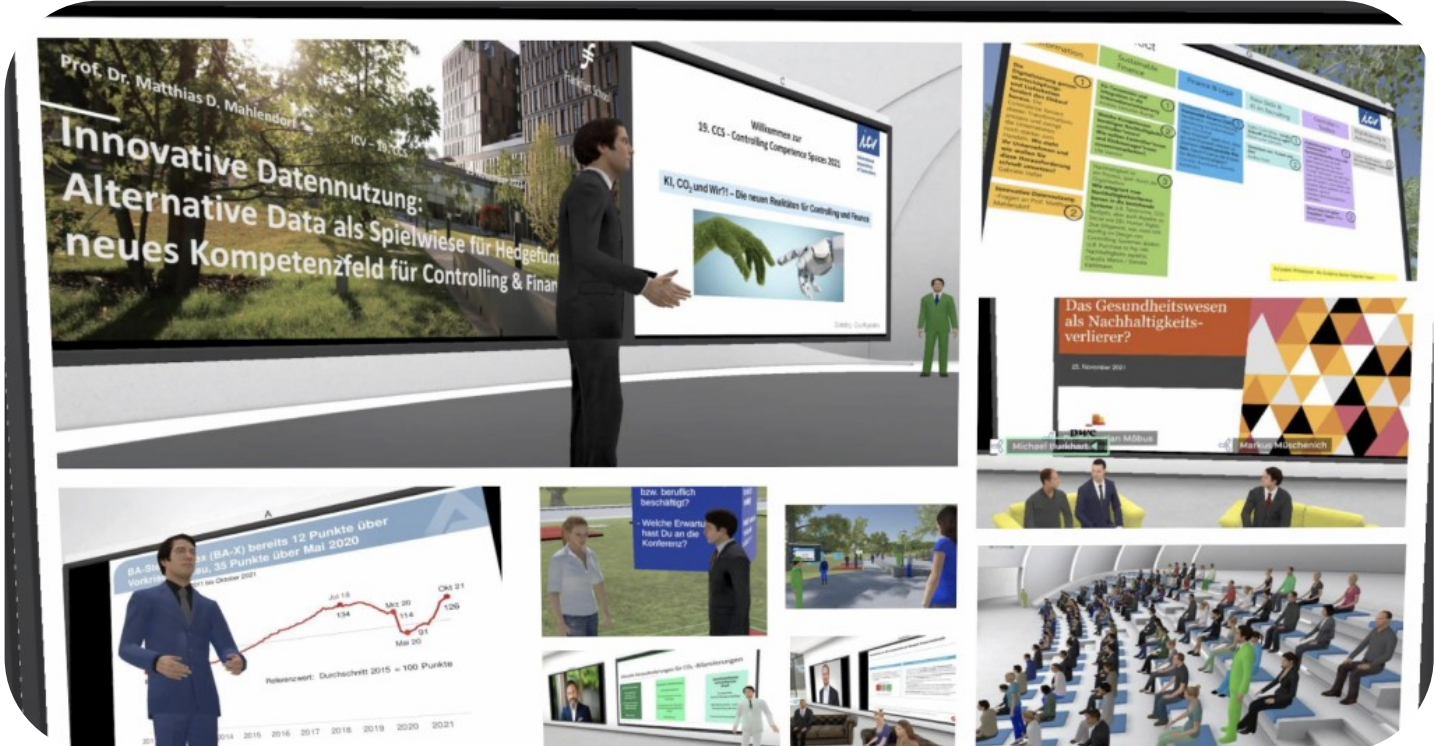
According to the professor at the Frankfurt School of Finance & Management, real-time monitoring is already

possible worldwide via satellite – and is also used as such, for example to spy on the competitor’s production site: How many cars are in the parking lots, how many factory employees are there – and at what times? The answers indicate, among other things, how busy the plant is and whether a four- or five-day week is used. People are also increasingly becoming the focus of observation. For example, when making public appearances, especially when it comes to founders, the sound of the CEO’s or CFO’s voice is analyzed in order to determine whether he or she is prone to depression. The resulting predictions for the performance of a company can be decisive for investment decisions by external parties.

Matthias Mahlendorf called the fact that the described monitoring options are also on the advance in Europe and therefore external data are more and more available, “shocking, but also interesting”, because: “This also opens up new perspectives for the controller. There is much to do!”.

### 75% of the tasks in the current controller job can be automated

Dr. Roland Deinzer, Head of Strategic Controlling at the Federal Employment Agency [German Bundesagentur für Arbeit], focused on this statement at the opening keynote of the 19th CCS. Even today, the job of controller can be automated by 75% thanks to BI, digital document management, ERP systems, predictive analytics and RPA. Lifelong learning is therefore all the more important for the controller. You have to decide within the job profile where you want to focus in the future: on the IT side or in consulting. “The stuck-in-the-middle controller will no longer exist,” said Deinzer’s prediction.



### Set personal focus at the CCS: there was a choice of 18 lectures in three sessions

The lunchtime of the CCS was all about the sessions. In three time slots each, visitors could devote themselves to one of the six session topics. The agenda included digital transformation, sustainable finance, finance & legal, new skills & AI in recruiting, controller's toolbox and digitization & automation. The range of the lecture content was correspondingly large. Servitization in controlling, EU taxonomy, the new supply chain due diligence law, individual personnel development with the help of AI, integrated planning & management, SAP S4H business transformation, health care as a sustainability loser, ESG, fully integrated planning, CO2 as the new currency, EU whistleblower directive and risk management presented by the speakers and discussed with the audience afterwards. "There are so many interesting topics, I would like to be part of them all!" was the response from participants over and over again.

### AI in controlling projects and in interaction with people

Artificial intelligence was the central theme in the two keynotes at the end of the 19th CCS 2021. Viktoria Winkler, BI manager at Braincourt GmbH, focused on the success of AI-centric controlling projects. On the basis of her practical experience, she explained, among other things, success factors, complexity drivers and how the tasks between artificial and human intelligence are ideally distributed. Dr. Tobias Holischka got to the bottom of the opportunities, limits and moral problems of AI in interaction with humans. The Academic Council of the Catholic University of Eichstätt-Ingolstadt took the participants on a journey deep into the basics of AI – from the definition to the technical background to the possibilities and problems in use. His conclusion: "Technology alone cannot solve any ethical problem. AI does not understand what it is doing, which is why it cannot make decisions on its own in sensitive areas. People will always be needed for this".

### The content and format praised – the anniversary CCS can come!

And what do the visitors say about the 19th edition of the ICV autumn conference, which has its roots as a regional ICV event in Stuttgart, but is now firmly gaining a foothold in the online world of avatars? A look at the feedback forms for the 19th CCS shows that the format and content are well received: "I thought the event was great, thanks for it!"; "Great format, it was fun"; "The organizers created a great atmosphere – great work!"; "Exciting and current topics, presented by interesting and experienced personalities"; "Very pleasant discussions at eye level – a great exchange of experts". With this feedback, the CCS Organization Team is looking forward to the new year and is starting planning for the anniversary edition, the 20th CCS Controlling Competence SPACES, on November 24, 2022.

## CAB 2021: Agility trained live and on-site in Bonn

**On November 18, the 17th Controller Advantage Bonn took place again as a face-to-face event; Last year, this ICV autumn conference could unfortunately only be held virtually. This year the waterworks in Bonn with a large hall formed the secure venue. We would like to thank Thomas Meyer, Head of the Work Group Westphalia, for this illustrative follow-up report!**



The motto of the CAB was "Chances and Limits of Agile Controlling". Agility as a catchphrase is very popular these days. But writing agile is a different story than being agile – which is why the organizers have concentrated the entire event on it: there is no scene, the tables are gone and are only needed at lunchtime, the participants sit in rows of chairs in a circle around the speaker, After speeches, 5 breakout groups, participants and speakers discuss the facets of agile controlling, in the morning on opportunities and in the afternoon in the same constellations on the limits of agile controlling.

The concept was extremely well received by the participants. [...] Especially the lecture by Dr. Würzburger on the agility trap was impressive, as he clearly focuses on people as actors who want to be taken along. Agility requires a mindset that puts the employee – and the customer – in the foreground. The building blocks of the OKR, for example, are only aids and not a goal in themselves. At the end of the event, the group results were presented and discussed. In contrast to previous formats, there were lively discussions among the participants. A successful event!

The crowning, provisional, conclusion was a free visit to the Troisdorf DHL Innovation Center. We were shown the latest technical developments in sorting and moving parcels. This includes many forms of scanning, a lifting corset for heavy parcels, drones but also cargo bikes, to name just a few. Sustainability is an important criterion.

After the conference, a series of webinars will be offered in which the participants have the opportunity to virtually discuss the contents of the 4 non-attended breakout sessions, to get a personal, comprehensive experience on agile controlling.

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