



# Controller and manager as business partners in Slovenia

**We noticed a future potential for controlling mostly in family businesses. A new positive trend in the field of controlling was confirmed after we held an interview with the managers present at the 18th Adriatic Controlling Conference in Slovenia.**



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We are already facing a comprehensive and exciting transformation process. Digitisation has already changed our lives, but it opens up further numerous opportunities for businesses today and in the future. Being able to synthesise information, analyse it, predict and forecast the future and – most of all – be critical about it, is and will be very important. In the past, jobs were about muscles, now they're about brains, but in the future they'll be about the heart. So a precise transformation process is needed in the people too. Not just working with large amounts of data, but working in teams and with other people across disciplines will be an important skill. The caring and creative professions have high levels of emotional intelligence, and the skills that robots don't have will be required in the future.

Some of the key future issues are undoubtedly the management of people, communication, taking responsibility, appropriate motivation and training of employees, the effects of digitisation and the omnipresence of social networks. Especially cooperation is one of the most important values of managers and controllers, and can have a far-reaching effect, much more than the tireless monitoring of deviations from the budget.

Communication and cooperation between managers and employees and controllers was also directly or indirectly pointed out in all presentations at the 18th Adriatic Controlling Conference (ACC) in Slovenia, held in April 2019. The participants were from Germany, Austria, Luxembourg, Croatia and Slovenia, from companies of different sizes and different industries.

Controlling Intelligence was the motto of the 18th Adriatic Controlling Conference; the conference was held in Hotel Jama in the Postojna Cave Park area.

Many top managers were present at the conference this year, many more than in the past, as lecturers or just as participants. Usually among the participants is a fairly steady share of controllers, financiers, accountants, managers, IT experts and others. In the last few years, I noticed much more interest in controlling among managers than in the past, especially among young managers. In many cases they are CEO and the owner of the company; furthermore, they are proud to say that they are successors in family businesses.



**Figure 1:** Our participants had also an opportunity to visit the Postojna Cave (see photo), a world-famous natural marvel, located in Slovenia.



We held an interview with a few of them after the conference and they confirmed a new, positive trend in Slovenia in the area of controlling:

- ▶ Managers and controllers are not on different (opposite) sides, they are coming closer!
- ▶ Young managers feel a need to have a controller in the company.
- ▶ Managers first educate themselves about what controlling is and how a controller could help.
- ▶ Managers want to work together hand in hand with a controller – as a partner.
- ▶ That is why managers need the right person as a controller.
- ▶ Managers want to have as controller a smart person with the confidence to speak up.
- ▶ Managers are aware: successful company, successful manager and vice versa. Nevertheless, they do not want to think that they've finally found the perfect key and the eternal answer to how to be a successful leader. In that case, they allow the past success to damage their future success. Leadership is about people, and people change every day.
- ▶ One of the interviewees said: "If I don't meet people, I won't get to know what they think. And if I don't feel the pulse of my company, I can't lead effectively."

I think we can say for sure that there is a lot of future potential for controlling in Slovenia, mostly in family businesses. The business environment is expected to become more complex and fast-moving. People are changing, tomorrow's employees and customers will be different. And managers as well!

**How can controllers meet the rising requirements in Slovenia?** Unfortunately, not many of them are aware that "controller as a partner of tomorrow" should change as well! The constant complaint that "we are not heard" is no longer enough. Obviously, we did not do everything necessary to attract the attention of managers! We know there is no magic recipe how to do that and we have to put more effort into finding a way of communication for every specific person. Maybe we can use Triple A (Agility, Adoptability, Alignment) also to change ourselves and our business approach?

## Survey: Family businesses in Slovenia

In summer 2015 in Slovenia we conducted a survey of 360 Slovenian family businesses. The purpose of the survey was to contribute to a better understanding of the characteristics and dynamics of family businesses and raise awareness of their importance for the Slovenian economy. The results of the survey confirmed that most of the companies in Slovenia (up to 89%) are family run and small, with fewer than 50 employees (95%). The survey confirmed conclusively that family businesses account for the majority of companies in Slovenia and as such they are the driving force of the economy. It may come as a surprise that as many as 38% of top management posts are held by women, which is almost double the share held by women in other companies.



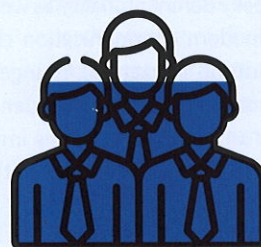
**69%**

of total sales is contributed by family businesses



**67%**

of added value is contributed by family businesses



**70%**

of employment is contributed by family businesses

**Source:** Family business survey in Slovenia, EY Slovenia & Faculty of Economics, University of Ljubljana