

## 15.3: Putting It Together- Control



It is important to have controls in place to track financial performance versus the plan.

Do you remember Dana from the opening of the module? She is being trained in management with the ultimate goal of becoming a project manager in her company's research and development program. A significant portion of her training is going to be in the area of financial control, and she was questioning the need for it. Having completed this module, how would you answer her concerns? Why will she need financial training as a manager of a nonfinancial area?

Financial controls are usually the first and most important controls in any business. Using these is a fundamental skill that every manager needs. Thinking back to the P-O-L-C framework, a management team can plan, organize, and lead, but if there aren't adequate controls in place, the organization can still fail to achieve its mission.

This is why every successful organization implements controls. Let's reflect how this might look for Dana at ABC Corporation. The company's senior leadership will come together to plan the overall strategic goals to be achieved. These will be communicated to the various business groups who will plan their objectives to align with the overarching goals.

As part of this business planning process, each group will begin to develop budgets that will support and fund these goals. These financial plans, when developed and approved, are a tool for measuring performance. If individual projects begin to exceed their revenue or cost targets, management can begin to assess what needs to happen. The financial projections become a powerful benchmark to ensure that things are moving along as planned—to control the business.

One would be hard-pressed to overstate the importance of the control function. If a manager is to be successful, he/she must spend time becoming comfortable with the concepts covered in this module.

### Contributors and Attributions

CC licensed content, Original

- Putting It Together: Control. **Authored by:** Jeff Heflin and Lumen Learning. **License:** [CC BY: Attribution](#)

CC licensed content, Shared previously

- Image: Graph with Stacks of Coins. **Authored by:** Ken Teegardin. **Located at:** <https://www.flickr.com/photos/teegardin/6093690339>. **License:** [CC BY-SA: Attribution-ShareAlike](#)

This page titled [15.3: Putting It Together- Control](#) is shared under a [CC BY 4.0](#) license and was authored, remixed, and/or curated by [Lumen Learning](#) via [source content](#) that was edited to the style and standards of the LibreTexts platform.