



ME2097 Strategic Management Control 6.0 credits

Strategisk ekonomistyrning

This is a translation of the Swedish, legally binding, course syllabus.

If the course is discontinued, students may request to be examined during the following two academic years

Establishment

On 11/04/2019, the Dean of the ITM school has decided to establish this official course syllabus to apply from autumn term 2019 (registration number M-2019-0754).

Grading scale

A, B, C, D, E, FX, F

Education cycle

Second cycle

Main field of study

Industrial Management

Specific prerequisites

Satisfies the requirements for a Degree of Bachelor

ME1003 Industrial Management, Basic Course

Language of instruction

The language of instruction is specified in the course offering information in the course catalogue.

Intended learning outcomes

The course gives a broad overview of financial control in industrial enterprises and its relation to the environment in which the company acts. To plan and control the performance of the organisation at different levels, efficient control is required, based on the organisation's value creation strategy and the individual co-worker's behaviour. A central field in the course therefore deals with how to implement a general strategy and use it to control the activities.

On completion of the course, the student should be able to:

1. Independently calculate, analyse, compare, critically evaluate and justify important financial and non-financial key ratios as performance indicators
2. Based on scientific studies and proven experience describe and account for the different aspects of the strategic financial control
3. With overall view critical, independently and creatively formulate and handle complex issues, analyse, quantitatively and qualitatively evaluate the financial position of an industrial company and based on research identify improvement measures
4. Compile, interpret and analyse the financial development in different types of companies based in the company's financial situation
5. Qualitatively evaluate, discuss and contrast similarities and differences between different types of responsibility units in a company.
6. Decide and justify when different methods for internal pricing are appropriate.
7. Based on scientific studies account and justify for different financial and non-financial performance indicators, standards, budgets and incentives
8. Based on scientific studies explain behavioural aspects on financial control and the need to adapt the financial control to the situation, as well as present and discuss one's conclusions and the knowledge that underlies these, and give proposals for investment and improvement measure

Course contents

The course gives a broad overview of financial control in industrial enterprises and its relation to the environment in which the company acts. To plan and control the performance of the organisation at different levels, efficient control is required, based on the organisation's value creation strategy and the individual co-worker's behaviour. A central field in the course therefore deals with how to implement a general strategy and use it to control the activities.

The course consists of two parts.

During the first part of the course, students will learn to analyse and interpret financial reports. The students will acquire knowledge on analysing and understanding financial consequences of strategic and operational decisions. A distinction is made between use of financial reports for planning and for measuring and following up results. The students will carry out financial analyses of real companies on the basis of accounting information

found in the financial reports (the profit and loss account, the balance sheet and the cash flow analysis). Different categories of key indicators are introduced and used to compare companies, e.g. profitability measures.

The second part of the course focuses on management control. In this part, the students will work based on the analyses that were done during the first part of the course and design control systems to create sustainable profitability. In order for this to happen, the management must ensure that the activities are carried out according to established plans and that strategic aims are achieved. An important control mechanism to achieve this is the organisational structure that consists of different responsibility units in different parts of, and at different levels in the company. Another central field in the second part of the course is the control process. Which measures are used in the company and how well do these measures catch central aspects of the activities? How does one know when performance is "good", i.e. what is the performance compared with? Which reward systems are used by the company to create a desirable behaviour, and to which indicators are rewards connected? Finally, in what way does one ensure that the correct investments are made to satisfy the company's strategic goals?

Examination

- SEM1 - Seminar assignment, 1.5 credits, grading scale: P, F
- TEN1 - Exa., 4.5 credits, grading scale: A, B, C, D, E, FX, F

Based on recommendation from KTH's coordinator for disabilities, the examiner will decide how to adapt an examination for students with documented disability.

The examiner may apply another examination format when re-examining individual students.

Ethical approach

- All members of a group are responsible for the group's work.
- In any assessment, every student shall honestly disclose any help received and sources used.
- In an oral assessment, every student shall be able to present and answer questions about the entire assignment and solution.