



ME2097 Strategic Management Control 6.0 credits

Strategisk ekonomistyrning

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

Establishment

On 2020-04-21, the Dean of the ITM school has decided to establish this official course syllabus to apply from autumn term 2020 (registration number M-2020-0729).

Grading scale

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

Education cycle

Second cycle

Main field of study

Industrial Management

Specific prerequisites

Fulfills the requirements for a Degree of Bachelor of Science

ME1003 Industrial Management, Basic Course completed

Language of instruction

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

Intended learning outcomes

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

1. independently calculate, analyse, compare, evaluate critically and justify important financial key indicators, such as performance measures
2. based on scientific studies and proven experience describe and account for the different aspects of the strategic financial control
3. with overall view critically, independently and creatively formulate and handle complex issues, analyse, quantitatively and qualitatively evaluate the financial and non-financial situation of an industrial corporation and based on research identify improvement measures
4. with overall view, critically and independently interpret and analyse different types of decentralised organisational units
5. discuss and contrast similarities and differences between different types of responsibility units qualitatively, and evaluate their financial performance
6. give an account of different methods for internal pricing
7. based on scientific studies give an account of and justify different types of performance measures, standards, budgets and rewards,
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 behind these, and propose investments and improvement measures.

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?

Examination

- SEM1 - Seminar assignment, 1.5 credits, grading scale: P, F
- TEN1 - Exam, 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.

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

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.