



# Features of controlling enterprises Italy

**Giorgio Cinciripini – Assocontroller**  
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## From Italy

**Italy ?!**

**ITALY IS A WORLD LEADER IN THE CREATION  
OF MAJOR INFRASTRUCTURES -  
1000 CONSTRUCTION SITES IN 90 COUNTRIES.**

**ITALY HAS THE WORLD'S 5TH LARGEST TRADE SURPLUS  
IN MANUFACTURED GOODS.**



**ITALY EXPORTS 40 BILLION EUROS' WORTH  
OF GOODS IN THE FOOD&DRINK INDUSTRY  
AND RELATED TECHNOLOGIES.**



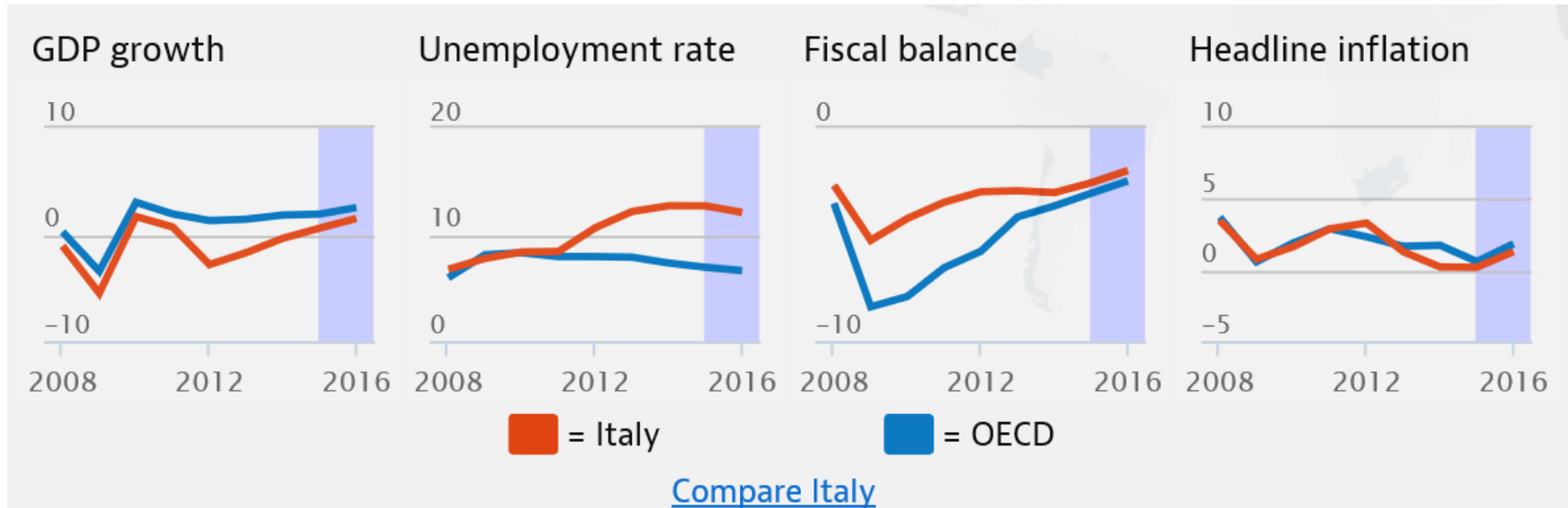
**ITALY IS THE COUNTRY WITH THE GREATEST NUMBER  
OF UNESCO WORLD HERITAGE SITES.**

# Some figures about Italian Economy



**The country is a founding member of the European Union, the Eurozone, and the OECD.**

# Comparison Italy vs OECD



**As standard modern country in capitalized World, the split of economic structure sees that almost 70% of the GDP is within “Services” or, in other words, are not related to agricultural or industrial enterprises.**

<b>B1GVA: Agriculture, forestry and fishing (ISIC rev4)</b>	<b>31.551</b>	
<b>B1GVB_E: Industry, including energy (ISIC rev4)</b>	<b>268.733</b>	
<b>B1GVB_E: Industry, including energy (ISIC rev4)</b>	<b>B1GVC: of which: Manufacturing (ISIC rev4)</b>	<b>225.379</b>
<b>B1GVF: Construction (ISIC rev4)</b>	<b>70.564</b>	
<b>B1GVG_I: Distributive trade, repairs; transport; accommod., food serv. (ISIC rev4)</b>	<b>291.548</b>	
<b>B1GVJ: Information and communication (ISIC rev4)</b>	<b>54.514</b>	
<b>B1GVK: Financial and insurance activities (ISIC rev4)</b>	<b>85.575</b>	
<b>B1GVL: Real estate activities (ISIC rev4)</b>	<b>206.373</b>	
<b>B1GVM_N: Prof., scientific, techn.; admin., support serv. activities (ISIC rev4)</b>	<b>134.888</b>	
<b>B1GVO_Q: Public admin.; compulsory s.s.; education; human health (ISIC rev4)</b>	<b>249.182</b>	
<b>B1GVR_U: Other service activities (ISIC rev4)</b>	<b>57.909</b>	

# GDP/per head

Transaction			Gross domestic product (expenditure approach)						
Measure			Per head, constant prices, constant PPPs, OECD base year						
Year			2008	2009	2010	2011	2012	2013	2014
Country	Unit								
Italy	US Dollar	i	36133	33960	34396	34465	33355	32622	32404
European Union (28 countries)	US Dollar	i	34203	32597	33180	33684	33437	33430	33816
European Union (15 countries)	US Dollar	i	37811	35968	36575	36998	36625	36517	36854
OECD - Europe	US Dollar	i	35009	33280	33938	34451	34158	34135	34455
OECD - Total	US Dollar	i	35716	34241	35050	35513	35749	35975	36436
Non-OECD Member Economies	Russia	US Dollar	21295	19623	20498	21355	22050	22399	..

# Employment

**25% of employment as self-employed.**

**By the 22 Mio of employed persons, 0,8 Mio works in agriculture, 6,1 Mio in Industry , 4,5 Mio in Trade, tourism; 11,0 Mio employed persons work belong to Public Sector, banks, insurances.**

# What about the Controller in Italy ?

# Controller

**The controller is the specialist that attends to the management accounting.**

**Figures:**

- c. In the private enterprises: 34.000 (1)**
- c. in the Public sectors : 10.000 (2)**
- c. As consultants : 5.000 (3)**

(1) source: ISTAT Stats Agency

(2) Estimation by Assocontroller

(3) Estimation by Assocontroller, includes chartered accountants

# Acknowledgements

By a (very recent) law a profession (not regulated by specific laws) can be regulated by a **Norm**.

Assocontroller promoted a Norm (it'll be published soon) by UNI (it's the Italian branch of ISO, like BSI, DIN, GOST R) about: competences, knowledge, aptitudes.

**Certifications** available:

- By Assocontroller only for its members
- By FAC Certifica



# Standards

**In 2011-13 a Panel of around twenty controllers worked together, distributed in many thematic small teams to list: activities, competences, knowledge, aptitudes of controller in different Organizations (profit or not-profit) in many economic scenarios.**

**At the end, the profile of the role has defined. The competences can be aggregated according to:**

- Information infrastructure's design**
- Internal auditing**
- Coordination and support on management accounting**
- External and internal Communication and internal training**
- Performance measuring**
- Strategic planning**
- Leaders' partnership**

# What about Assocontroller ?

# Assocontroller

**Born in 2010 as a development of a digital professional networking (e.g. LinkedIn) to a 'concrete' network: goal was to build up the 'old fashion' association!**

**From the beginning, it was clear the need to define what the controller does, which are the 'standards' ?**

**Second main request was to claim a recognition of this professional role.**

**[www.assocontroller.it](http://www.assocontroller.it)**

# Research & Development

**Assocontroller opened work groups:**

- **ABC, Lean Accounting**
- **Reporting**
- **Public Sector**
- **SMEs**

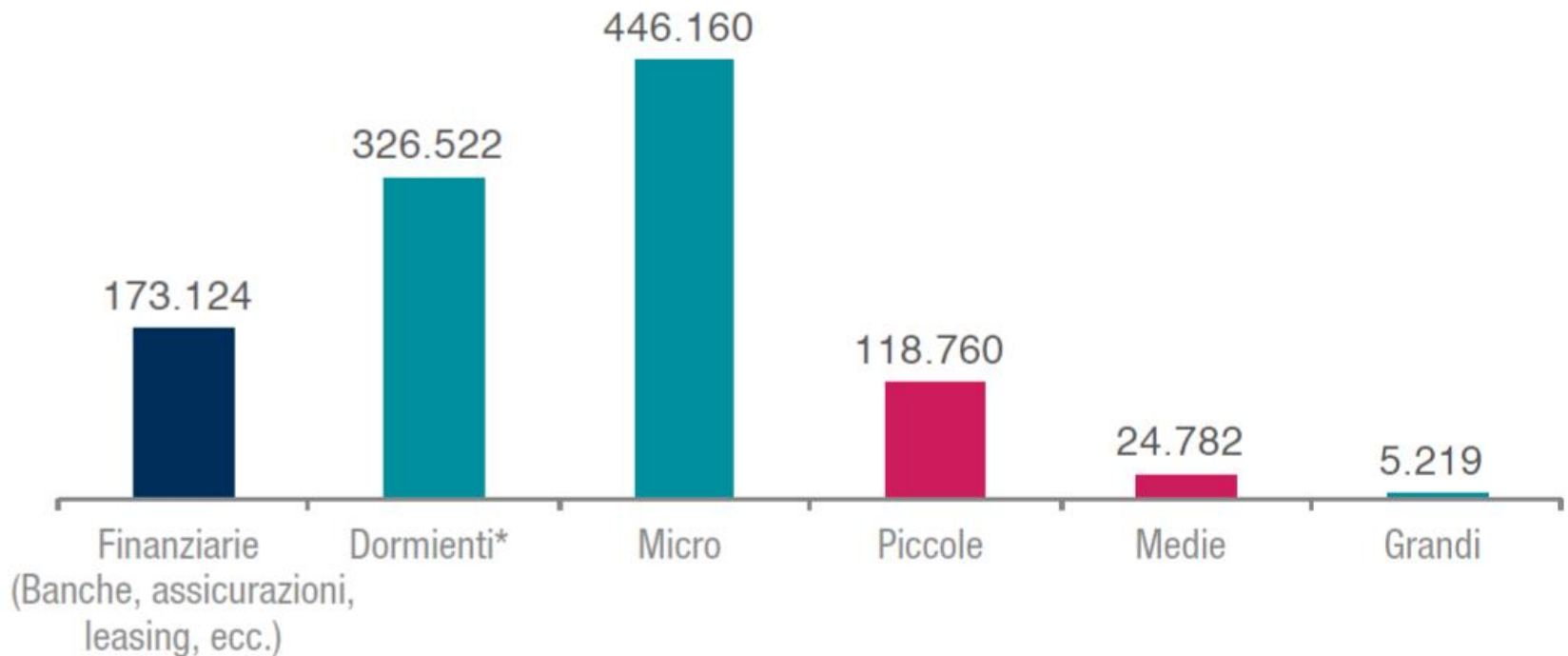
# Assocontroller's work group on Controlling within SMEs

# Assocontroller for Management controlling in SMEs

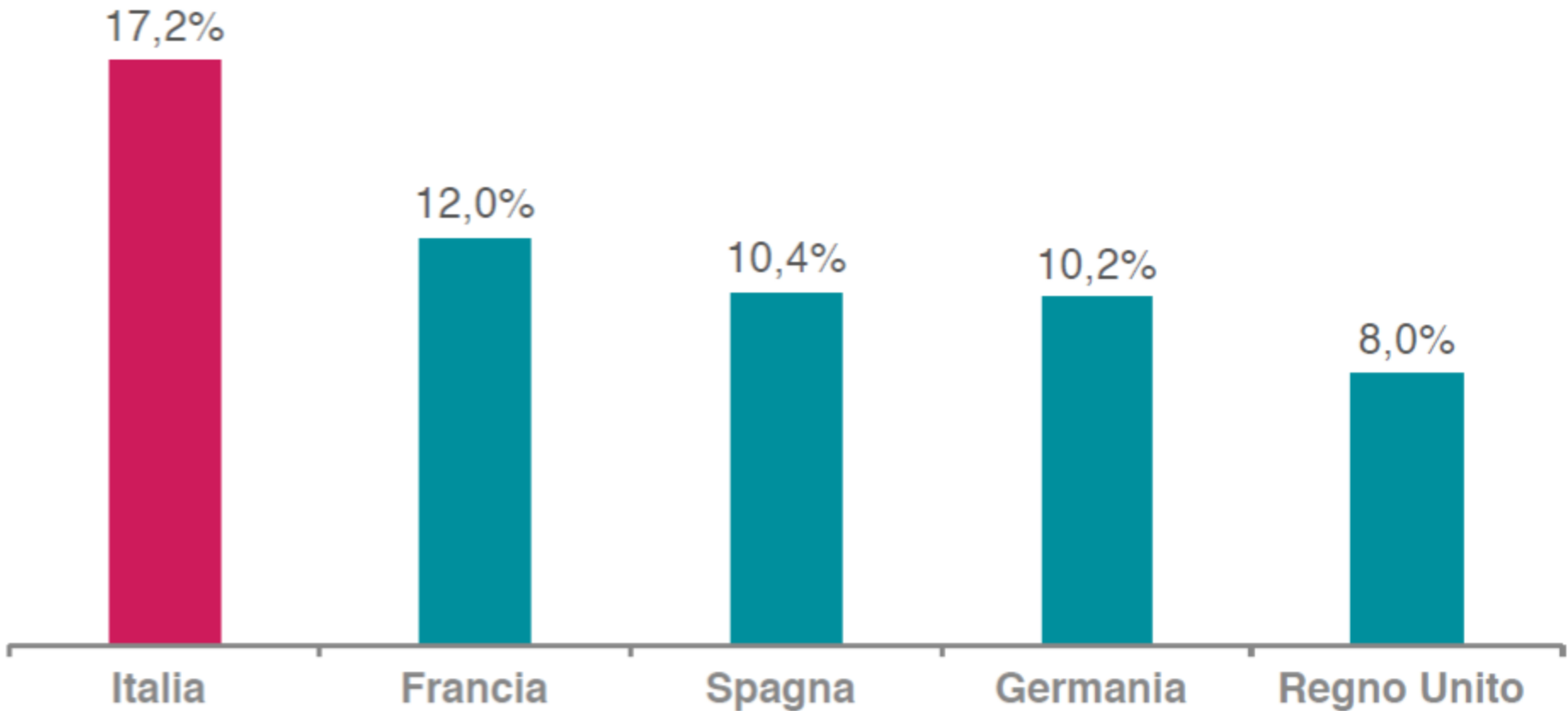
## SMEs in Italy

**95% of companies have < 10 employees = 50% of total workers**

**Of which 65% are one-man company!**



# Comparison with other Countries



# 2015's Survey

**A survey was designed in agreement with similar questionnaire developed by IMA in 2014.**

**Very few hundreds of answers were retrieved.**

**Main goal is committ bigger SMEs' Associations : work in progress !**

**Here first results.**



# Is there Management controlling ?

**The central question was: is there a M.C. in your company ?**

- **Answer was NO, when:**
  - **Invoicing is below 2 M€ (150 M RUB)**
  - **Within the Services business**
- **Why ?**
  - **Corporate culture**
  - **Too small ...**
  - **Focused on governance**
- **In conclusion, SMEs are an evolution of the 'artisan': is very clever on his creative work but not ready for management process**

# Is there Management controlling ?

**Answer was Yes.**

**$\frac{3}{4}$  of enterprises have internal controllers**

**$\frac{1}{4}$  consultant**

# Which commitment of the controller ?

**From the answers was clear that the commitment of the controller was strictly related to available MC process actually implemented**

**No controller, no:**

**KPI**

**IT database architectural design**

**Strategic planning integrated with BSC**

**Profittability analisys**

# Which future scenario ?

**How to power SMEs with management controller's competences ?**

**A long term strategy could be mixed up:**

- **To feed MC practices in new owners starting up**
- **To supply MC culture in Administration and fiscal service companies (Re: chartered accountants)**
- **To enforce with MC the support policy of SMEs Association to their members (owners)**