AREAS OF CONTROL
1. PHYSICAL RESOURCES
2. HUMAN RESOURCES
3. INFORMATION RESOURCES
4. FINANCIAL RESOURCES

LEVEL OF CONTROL
1. STRATEGIC CONTROL
   Focuses on the processes that the organization uses to transform resources into product or services.

   INTERNATIONAL STRATEGIC CONTROL
   Focuses on whether to manage the global organization from a centralized or decentralized perspective.
   Choices of Control:
   Centralization creates more control and coordination,
   Decentralization fosters adaptability and innovation.

2. STRUCTURAL CONTROL
   Concerned with how the elements of the organization’s structure are serving their intended purpose.
   
   BUREAUCRATIC CONTROL  a form of organizational control characterized by formal and mechanical structural arrangements
   DECENTRALIZED CONTROL  An approach to organizational control based on informal and organic structural arrangements.

3. OPERATION CONTROL
   Focuses on the processes that the organization uses to transform resources into product or services.
   
   PRELIMINARY CONTROL  Attempts to monitor the quality or quantity of financial, physical, human, and information resources before they actually become part of the system.
   SCREENING CONTROL  Relies heavily on feedback processes during the transformation process
   POSTACTION CONTROL  Monitors the outputs of an enterprise organization after the transformation process is complete.

3. FINANCIAL CONTROL
   Concerned with the organization’s financial resources.
   
   FINANCIAL STATEMENT  A profile of some aspect of an organization’s financial circumstances.
   BALANCE SHEET  List of assets and liabilities of an organization at a specific point in time.
   INCOME STATEMENT  A summary of financial performance over a period of time.
   
   BUDGETARY  A plan expressed in numerical terms, types of budget are:
   Financial budget  Sources and Uses of Cash (Cash flow, Capital, Balance Sheet)
   Operating budget  Planned Operations in Financial Terms (Sale & Revenue, Expenses, Profit)
   Nonmonetary Budget  Planned Operations in Nonfinancial Terms (Labor, Space, Production)
   
   RATIO ANALYSIS  calculation of (1 or more) financial ratios to assess some aspect of the financial health.
   Liquidity ratios  show how readily the firm’s assets can be converted to cash.
   Debt ratios  reflect the firm’s ability to meet long-term financial obligations.
   Return ratios  show how much investment return the firm is generating relative to the value of its assets.
   Coverage ratios  estimate the ability of the firm to pay the interest expenses on money it has borrowed.
   Operating ratios  demonstrate the efficiency of the firm’s functional operations.
   
   (FINANCIAL) AUDIT  An independent appraisal of an organization’s accounting, financial, & operational systems.
   External audits  financial appraisals conducted by experts who are not employees of the organization.
   Internal audits  appraisals conducted by employees of the organization.

PURPOSE OF CONTROLLING
1. Adapting to Environmental Change
2. Limiting the accumulation of error
3. Coping with the Organizational Complexity
4. Minimizing Cost