

# *Modern Trends in the Understanding of Theory and Practice of Management*

## *Moderní trendy v chápání teorie a praxe managementu*

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HAVLÍČEK, Karel. *Management & controlling malé a střední firmy (SME Management & Controlling)*. Praha : Vysoká škola finanční a správní, o.p.s., 2011. 212 pages. EUPRESS Edition. ISBN 978-80-7408-056-2.

Readers of this book, particularly from among expert community and students, are presented with not only a technical but also pedagogical text about the management theory and practice, a text that is worth paying attention to for several reasons.

The **author** of the book is a person who has both managerial experience and the ability to theoretically express, describe and analyse the facts relating to the current reality of the operation of organisations, with a predominant focus on the business sector of small and medium-sized enterprises. There are numerous outstanding managers and numerous outstanding theorists. However, only few of those can combine their experiences, share them, use literary language, generalise and, where appropriate, flesh out the complex reality with respect to the current level of knowledge. In this book, the author presents readers with management theory, often general, abstract and sophisticated, by using numerous real-life examples from approximately thirty, mostly domestic, SMEs. Nevertheless, the author is doing so with an explanatory comment relating to the relevant theory rather than just making a statement or a description. This method very effectively animates and clarifies particular management topics – i.e. strategy, marketing, finance, innovation, etc. Naturally, this improves the text readability and intelligibility because the author is thus ‘telling’ management stories mostly from his own or acquired experience.

The **content** of this publication could be evaluated from multiple aspects, including comparisons to the best-known and most frequently published works, which are mostly used as higher education textbooks. However, let us have a look at where the added value of the book, i.e. of its text, lies. The whole publication is permeated with two words – **management and controlling**, consistently in all chapters, albeit this approach is not at all usual for certain topics. The book is structured in 9 chapters, where business management is seen as the unity of management and controlling, and includes 6 main areas, which virtually any firm needs to understand and master – i.e. marketing, sales, finance, quality, innovation and human resources. An important aspect to understand the message of the book is the perception of the unity and difference of management and controlling. The publication sees management as the management of plans and objectives, research, missions and visions. Controlling is described as the permanent monitoring and assessment of objectives, identification of deviations, and proposals of risk management measures.

Why such an emphasis on the unity of management and controlling? Because the huge changes and turbulent developments in the global economy, with an impact on individual national economies, create an unusually strong competitive environment. This is breeding-ground for marketing wizards with great soft skills, the capability of precisely creating an advertising campaign, and the art of communicating with customers. To that effect, we should state that the crucial activities in a firm include the management of marketing, innovation and human resources. However, this is just one view, just one side of the coin. The logic of the function of market relationships and the profit principle clearly indicate that business is about outcomes, about market success, about economic effects, expressed in specific figures. This is where accounting and tax specialists, financial analysts, risk managers, i.e. people with exact hard skills, gain ground. Even the best knowledge of the market, skilled staff and innovation potential are useless if a firm fails to generate enough cash. That said, a well-balanced implementation of both management methods, i.e. management as well as controlling, is crucial for the competitiveness and success of a firm.

Chapter 1, **Process Management of a Business**, which outlines the essence of the whole publication, can be seen as a **methodically** crucial chapter of the entire book and, as a matter of fact, the topics contained in other chapters are methodically based on that chapter. What is it about?

The author puts it as follows: "Thus the process management of a business can be expressed as a Management Control System, which encompasses a comprehensive view of business management, on the basis of management accounting, management theory and HR management. It is an interdisciplinary management system, where the boundary between the start and the end of another process is not the most important; more importantly, one should understand the essence of managing a business as a whole, master the management tools and controlling tools, and understand that a successful business may only work if we can grasp all of its processes and understand the links between them." (page 17)

From this definition, which sees business management as a comprehensive process management, based on the balance between management and controlling and on the interdisciplinary concept of management, we can derive the following additional implications, to name a few:

- the process model of business management is a guide to management which the model strives to see in mutual relationships,
- the process model of management creates a system of categories, which are the cornerstones of the theoretical approach to management,
- the process model of management in the periods of economic crisis tackles the relationship of management versus controlling, by making more intense comparisons of the plans and objectives to the reality and the measures proposed,
- the process model of management opens up the possibilities of a comprehensive view of teaching the business management and business finance subjects.

As concerns the innovative approach to crisis management we can highlight, for example, the inclusion of what is known as the crisis tooling funding model, the analysis of the processes of operational and financial restructuring. Some of other pioneering deeds contained in the book include the strict distinction between the strategic approaches, which represent the qualitative view, and the flexible approaches, which represent the quantitative assessment. The book is the first to include the breakdown of controlling into the marketing, sales, financial, HR, innovative and quality types.

The book reviewed complies with today's business management requirements while providing practical instructions for tackling such management. Nonetheless, some recommendations for the next edition, if any, can be made:

- it is advisable to complete the comprehensive management with the view of the information system and technology management (the IS/IT units and the use of IS/IT for the SME management in HR, marketing, finance...),
- it is advisable to complete the sales and marketing management with the procurement and logistics management,
- an inclusion of a separate chapter on project management is also worth considering,
- the question is whether to prepare a separate introductory chapter to deal generally with the SME sector, the position of this business in the EU, its importance for the economy, statistics, trends; to include a SWOT analysis of the SME sector, and consequently to show the mistakes in managing the SMEs, with this to be followed by the chapter on the process model of management.

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