
Frequently Asked Questions

Who is BizControl Solutions?

We are St. Louis-based consultants specializing in helping organizations to reduce both costs and risk by improving business controls. We have collective experience teaching business controls in 17 countries for students from 65 countries in a variety of industries, have conducted thousands of seminars and workshops, and have provided organizational development and process improvement consulting for hundreds of clients.

What organizational needs does BizControl Solutions address?

(1) The first need is management certification of financial reports. The best line of personal and organizational protection is to create an active defense. That requires abest practices process which makes certain that everything possible is being done to ensure business control is in place.

(2) The second need is to continue lowering organizational costs and improving the bottom line. Shortcomings in business controls result in a failure to:

- Recognize risks
- Seize opportunities to reduce costs
- Proactively prevent avoidable human and process error
- Increase the bottom line

In today's environment, improving business controls is the fastest way to lower costs and improve bottom line profit.

How do I know my organization has business control problems?

BizControl Solutions research has identified six “Out-of-Control Incubators” that are leading indicators of control problems. Two are continuously present in all organizations: a *hierarchical (silo) structure* and *new IT systems*. The remaining four are event-driven: *restructuring*, *downsizing*, *outsourcing*, and *merger/acquisition/divestiture*. When any of these six are present, there are likely to be significant control problems.

What are the “best practices” for business controls?

BizControl Solutions research shows that a best practices business control function has the following characteristics:

- The organization has established a culture of control and has institutionalized it. There is no question that the organization “really means it” and that this is not a passing management fad.
- There is follow-through and support for business controls from top management through to the front-line.
- “Business control” is a new core competency. It is included in competency models, performance plans, and appraisals. It is also supported through training, coaching, and formal communications.
- There is a dedicated business controls function. In smaller organizations, this might consist of the top management team meeting in special sessions and the methodology incorporated with the decision-making process. In a large organization, this is a permanent position leading a cross-functional team addressing business control issues on a proactive basis throughout the entire collaborative enterprise.
- There is a certification process in place to insure that all managers and supervisors have been trained in business controls, and annually confirm in writing that they follow appropriate control practices.
- Control issues are formally communicated throughout the organization in a candid fashion. Organization-wide learning takes place both from successes and from problems resolved.

Falling short of these best practices typically results in not obtaining the maximum available savings from the business controls improvement effort and in increasing risks from out-of-control processes.

Why isn't this currently being handled in my organization?

There is a major disconnect between organizational business control needs and leadership competence in this area. Most managers have not had any comprehensive business controls training. It's not listed on any organizational value statements, leadership competency models, performance plans, or appraisals. It is not a standard part of decision-making processes or investment analyses. *Business controls* is a new managerial and supervisory “core competency” for the entire organization.

Isn't this done by traditional financial controls?

Financial controls are actually a subset. *Business controls* refer to the entire range of control processes and elements, not only within the individual organization, but throughout the entire collaborative enterprise. This goes far beyond the traditional accounting and financial audit functions. *Remember, all the organizations in trouble today passed their internal and external audits!*

Can't this be done by my finance department or auditors?

As business operations and relationships become more complex, it is nearly impossible to assess an organization from the inside. The finance department exists in one of the organizational silos. In addition, inside auditors look at financial performance in a reactive fashion, and are encumbered by internal politics and their own interdepartmental relationships.

Obtaining these services from external auditors presents a conflict of interest situation. These auditors are influenced by the existing auditing relationship, and are being called upon to review processes that may have already passed previous audits. For this reason, recent legislation limits obtaining certain consulting services from outside auditors.

Finally, these three organizations do not focus on business controls as a research or practice specialty. If they did or could, best practices would already be in place.

Assistance with this effort should be provided by an external organization specializing in business controls. Advantages of this approach are:

- It is a specialty, the focus of the advisor's research and practice expertise.
- The organization is independent—outside the organization's politics.
- There is no other consulting relationship to bias the evaluation and results.
- A full range of project leadership, assessment, and training services are available.

This provides a comprehensive, leading edge, independent, and effective solution for the organization.

Isn't this just a lesson in corporate ethics?

While the various accounting scandals make for lurid headlines, the vast majority of organizations are working honestly to provide the best return to their stakeholders. BizControl Solutions focuses on creating a best practices business controls process that will support accurate reporting and help lower both costs and risks.