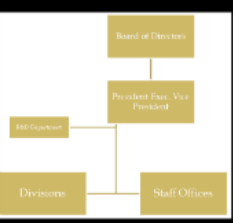




### Approval procedure

Budgeting system classification:  
The structure of flow

- Shows the nature of information on the problem situation.
- The purpose of this activity:
  - Shows which activities are being increased.
  - Decreased.
  - Being proposed.



### Organization

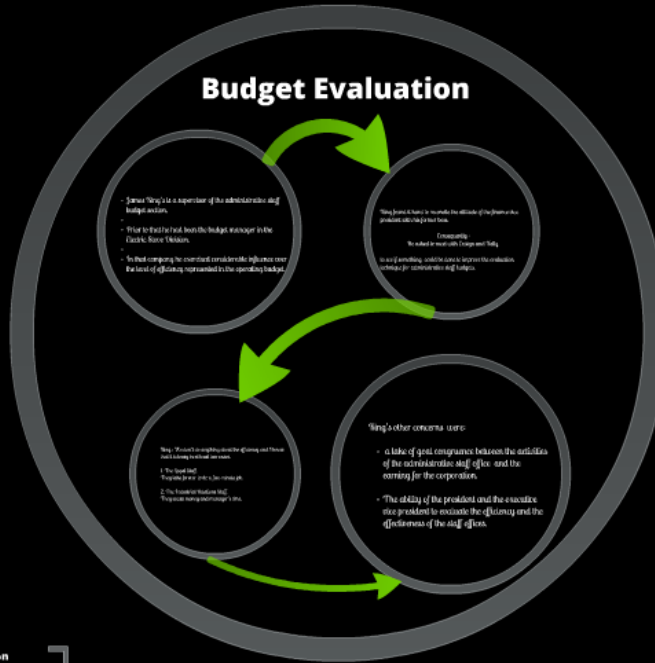
The organization is a group of people who work together to achieve a common purpose.

- It is a group of people who work together to achieve a common purpose.
- It is a group of people who work together to achieve a common purpose.



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Category	Item 1	Item 2	Item 3	Item 4
Category 1	Value 1	Value 2	Value 3	Value 4
Category 2	Value 1	Value 2	Value 3	Value 4
Category 3	Value 1	Value 2	Value 3	Value 4



### Organization

Staff officers are in relation to the organization of the work, the extent of relationship varied depending on nature of staff officer's activity.



### Organization

The organization is a group of people who work together to achieve a common purpose.

Sharif University of Technology  
Graduate School of Management and Economic

## Management Control Systems

# Qingdao TGOOD Electric Corporation

## TheCaseSolutions.com



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# Introduction

## **Westport Electric,**

- **one of the biggest US corporation**
- **Located in Westport, Connecticut.**
- **Electric and Electronic products**
- **\$9b sells and \$750m after-tax profit in 1983**



# Organization

→ **4 Operating Activities, Each headed by a group Vice President.**

**a number of divisions in each operating activity, which sum up to 25 in the corp.**

- *Relatively independent*
- *Headed by a divisional manager, who is responsible for the division's adequate profit*
- *Known as a profit center*
- *Also known as the basic operating unit of Corp.*

# Westport Elec.

Electrical Generating  
and Transmission

Div1

Div2

...

Home Appliance

Div1

Div2

...

Military and  
Space

Div1

Div2

...

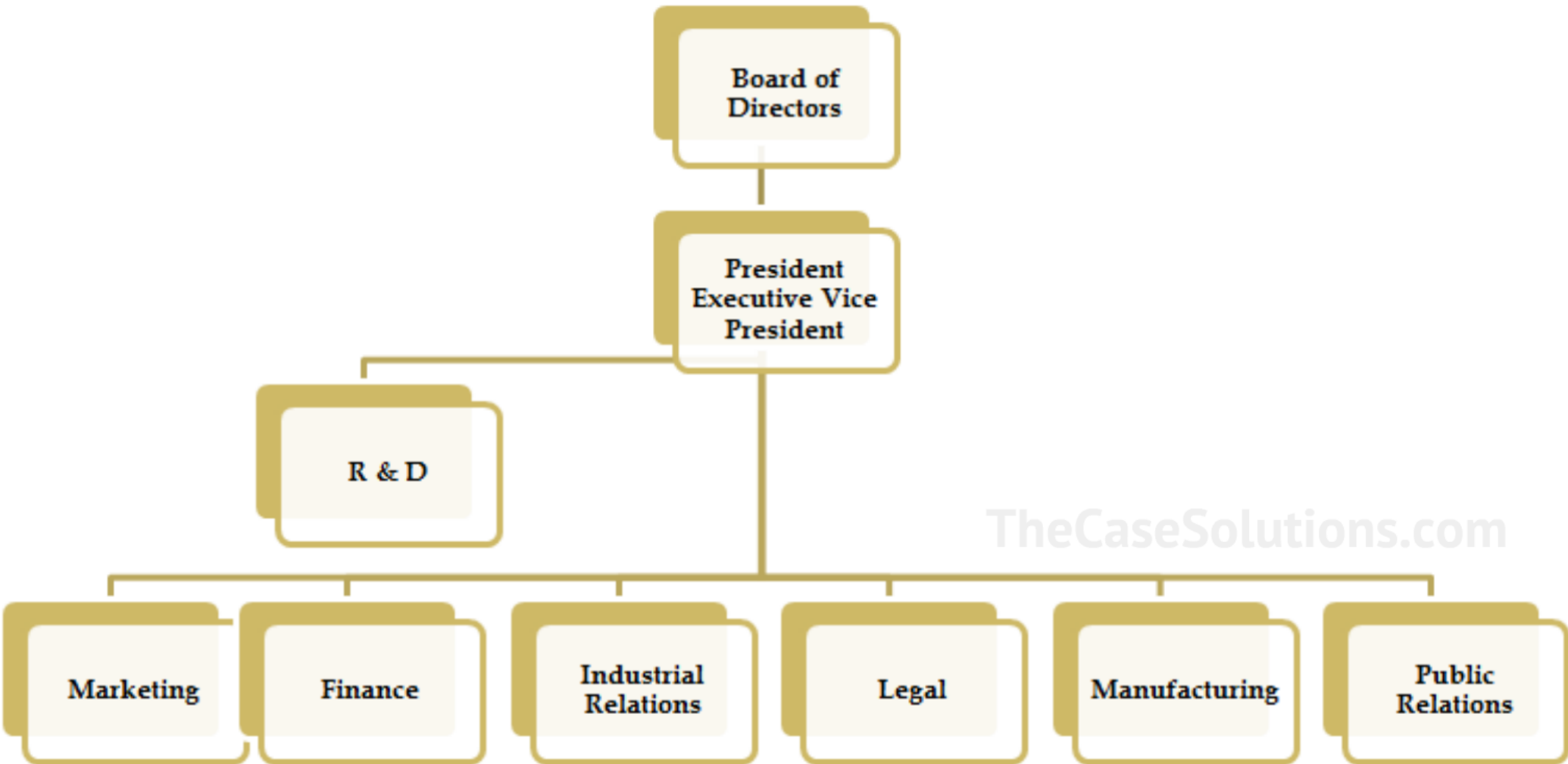
Electronics

Div1

Div2

...

# There are 6 Staff and 1 department at the corporate level...



# Organization

- *What were the staff offices responsibilities?*
- *They are member of Policy Committee, the top decision-making body of corporation*
- *Advice Top Management!...*
- *Advice Operating divisions, also other staff offices in some cases...*
  - *For Example, Legal staff advice others, such as Finance staff.*
  - *Since staff advices have been considered very salient and carry considerable weight, divisions almost accept them.*

# Organization

*Coordinate among the divisions..*

*depends on nature of staff activity..*

*Finance staff has the most responsibility to coordinate among divisions, because it's necessary to exist a consistent budgeting and accounting system.*

*Whereas Public Relations and Legal have no direct representation in divisions.*

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