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Assessing the Effectiveness of Improved Financial Management System Using the Expertise-Oriented Approach

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Abstract

System approach in strategic management enables managers to take well-grounded long-term managerial decisions basing upon their notion of the overall state of business, as well as to make decisions on the improvement of the management system or its individual elements at each stage of business development. Therefore, business management system, including financial management system, turns into a system of continuous improvement. Furthermore, synergetic effect of application of the system of “continuous improvement” far exceeds the cumulative effect of applying each management method and tool separately. Every manager who is planning to implement any “regular improvement” in the current system of company management is interested in one and the same question: whether it is possible to measure a potential economic effect of introduction of an innovative measure and how the effectiveness of the improved management system can be evaluated? This article is the continuation of the authors’ article “Improving Financial Management System for Multi-business companies” (Savina&Kuzmina-Merlino, 2014) and provides an overview of the ways of measuring the effectiveness of an improved financial management system. The result of the article is the framework to assess the effectiveness of the developed financial management system for a multi-business company, using the expertise-oriented evaluation approach.

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