R. Buimer – Return on average controller employed: Claiming the role of the controller in an ever changing landscape at Shell

Abstract

With the aim of creating a world-class finance function the Shell Finance organization has been setup around three pillars, Finance Operations, Finance in the Business and Central Finance. The implications of this structure have resulted in significant change in the domain of amongst others the controllers of the Projects & Technology (P&T) division, now operating in a playing field with key players Finance in the Business, Finance Operations and Governance, Risk & Assurance who have taken over part of the activities that were once the controller’s. The question becomes how Shell is able to grasp the most value adding capabilities of its controllers in the current organizational model. According to Sathe (1982) the controller is the person who assists management in the decision-making process, ensures the financial information is accurate and reliable, and guarantees that proper internal controls are in place. Ten Rouwelaar (2007) refers to these different types of activities as the fiduciary, oversight and manage service roles, in which the first two support the role of an independent controller and the latter is focused on the increasingly important involved controller role. The value of the P&T controller is defined as the ability to fulfill the independent controller role and to adapt to and prepare for future organizational changes resulting from internal and external pressures and developments. A qualitative research has been carried out making use of a combination of literature review, internal documentation and several interviews with key players within the company relevant to the problem statement. The results show that the P&T controller needs to improve on strengthening the controllers’ playing field’s mutual ties and efficient interface management, knowledge of Finance Operations processes, accountability transfer to Finance Operations, and development of controlling and accounting skills. To be able to fulfill the ability to adapt and prepare for future changes, including a possible merge with one of its key players, will require from the controller to as well start focusing on business knowledge, getting maximum value out of existing ERP systems and a relentless focus on standardization.

Keywords: Controller involvement; Controller independence; Role of the controller; Qualitative Research