

*Materials of Conferences***STRATEGIC AUDITING OF COMMERCIAL ORGANIZATIONS GAPS  
ACTUAL QUESTIONS**

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The pace of constant changes in the complicated and hostile external environment constantly growing, all economic entities have to react permanently to these changes. Due to the opportunity to choose purposes and strategies independently, one can form the environment directly influencing the performance of any economic entity in such a way that it is possible to solve most optimally both problems of situation management, and problems of efficient adaptation to constantly changing factors of the external environment.

The information basis for conduct of gaps strategic audit is strategic audit system. The model of strategic audit is the total of main stages, set in the plan and specified in the program and methodical instrument, used by the auditor to perform the audit engagement. The model includes the following stages: strategic audit of the environment, strategic audit of the company development business strategy; strategic audit of gaps; development of solutions on gaps elimination. The details of these stages are provided in the strategic audit program in correspondence with the instrument used.

The information got as a result of such research will allow to formulate and substantiate the main trends of the forthcoming audit, as well as methodical approaches to detailed research process covering the whole audit cycle.

A strategy is overcoming of the gap between the current position of the company and the position it would like to have. Once the problem of strategic gap is comprehended, the company starts analyzing it, developing strategic programs, intensifying cash management, preparing mergers and takeovers etc.

While doing strategic audit, the auditor often comes across strategic gaps, so knowledge of the gaps theory is quite necessary.

"Strategic gap" is a gap between the desired financial and strategic development and the fixed policy estimation" [5, p. 266]. Strategic gap is quite real and is present in most companies. Being often unobservable, this gap is a clear threat not only to the future success, but just to the survival of the company; it affects management and personnel performance efficiency as well. The auditor tries to reduce the gap between the strategy and real business-processes, which can be decreased if unified comprehension of the strategy at all levels is provided and unified approaches to the personal performance estimation are created when it is realized. An auditor can give rec-

ommendations on business-processes management, if the degree of their correspondence to the strategic objectives is regularly estimated. For this purpose the early stage disharmony indicators and the external environment potential threats should be developed when the strategy is worked out.

All the gaps appear as a result of the fact that the company wasn't able to realize its strategic plans and can be classified according to the following views of Michael Coveney, Brian Hartlen, Dennis Ganster, Dave King:

1. Gaps caused by management. The reasons of such gaps are: inability to provide the plan support, inability to explain the strategy to others, inability to follow the plan, inability to adjust to changes.

2. Gaps caused by business-processes. The reasons of such gaps are: absence of strategic focus, particular reference to calendar terms, financial trend, self-orientation, lack of realistic forecast, etc.

3. Gaps caused by techniques applied. The reasons of such gaps are: separated systems, false dependency on company resources management system (erp-систем).

While developing the strategy auditors should be guided by the ability to make forecasts for the future. It will enable them to help managers and work out recommendations on strategic decision-making: recommendations on development direction, focusing and allocation of company resources, which affect the company as a whole, have long-term consequences and require significant investment. They are hard to reverse and can influence the survival of the company directly.

Here is the classification of strategic gaps according to Eccles Robert J., Hertz Robert H., Keegan A. Mary:

- Information gap. A gap between the indicator value given by analysts and investors and their satisfaction with the information about this indicator given by companies.

- Accounting gap. A gap between the indicator value given by managers and degree of their activity in revealing this indicator.

- Quality gap. A gap between the indicator value given by managers and information reliability of this indicator provided by internal systems. The quality gap clearly points out what should be done by the company.

- Comprehension gap. A gap between the value given to the indicator by managers and by analysts and investors.

- Perception gap. A gap between the estimate of the indicator reporting given by managers and the adequacy of this reporting considered by analysts and investors.

The best way for auditors to start gap elimination with all the ensuing benefits is to accept their ex-

istence. When auditors do not include appropriate information on this or that indicator, a great information gap appears, especially if it is considered to be important by analysts and investors. When quality gap results in accounting gap, companies start improving their internal estimate systems. In spite of the enthusiasm the appearance of balanced cost sheet was met with, there is still a great deal of work to be done to work out the appropriate estimate methodologies of some most relevant value factors.

We think that strategic gaps can be classified according to the degree of influence of internal and external factors of macro- and micro-environment, taking into account risk and uncertainty. To sum up the following kinds of strategic gaps can be singled out:

- external strategic gaps – gaps, caused by external factors of macro-environment. Here belong such gaps as gaps caused by business-processes. The essence of this type of strategic gaps is that business-processes singled out at the enterprise don't correspond to business-processes used at enterprises-analogues due to the change of process technology. External strategic gaps can also be classified into controlled and uncontrolled. External strategic gaps can emerge under risk and uncertainty conditions. External strategic gaps under risk conditions "are defined as such position of the manager, when he knows one or several outcomes in every alternative, as well as realization probability of each one" [6, c. 381]. External strategic gaps under uncertainty conditions are reflected when there are "several alternatives and possible outcomes, but actualization probability of this or that outcome is unknown or doesn't make sense" [6, c. 415].

- internal strategic gaps – gaps, caused by internal factors of micro-environment. Here belong the following gaps singled out by other scientists: information gap, accounting gap, quality gap, comprehension gap, perception gap, as well as gaps that emerge through management fault. All these types of gaps can be defined as controlled ones, as they are controllable by management body. Internal strategic gaps can also emerge under risk and emergency conditions at micro level.

- mixed strategic gaps – gaps formed by mixed factors (internal and external). Here belong gaps, caused by applied technologies. These ones can be defined as partially controlled, as they can be controlled by management body in a segmental way. Mixed strategic gaps can also emerge under risk and uncertainty conditions at macro and micro levels.

To our point of view knowledge of modern theories of strategic gaps classifications will help auditors to reduce the breach between strategy and results for most organizations. And as a result there will be growth of key indicators and efficiency. Those organizations that managed to build strong connections between their strategies plans and results will have a

synergetic effect. In course of time as they turn their strategies into results, heads of these organizations will become more confident in their abilities.

As a result there appears necessity to exceed the planned results constantly. Investors begin to trust management when the matter concerns risky operations. As a result shares value grows. The reputation of the organization among potential employees rises, a virtual cycle, when talents provide results, results provide worthy compensation which in its turn attracts other talents, is created. Indication and design of gap reduction measures by the auditor is not only the source of immediate results improvement, but also the catalyst of changes that have a serious long-term effect on organization's abilities, strategy and competitiveness.

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### OBSTACLES FOR PROMOTING INNOVATIONS IN RUSSIAN MANUFACTURING INDUSTRY AND THE ROLE OF PUBLIC-PRIVATE PARTNERSHIP UNDER CURRENT FINANCIAL MARKETS CONDITION

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Specific weight of innovative products in the total amount of shipped goods in Russian manufacturing industry is equal to 5% over the past 20 years, it