

# Financing and economic management

## Economic system and economic management of the Army of the Czech Republic



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## Content:

1. Economic Management,
2. Economic Management Tools,
3. System of economic management in the defense sector,
4. Economic management, financial management and financial support to various levels of command and control by the authorities, economic services.



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# 1. Economic Management

Economic management - development:

- ☐ dated back to the late 19th century - the development of group work,
- ☐ early 20th century began to emerge management theory simultaneously in several countries.

# 1. Economic Management

The concept of economic management:

is the targeted directing the organization's activities aimed at supporting compliance and achieving the main objectives of the economic entity, the effective and economical use of material, financial and human resources.



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# 1. Economic Management

Philosophy of economic management can then be characterized by the following basic characteristics:

- is oriented objectives;
- focuses on weaknesses;
- focuses on activities;
- continuously develops analytical processes result in permanent compare the plan with reality;

# 1. Economic Management

Philosophy of economic management can then be characterized by the following basic characteristics:

- is focused on the future, the past is only interested in the extent to which past developments may affect future developments;
- Management of correct planning is dead, but of the wrong (deviation forcing managers to look for and implement countermeasures).

# 1. Economic Management

The task of the system of economic management:

is therefore effectively and efficiently manages a combination of factors, the result is output.

Dependence system:

- internal and
- external factors.

## 2. Economic Management Tools

Reasons for the use of financial management:

- improving the economic success of the organization and
- satisfying customer requirements.

In the Czech Republic the use of financial management in the public sector combines with the reform of public finances.



## 2. Economic Management Tools

The importance of financial management.

- to examining the evidence,
- to seek information
- to organize information and
- interpretation of information.

## 2. Economic Management Tools

Selected economic management tools:

A. managerial accounting;

B. Financial Analysis;

C. controlling;

D. reporting;

E. balanced scorecard;

F. benchmarking.

### 3. System of economic management in the defense sector

Economic Management Department of Defense:

- **integrated system elements:** resource planning, budgeting, financial management, management of current assets, control reproduction of property, cost management, cost accounting, financial analysis, controlling,
- **information is then evaluated using** economic methods, which provide crucial information to management.

### 3. System of economic management in the defense sector

The system of economic management in the Department of Defense form:

- ☐ Financial management subsystem is the main part of the system of economic management. Within this subsystem is implemented budgeting, decision making and organizing financial security department.
- ☐ Subsystem management of current assets provides an analysis, establish and maintain an optimal level, structure and usage of material stocks corresponding to the needs, abilities and objectives of the resort.

### 3. System of economic management in the defense sector

The system of economic management in the Department of Defense form:

- ☐ Subsystem control reproduction property provides acquisition, technical evaluation, maintenance and repair of fixed assets MoD eventually other expenditures and activities designed to achieve specific objectives.
- ☐ Subsystem management costs through cost calculations will transform accounts cost breakdown capabilities through costs will be allocated to individual departmental objectives, which will give rise to these costs.

### 3. System of economic management in the defense sector

The system of economic management in the Department of Defense form:

- ❑ Controlling subsystem will ensure in particular continuous comparison of actual and planned values of economic indicators, identifying their variations as during that period, and after its completion and removing the negative impact of these deviations, or adopting measures to eliminate their future occurrence.

#### 4. Economic management, financial management and financial support to various levels of command and control by the authorities, economic services

Principal operations by type:

- A. Support Manager objectives Level 1 - economic management;
- B. level of middle management - financial management;
- C. level lower management - financial security.

#### 4. Economic management, financial management and financial support to various levels of command and control by the authorities, economic services

##### Manager objectives Level 1 (type A):

- factual planning objectives and their implementation at a lower level in the creation of the medium term plan (MTP);
- manage the processing of documentation property reproduction program;
- determining the needs of personnel and property resources;
- approval of proposals to create or change organizational structures;



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#### 4. Economic management, financial management and financial support to various levels of command and control by the authorities, economic services

##### Manager objectives Level 1 (type A):

approval of proposals to create or change organizational structures;

- Financial Management;
- professional management;
- financial control;

#### 4. Economic management, financial management and financial support to various levels of command and control by the authorities, economic services

##### Manager objectives Level 1 (type A):

approval of proposals to create or change organizational structures;

- management of current assets;
- cost management;
- controlling.

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##### Distribution Managers objectives Level 1 (type A):

- ☐ MoD - civilian part (type A 1);
- ☐ MoD - military part (type A 2);
- ☐ military intelligence, Castle Guard, national sports teams (type A 3).

#### 4. Economic management, financial management and financial support to various levels of command and control by the authorities, economic services

The competence the economic authority Chief of General Staff will be divided into the following areas:

- ✓ Support Manager objectives;
- ✓ financial management and financial security section of the General Staff;
- ✓ professional management authorities economic services Army Czech Republic.

#### 4. Economic management, financial management and financial support to various levels of command and control by the authorities, economic services

##### A. Elements of economic management at middle management level:

- ✓ security operations cost center type B - support the principal operations;
- ✓ cash management and property of resources - support manager objectives;
- ✓ management authorities economic services subordinate units (devices) - Type C.

#### 4. Economic management, financial management and financial support to various levels of command and control by the authorities, economic services

Economic management at middle management level in two groups:

- ❖ B1 - organizational units MoD at the brigade level or base;
- ❖ B2 - are other organizational units MoD.

#### 4. Economic management, financial management and financial support to various levels of command and control by the authorities, economic services

Elements of economic management to lower management level:

- ❖ C1 - organizational units' MoD battalion level;
- ❖ C2 - are other organizational units MoD;
- ❖ C3 - organizational units of the MoD, which have in their organizational structures created systemized positions authorities economic services

## Keywords:

Economic management, the system of economic management, economic management tools, managerial accounting, financial analysis, controlling, reporting, balanced scorecard, benchmarking, financial management, financial security, manager objectives 1st level.

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# List of tasks for students:

- 1) Economic management – characterize
- 2) The philosophy of economic management - explain.
- 3) Try to explain economic management tools (concept, importance, managerial accounting, financial analysis, controlling).
- 4) Try to explain economic management tools (reporting, balanced scorecard, benchmarking).
- 5) Explain the system of economic management in the defense sector.
- 6) Explain support economic management at the manager level objectives 1. (type A).
- 7) Try to characterize elements of economic management at middle management level.
- 8) The elements of economic management to lower management level - characterize.