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Nosova Evgenia

*PhD in Economics, Associate Professor,
Associate Professor of the Department of Finance
Taras Shevchenko National University of Kyiv*

Носова Євгенія Анатоліївна

*кандидат економічних наук, доцент, доцент кафедри фінансів
Київський національний університет імені Тараса Шевченка*

Носова Евгения Анатольевна

*кандидат экономических наук, доцент, доцент кафедры финансов
Киевский национальный университет имени Тараса Шевченко*

Kovalchuk Viktoriia

*Student of Master's degree of the
Taras Shevchenko National University of Kyiv*

Ковальчук Вікторія Вікторівна

*студентка магістратури
Київського національного університету імені Тараса Шевченка*

Ковальчук Виктория Викторовна

*студентка магистратуры
Киевского национального университета имени Тараса Шевченко*

MANAGEMENT OF FINANCIAL POTENTIAL OF ENTERPRISES:

METHODOLOGICAL ASPECTS

УПРАВЛІННЯ ФІНАНСОВИМ ПОТЕНЦІАЛОМ ПІДПРИЄМСТВ:

МЕТОДОЛОГІЧНІ АСПЕКТИ

УПРАВЛЕНИЕ ФИНАНСОВЫМ ПОТЕНЦИАЛОМ

ПРЕДПРИЯТИЙ: МЕТОДОЛОГИЧЕСКИЕ АСПЕКТЫ

Summary. *The article defines the essence of financial potential of the enterprise. It has been established that the financial potential of an enterprise is a complex system that provides certain patterns of development, the efficiency of an enterprise, its speed and quality of growth. The existing approaches to the interpretation of the concept of «management of the financial potential of enterprises» are investigated. The management of the financial potential of the enterprise is based on the systemic, process, target and functional approaches. First of all, financial potential management is a system of rational business finance management, which includes the formation of financial relations arising from the movement of financial resources. The principles of organization of management of the financial potential of the enterprise are considered. The theoretical and methodological aspects of managing the financial potential of an enterprise are disclosed. It is proved that the peculiarity of mechanism for managing the financial potential of the enterprise is expressed in the use of financial methods of a managerial nature, which affect the efficiency of the usage of financial resources. It has been established that the long-term efficiency of managing the financial flows of an enterprise and achieving a regular increase in financial potential is ensured through the formation of a system of strategic initiatives that can support these processes. At the same time, the key management aspects of mechanism for managing the financial potential of the enterprise are related to the improvement of economic performance and financial results.. The process of functioning of the financial potential management mechanism is presented. On the basis of the considered approaches, a mechanism for managing the financial potential of an enterprise is proposed. It will ensure the effective adaptation of each business structure to changes in the external and internal environment in order to achieve and maintain financial stability and balanced development.*

Key words: *financial potential, management of financial potential, principles of management, mechanism of management of financial potential of the enterprise.*

Анотація. У статті визначено сутність фінансового потенціалу підприємства. Встановлено, що фінансовий потенціал підприємства - складна система, яка передбачає певні закономірності розвитку, ефективність підприємства, його швидкість та якість зростання. Досліджено існуючі підходи щодо трактування поняття «управління фінансовим потенціалом підприємств». Управління фінансовим потенціалом підприємства ґрунтується на основі системного, процесного, цільового та функціонального підходів. Управління фінансовим потенціалом - це насамперед система раціонального управління фінансами бізнесу, що включає формування фінансових відносин, що виникають в результаті руху фінансових ресурсів. Розглянуто принципи організації управління фінансовим потенціалом підприємства. Розкрито теоретичні та методологічні аспекти управління фінансовим потенціалом підприємства. Доведено, що особливість механізму управління фінансовим потенціалом виявляється у застосуванні фінансових методів управлінського характеру, що впливають на ефективність використання фінансових ресурсів. Встановлено, що довгострокова ефективність управління фінансовими потоками підприємства і досягнення регулярного приросту фінансового потенціалу забезпечується шляхом формування системи стратегічних ініціатив, здатних підтримати дані процеси. Ключові управлінські аспекти механізму управління фінансовим потенціалом, при цьому, пов'язані з поліпшенням економічних показників діяльності та фінансових результатів. Представлено процес функціонування механізму управління фінансовим потенціалом. На основі розглянутих підходів запропоновано механізм управління фінансовим

потенціалом підприємства, який дасть можливість забезпечити ефективну адаптацію кожної бізнесової структури до змін зовнішнього та внутрішнього середовища для досягнення та збереження фінансової стійкості та збалансованості розвитку.

Ключові слова: фінансовий потенціал, управління фінансовим потенціалом, принципи управління, механізм управління фінансовим потенціалом підприємства.

Анотація. В статті определена суцність фінансового потенціала підприємства. Установлено, что фінансовий потенціал підприємства - сложная система, которая предусматривает определенные закономерности развития, эффективность предприятия, его скорость и качество роста. Исследованы существующие подходы к трактовке понятия «управление финансовым потенциалом предприятий». Управление финансовым потенциалом предприятия базируется на основе системного, процессного, целевого и функционального подходов. Управление финансовым потенциалом - это прежде всего система рационального управления финансами бизнеса, которая включает формирование финансовых отношений, возникающих в результате движения финансовых ресурсов. Рассмотрены принципы организации управления финансовым потенциалом предприятия. Раскрыты теоретические и методологические аспекты управления финансовым потенциалом предприятия. Доказано, что особенность механизма управления финансовым потенциалом выражается в применении финансовых методов управленческого характера, влияющие на эффективность использования финансовых ресурсов. Установлено, что долгосрочная эффективность управления финансовыми потоками предприятия и достижения регулярного прироста финансового потенциала обеспечивается путем формирования системы

стратегических инициатив, способных поддержать данные процессы. Ключевые управленческие аспекты механизма управления финансовым потенциалом, при этом, связанные с улучшением экономических показателей деятельности и финансовых результатов. Представлен процесс функционирования механизма управления финансовым потенциалом. На основе рассмотренных подходов предложен механизм управления финансовым потенциалом предприятия, который позволит обеспечить эффективную адаптацию каждой бизнес-структуры к изменениям внешней и внутренней среды для достижения и сохранения финансовой устойчивости и сбалансированности развития.

***Ключевые слова:** финансовый потенциал, управление финансовым потенциалом, принципы управления, механизм управления финансовым потенциалом предприятия.*

Statement of the problem. Effective and competitive operation of each enterprise is almost impossible without high-quality and economically sound development of its financial potential. In modern conditions, when a large part of enterprises is in a financial crisis, their important task is to obtain maximum profits with minimum expenditure of financial resources. In addition, there is an improvement in both economic conditions in general and the economic capacity of the enterprise as a result of increasing its financial potential. Moreover, such opportunities contribute to the adaptation of enterprises in market conditions. The study of the effectiveness of the management system of the financial potential of the enterprise allows to identify three key characteristics. The first is to identify negative dynamics in a timely manner and make effective management decisions to optimize the structure. The second one consists in using the potential. And the last is reveal in improving the efficiency of the enterprise as a whole. All of the above determines the relevance of scientific issues.

Analysis of recent researches and publications. Theoretical aspects of research on the financial potential of the enterprise are covered in the works of such scientists as: S. Arefiev [1], B. Blaschak [3], L. Gaevska [4], M. Kupira [7], D. Mikhaylik [12] and others. The absence of financial potential management was paid attention in works: O. Arefieva [2], O. Kavtysh [5], O. Khryniuk [6], O. Kurinna [8], L. Lyakhovych [9], V. Marchenko [10], L. Marshuk [11], I. Shcheblikina [13] and others. However, issues related to the improvement of methodological approaches to managing the financial potential of the enterprise, remained insufficiently resolved.

Formulation purposes of article. In accordance with the previously stated general problem, the purpose of writing the article is revealing the point of scientific approaches to determining the essence of managing the financial potential of the company. As well as the disclosure of scientific provisions on the processes of managing the financial potential of enterprises.

The main material. The financial potential of the enterprise occupies a leading strategic role in the enterprise. Accordingly, given the current crisis, the problem of managing the financial potential of enterprises is becoming increasingly important, which determines the overall importance of monitoring the economic activity of the enterprise in terms of internal and external factors of its activities and its financial potential for sustainable economic growth.

Before moving on to the definition of the essence of financial management potential of the enterprise, it is necessary to consider the concept of financial potential. Scientific approaches to the interpretation of the essence of financial potential are presented in table 1.

Table 1

Defining the essence of the category «financial potential»

Author	Characteristic
S. Arefiev, M. Nichiporuk [1, p. 130]	Financial potential is a set of existing and potential capabilities of the enterprise to mobilize and increase their volume and transform them into other factors of

	production in accordance with the needs in order to achieve strategic and tactical goals of the enterprise.
B. Blaschak [3, p. 77]	Financial potential is a relationship that arises in the enterprise in order to achieve the maximum possible financial result, provided: 1) the availability of a sufficient level of equity; 2) return on invested capital; 3) the existence of an effective financial management system that will ensure transparency of the company's financial condition.
L.Gaevska, O. Marchenko [4, p. 21-22]	Financial potential is the provision of the enterprise with financial resources necessary for the effective functioning of production and economic activities, including strategic prospects and the provision of personal capital in the required amount for liquidity and financial stability.
M. Kupira, O. Koltunovich, H. Sokol [7, p. 130]	Financial potential is a system of financial opportunities capable of transforming available resources into a vector process of development through maximization and multiplier of profitability capitalization..
D. Mikhaylik [12, p. 253]	Financial capacity is the sum of all existing potential resources, including financial, that can ensure the achievement of certain strategic goals in the current and long term, taking into account the impact of external factors.

Source: supplemented by the authors

Thus, it should be noted that defining the category of «financial potential» the authors focus on the following aspects:

- it is, first of all, financial opportunities for the enterprise;
- the ability of enterprises to attract and effectively manage financial resources;
- the ability to ensure both current and future activities of the enterprise;
- is a kind of means for the company to achieve specific goals of economic development, such as tactical and strategic.

The need to ensure effective management of financial capacity arises from three points of view. Firstly, because it affects the production potential in terms

of free financial resources and the availability of technological innovation. Secondly, it determines the potential of management through a stable financial condition to build strategic capacity, implement effective business strategies, ensure profitability and profitability of the business. Thirdly, the effective financial potential of market potential through financial opportunities for marketing research, flexible pricing, low marketing costs, significant market share and profit to production to the consumer [8, p. 165-166].

Currently, the scientific literature identifies four approaches to defining the essence of managing the financial potential of the enterprise (see table 2).

Table 2

Scientific approaches to determining the essence of managing the financial potential of the enterprise

Approach	Definition
Systemic	Characterizes the financial potential management system as an organizational management structure, a management subsystem with the ability to make decisions and focus on results.
Process	Consider financing, cash flow, formation of financial relations, optimization of financial flows.
Target	Determine the structure of the objectives of financial management.
Functional	Focused on combining directions in the process of management of financial resources and opportunities.

Source: systematized by the authors on the basis of [5]

In general, it can be determined that the management of financial potential is the purposeful influence of the entity on the volume and sources of financial resources to ensure the efficiency of operating activities of the enterprise [13, p. 82]. Taking into account the peculiarities of the considered approaches, it can be stated that the main tasks of managing the financial potential of the enterprise include [10]:

- 1) mobilization of financial resources that are important for consolidating an efficient production cycle;
- 2) prompt fulfillment of existing obligations to customers, to the bodies of revenues and fees, and to employees of the enterprise;
- 3) research of directions of increasing profit and profitability;
- 4) control and verification of effective, rational and targeted use of available financial resources of the enterprise, etc.

Financial potential management should cover the processes of its use, formation and development. The organization of the formation of the financial potential of the enterprise should be aimed at finding strategic resources and opportunities to increase the competitiveness of the entity, as well as identifying reserves of its potential [6]. Management of financial potential should focus on attracting resources identified during the analysis of potential opportunities that for a number of reasons have not been realized. The development of financial potential is its increasing due to reserves, improvement of technical, economic and financial indicators [5, p. 132].

It is also important to note that the financial potential forms the key areas of development and effective tools for the long-term usage of all financial activities and is responsible for effectively ensuring the flow of cash flows from one business entity to another. It is important that proper management of financial potential requires effective management. When planning financial flows, financial management should use all available tools, including the focus on external and internal borrowing. Therefore, the task of managing the financial potential of the enterprise is to optimize financial flows to maximize the positive financial result. To do this, the company must effectively implement appropriate financing strategies.

Scientist O. Kurinna notes that «stable financial condition of the enterprise is a necessary condition for its activities in market relations, as it depends on the timeliness and completeness of repayment of its obligations to

pay workers, payments to the budget, banks and suppliers of material resources, with dividend payments, etc. Financial potential can be considered effective if it covers with its own funds at least 50% of the financial resources needed to carry out competitive activities of the enterprise, purposefully and efficiently uses financial resources and is solvent» [8, p.165].

The financial potential of the enterprise is characterized by its dynamism. In addition, it is influenced by many different factors. It should be considered that the organization of its management should be based on certain principles that reflect on this process. The specifics of the object under management must also be taken into account.

The process of forming the financial potential of the enterprise is characterized by the following features:

- 1) the formation of the financial potential of the enterprise is the main initial condition for the creation of a new type of entrepreneurship;
- 2) it is directly related to the process of initial accumulation of financial resources and their involvement;
- 3) it accompanies all stages of the life cycle of the enterprise, which associated with its progressive economic development;
- 4) the process of forming financial potential is deterministic and regulated;
- 5) it is inextricably linked with the goals and directions of strategic development of the business entity;
- 6) the usage of own financial resources from internal sources for a functioning enterprise is a temporary advantage for its owners/managers;
- 7) it is inextricably linked with ensuring the growth of market value of the enterprise, which is one of the priority goals of financial management;
- 8) effective formation of financial potential is the most important condition for ensuring the financial stability of the enterprise in terms of certain types of financial resources;

9) depends on the dynamics of the ratio of equity to borrowed resources;

10) it is necessary to take into account the cost of raising funds from different sources.

Principles of financial potential management, indicated in figure 1, characterize both general and special requirements for the process of managing the financial potential of the enterprise. Besides it reveals actual features of the financial potential that are interrelated.

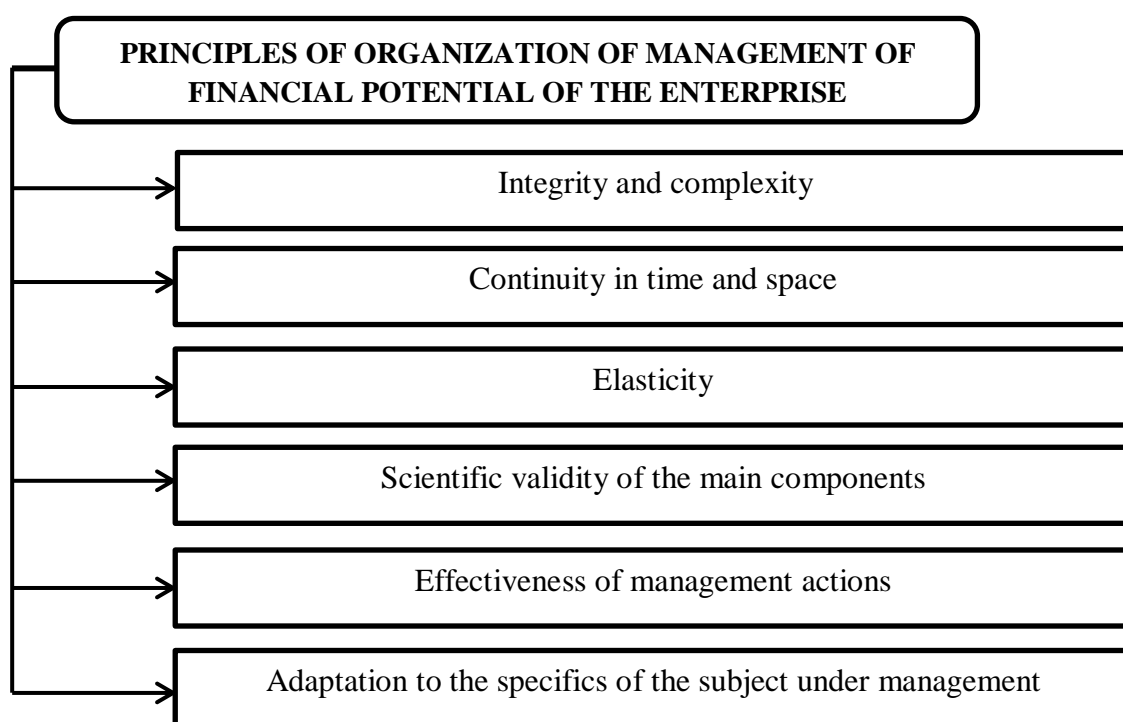


Fig. 1. Principles of organization of management of financial potential of the enterprise

Source: systematized by the authors on the basis of [7, p. 95; 11, p. 57-58]

The peculiarity of the mechanism of financial potential management is highlighted exactly through the application of financial management methods that affect the efficiency of financial resources [2, p. 51]. In general, the concept of managing the financial potential of the enterprise is presented in figure 2.

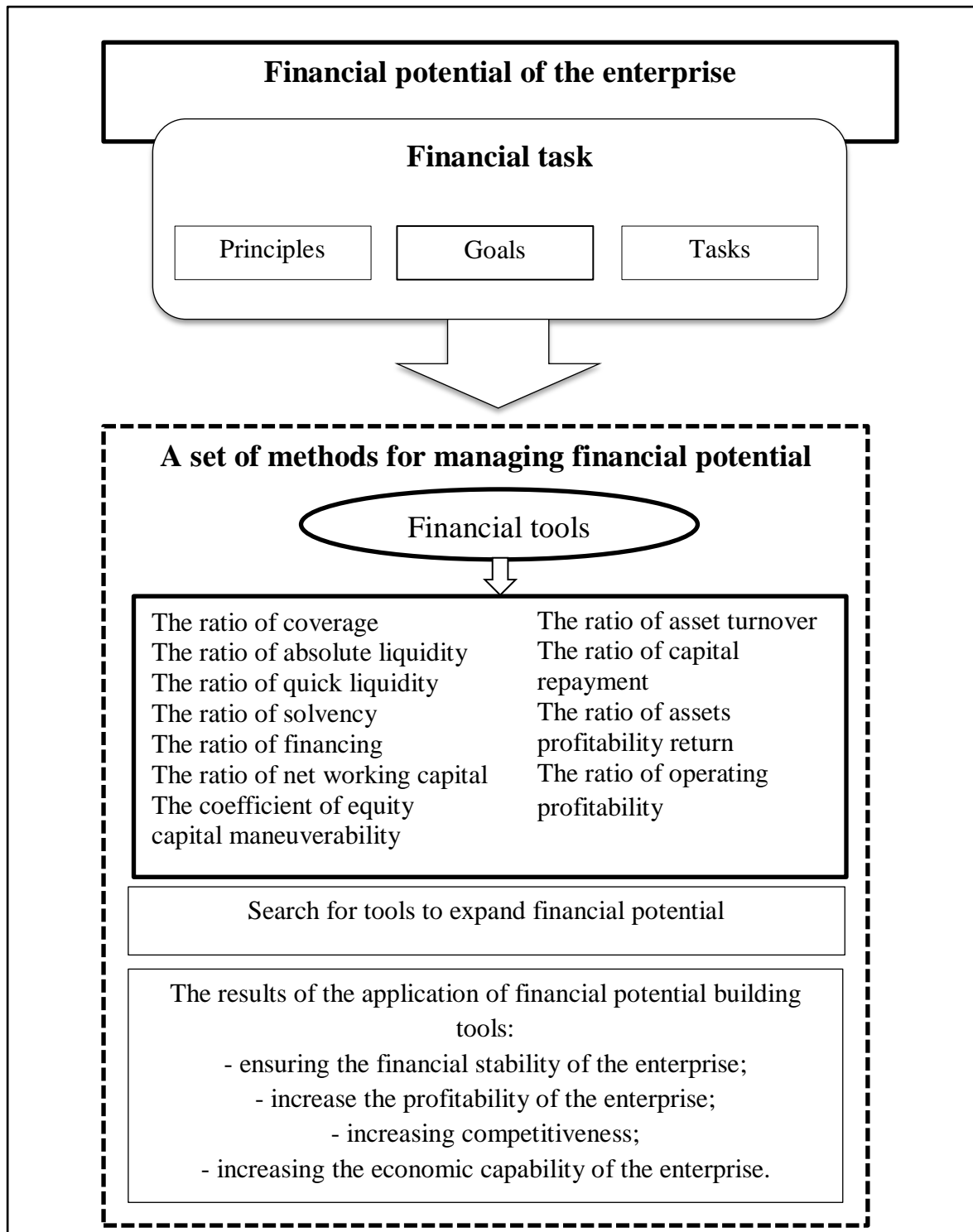


Fig. 2. Mechanism for managing the financial potential of the enterprise

Resource: developed by the authors

Thus, the mechanism of managing the financial potential of the enterprise is a system that provides interaction of diagnostics, monitoring and regulation of

indicators that increase the efficiency of its management and characterize the absolute, unstable, normal and crisis types of financial stability.

The effectiveness of the financial potential management mechanism depends on the methods involved. In order to ensure the competitiveness of products on the market should use a range of methods, the appropriate usage of which fulfills the main objectives of the enterprise and help achieves the goal [2, p. 51]:

- methods of financial resources management;
- methods of managing the interaction of the enterprise with internal and external environments;
- methods of financial balance management.

Insights from this study and perspectives for further research in this direction. Thus, the financial potential is one of the main indicators that reflects the financial condition and competitiveness of the enterprise. Based on the implementation of the basic functions of financial capacity management, it can be argued that it allows to ensure the priority areas of enterprise development with a sufficient amount of funds through a planned, controlled and organized impact on their volume and structure. The main task of managing the financial potential of the enterprise is to optimize financial flows to maximize the positive financial result. To do this, the company must have a properly developed financial plan for its activities. The main aspects of effective management of financial potential include: the optimal distribution of financial resources, as well as the efficiency of the financial system of the enterprise; competition, because companies take the risk of innovation to establish their position in the market; reaching a compromise between the requirements of profitability, reliability and liquidity of capital; financial stability is the most important component of the overall sustainable development of the enterprise. To conclude, the highlighted concepts of improving the mechanism of capacity management can become a subject of developing this process to enhance the

structure of economic resource management and the search for hidden potential reserves.

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