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THE ROLE OF THE FINANCIAL STRATEGY OF THE ENTERPRISE IN THE MAINTENANCE OF ECONOMIC STABILITY

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Abstract
The article examines the role of the financial strategy of the enterprise in the maintenance of economic stability, the financial strategy of the enterprise, and the conditions for its formation. The financial stability of the economic entity is analyzed as an element of the financial strategy of the enterprise. Factors affecting the financial condition of the enterprise are classified. The main methods of financial analysis are defined.

Keywords: financial stability, marketing, financial activities, economy, enterprise.

Introduction

Financial strategy is one of the most important types of functional strategy. The financial strategy of an enterprise is a program to provide the enterprise with the necessary funds and, therefore, normal financial stability in order to optimize the profits. This is precisely the main strategic goal of the functioning of the enterprise's finances. The financial strategy of the enterprise covers all aspects of the enterprise, including the optimization of fixed and working capital, profit distribution, cashless payments, tax and pricing policies. An enterprise can choose between two forms of financial management: a reactive form and management based on a financial strategy. In the case of using the reactive form, management decisions are accompanied by miscalculations and an increased level of risk, since management takes place on the principle of "patching holes". Managing the company's finances on the basis of the developed financial strategy makes it possible to avoid hasty decisions and achieve a more rational use of financial resources.

Literary Review and Methodology

An analysis of the financial stability of an economic entity as an element of a financial strategy is the most important characteristic of its activities and financial and economic well-being, evaluates the result of its current, investment and financial development, contains the necessary information for the investor, and also reflects the ability of the enterprise to meet its debts and obligations and establishes the size of sources for further development.

In the process of supply, production, marketing and financial activities, there is a continuous process of capital circulation, the structure of funds and sources of their formation, the availability and need for financial resources change, and, as a result, the financial condition of the enterprise changes, the external manifestation of which is solvency. The financial condition of an enterprise (FSP) is an economic category that reflects the state of capital in the process of its circulation and the ability of a business entity to self-develop at a fixed point in time [1].

The financial condition can be stable, unstable (pre-crisis) and crisis. The ability of an enterprise to make payments on time, finance its operations on an extended basis, withstand unforeseen shocks, and maintain its solvency in adverse circumstances is indicative of its sound financial condition, and vice versa. Consequently, the stable financial condition of an enterprise is determined by its ability to function and develop, to ensure its constant solvency and investment attractiveness within the limits of an acceptable level of risk [2].

The financial condition of the enterprise depends on the results of its production, commercial and financial activities. If the production and financial plans are successfully implemented, then this has a positive effect on the financial position of the enterprise. And, conversely, as a result of underfulfillment of the plan for the production and sale of products, there is an increase in its cost, a decrease in revenue and the amount of profit and, as a result, a deterioration in the financial condition of the enterprise and its solvency. This means that a stable financial condition is the result of skillful management of the whole complex of factors that determine the results of the economic activity of the enterprise.

A stable financial position, in turn, has a positive impact on the implementation of production plans and the provision of production needs with the necessary resources. Therefore, financial activity is the basis for the formation of the financial condition and should be aimed at ensuring the planned receipt and expenditure of financial resources, the implementation of settlement discipline, the achievement of rational proportions of equity and borrowed capital and its most efficient use. The tasks of analyzing the financial condition of an organization are [3]: assessment of the property condition of an organization (cost, structure and sources of property formation);

- determination of indicators of financial stability and autonomy of the organization;

-assessment of solvency and creditworthiness.

For the purposes of analysis, it is important to classify the factors influencing the FSP into internal (which, in turn, are divided into main and non-main) and external [4].

Internal main are the factors that determine the efficiency of the organization's resources (profit, profitability, distribution costs, resource turnover, etc.). Internal non-main factors, although they determine the work of the production team, are not directly related to the essence of the indicator under consideration: these are structural shifts in the composition of products, violations of economic and technological discipline, etc. External factors are factors that do not depend on the activities of the production team, but quantitatively determine the level of use of the production and financial resources of a given organization (restructuring the organizational structure of managing an industry or enterprise, changing forms of ownership, changing taxation standards, etc.).

To assess the FSP, a system of indicators characterizing [5] is used:

a) availability and allocation of capital, efficiency and intensity of its use;

b) the optimality of the structure of the enterprise's liabilities, its financial independence and the degree of financial risk;

c) the optimality of the structure of the assets of the enterprise and the degree of its production risk;

d) optimality of the structure of sources of formation of current assets;

e) solvency and investment attractiveness of the enterprise;

f) risk of bankruptcy (insolvency) of a business entity;

g) the margin of its financial stability (a zone of break-even sales volume).

Discussion and Results

The FSP analysis is based mainly on relative indicators, since absolute balance sheet indicators in inflationary conditions are very difficult to bring into a comparable form. The main methods of analyzing the financial condition are horizontal, vertical, trend, coefficient and factor [6]. In the course of horizontal analysis, absolute and relative changes in the values of various balance sheet items for a certain period are determined. The purpose of vertical analysis is to calculate the share of individual items in the balance sheet, i.e. clarification of the structure of assets and liabilities for a certain date. Trend analysis consists in comparing the values of balance sheet items for a number of years (or other related reporting periods) in order to identify trends that dominate the dynamics of indicators. Ratio analysis is reduced to the study of the levels and dynamics of relative indicators of financial condition, calculated as the ratio of the values of balance sheet items or other absolute indicators obtained on the basis of reporting and accounting. When analyzing financial ratios, their values are compared with the base values, and their dynamics for the reporting period and for a number of adjacent reporting periods is also studied [7].

In addition to financial ratios in the analysis of the financial condition, absolute indicators calculated on the basis of reporting, such as net assets (real equity), own working capital, and indicators of the provision of stocks with own working capital, play an important role. These indicators are criterial, since they are used to formulate criteria to determine the quality of the financial condition.

Factor analysis is used to identify the causes of changes in absolute and relative financial indicators, as well as the degree of influence of various reasons on the magnitude of the change in the indicator.

Depending on the subjects of analysis, internal and external analysis of the FSP are distinguished [8]. Internal analysis is carried out by the departments of the enterprise, and its results are used for planning, controlling and forecasting the FSP. Its purpose is to ensure the regular flow of funds and place own and borrowed funds in such a way as to create conditions for obtaining maximum profit and eliminating the risk of bankruptcy.

External analysis is carried out by investors, suppliers of material and financial resources, regulatory authorities on the basis of published reports. Its goal is to establish an opportunity to invest funds profitably in order to ensure maximum profit and eliminate the risk of losses. The main sources of information for analyzing the financial condition of an enterprise are the balance sheet (form No. 1), income statement (form No. 2), statement of changes in equity (form No. 3), cash flow statement (form No. No. 4) and other forms of reporting, primary and analytical accounting data, which decipher and detail individual balance sheet items.

Analysis of the financial stability of the enterprise. The key to survival and the basis for the stability of an organization is its financial stability, i.e. a state of finance that guarantees the organization a permanent solvency. The following factors influence the sustainability of an organization:

- position of the organization in the commodity market;
- production of cheap and popular products;
- potential in business cooperation;
- degree of dependence on external creditors and investors;
- availability of solvent debtors;
- efficiency of business and financial transactions, etc.

Depending on the influence of various factors, the following types of sustainability can be distinguished:

1) internal stability - such a general financial condition of the organization, which ensures a consistently high result of its functioning. The achievement of such stability is based on the principle of active response to changes in internal and external factors;

2) general stability - such a movement of cash flows that ensures a constant excess of the receipt of funds (income) over their expenditure (costs).

Systematization of the conceptual apparatus in the analysis of financial stability. A review of modern literature on financial management and analysis shows that different authors sometimes put different meanings into the interpretation of the concept of “financial stability”. These points of view can be classified according to the following features and directions:

1) as a stable operation of the enterprise only in the current period: the ability of the enterprise to carry out the main and other activities; the ability of the subject to function and develop; a certain state of the company's accounts;

2) as a stable operation of the enterprise only in the future: effective investments in assets; financial capabilities of the enterprise for the long term; investment attractiveness within the acceptable level of risk;

3) as the ability of the enterprise to meet its debts and obligations: full and timely repayment of its debts and obligations; no arrears; guaranteed solvency;

4) as a sufficiency of funding sources: ensuring the continuity of its activities; availability of own working capital; constant availability of funds in the required amount; the state of monetary resources; degree of dependence on creditors;

5) as an indicator of assessing the financial condition of the enterprise: a system of absolute and relative indicators; the ratio between own and current borrowed funds; the ratio of non-current assets and invested capital; the difference between all cash and all borrowed capital; balance structure coefficient.

Conclusion

Therefore, the condition of financial stability is the balance of payments of the enterprise, which is initially aimed at a surplus of own funds, solvency in cash, the formation of sources for further development and economic growth. Indeed, if the accumulated debt has reliable sources of coverage in the form of payment resources, then a free balance of own funds is formed, which the enterprise can use at its discretion. If, on the contrary, there is a shortage of own funds, this means that the company's debts exceed its payment capabilities.

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