

**ENSURING OF FINANCIAL STABILITY OF THE ENTERPRISE BY
FINANCIAL MANAGEMENT TOOLS**

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Abstract. The article contains the author's methodological toolkit for managing the financial stability of an industrial enterprise, as well as the results of its use. To manage the financial stability of an industrial enterprise, it is proposed to form signal indicators that allow evaluating the work of circulating capital management. For this, it is proposed to make evaluation according to the following groups of signal indicators: indicators characterizing the level of receivables; indicators characterizing the level of external obligations of the enterprise. The result of the author's algorithm use is the determination of the integral indicator of financial stability, the value of which includes three components: structure indicators, dynamics indicators and indicators of the intensity of the obligations use.

Key Words: Financial stability, risk management, integrated risk management, risks map, financial strategy, managerial information

In the context of fierce competition, enterprises are particularly challenged to ensure the continuity and sustainability of their operations. In connection with this, the topical direction of management improving in the current economic reality is the increasing of the companies' financial stability. An integral part of the activity of any enterprise that can have a tremendous impact on the financial stability of the company and its key economic indicators are the business accounting, i.e., the commercial part of the receivables and the external obligations of the enterprise. In order to effectively manage them, creating reserves and increasing the financial potential of the enterprise, it is necessary to build a competent financial policy of the business accounting, allowing managers and business owners to quickly respond to market challenges and to create a sustainable competitive advantage by effectively mobilizing all their resources, as well as increasing the pace growth and development. The aim of the study is to form the signal indicators for evaluating the external obligations and receivables for managing the financial stability of an enterprise. The financial stability of an enterprise or the degree of its independence from borrowed funds is one of the key effective performance indicators. It can have a tremendous impact on the relationship with contractors and the company's competitiveness in the market. In recent years, due to the digitalization of the economy and political instability, the problem of ensuring

the operation continuity of the enterprises both in Russia and in the world market as a whole has been especially acute. In connection with this, the financial stability is the basis for the organization's market stability and maintaining the level of its competitiveness. This indicator is aggregative and systematizes information on the state of the company's financial resources, which preserves the possibility of financial maneuver and ensures the continuity of the current activities.

Currently in terms of economic recession short-term priorities in financial activity of companies prevail over the long-term. The research of the Southern Federal District companies showed that in discussing the strategy about 70% of managers focus on period from one to three years. Only 9% of companies have enough confidence in perspectives for business development to predict a strategy for 5-10 years or more. In the course of the survey 35% of managers of the Southern Federal District companies noted that in 2015-2016 their companies faced serious risks and financial difficulties (Aksyonov, Sichev and Holina, 2016). In 2016 35% of the responded executives out of 50 companies analyzed in the course of research expect deterioration of financial and economic indicators. 16% expect their improvement. Majority of directors (64%) believe that continuation of the Russian economy growth can be expected not earlier than 2017 (Aksyonov, Sichev and Holina, 2016). The list of main risks for Russian companies includes the following: geopolitical instability, change in consumers' behavior, expensive loans as well as lack of qualified managerial human resources. Currently financial management implements tactical measures to the prejudice of strategic interests of companies' development. In conditions of crisis most companies revised their strategies under the influence of such factors as ruble devaluation, difficult access to the capital (first of all credit resources due to the lack of liquid pledge), reduction in oil prices and consequences of the sectoral sanctions introduction from the US and the European Union with regard to Russian companies.

Management of a company is connected with delegation of the goals and tasks with which a manager faces (Thalassinos et al., 2013; Carstina et al., 2015). Concentration of financial levers (rewards and limitations) in the manager's hands strengthens importance of these communications for the company's sustainable development. Control action from top is understood at the bottom as a signal related with the surrounding circumstances and processes. In the western culture of production high chances for a victory of the strongest are provided thanks to functioning of the uniform competitive field ("level playing field"), action of the general for all rules (Shpengler, 1995; Hamid and Won Kie, 2016). According to A. V. Kuznetsov, "the operating influence from above is perceived below as the signal coordinated to surrounding circumstances and processes" (Kuznetsov, 2015). To ensure financial stability the companies must critically assess business processes and revise business models of development (Allegret et al., 2016; Grima et al., 2016). Main direction of

activities in modern management system is cost optimization, restructuring of core business processes of financial management on the basis of risk management programs, diversification of products and services.

In large companies separate employees or even entire departments deal with internal control of business processes. In small and medium-size businesses information systems of internal control of financial flows of the company are only being formed, so effective internal control can be created with help of external experts such as professional consulting or auditing companies. The problem of creating internal control system for Russian companies which actively cooperate with commercial banks and participate in public procurement is particularly up-to-date. Participation in macroeconomic business processes requires from Russian companies institutional economic behavior and transparency of financial flows. Specific character of internal control system organization in the companies depends first of all on size of the enterprise. For example for companies with an annual turnover of 200-300 million rubles it is rational to employ special employees who will be engaged in the audit of deals and financial operations, procurement analysis, verification of contractors and other activities. In small companies belonging to small and medium-size businesses the majority of control functions are transferred to the services of risk management. It is important to understand that the financial capabilities of any enterprise are almost always limited, therefore the main function of ensuring financial stability is to use the available resources in the most efficient way within these constraints. It should be noted that there is a large number of works about analysis of the financial position of the company in modern conditions. Among them, the following works should be noted [4, 20, 21, 32]. A universal principle of information and financial correspondence of methods and tools is distinguished between management information and the chosen vector of the financial strategy of the company's development. Based on the information collected, the risk maps of the enterprise are built, which allows eliminating the imbalances in the development of the enterprise, to ensure its financial stability [10, 31, 32].

Currently, enterprises have to withstand fierce competition in raising capital to finance their business. At the same time, there is a close relationship between the stable financial position of the company and its innovative activities [2]. The following works are devoted to the methodological foundations of the study of assessing the effectiveness of managing organizations [1, 5, 6, 7, 8, 11, 14, 24, 25]. The combination of finance and information technology has become relevant in the past few years. Trends in the impact of digitalization on financial management are discussed in the following papers [1, 9, 12, 23, 33]. Works on the use of the theory of fuzzy sets for building business models based on financial indicators are becoming relevant today [19, 21, 33]. In this case, the system of indicators is based on certain aspects of the

industrial enterprise activity, which reduces the efficiency of management decisions. To improve management efficiency and reduce the risks in [22], it is proposed to introduce a linguistic variable to assess financial stability and divide the set of its values into blocks of terms.

In modern conditions, it becomes necessary to determine the main ways to mobilize the hidden reserves of the enterprises and to ensure an increase in the cost of the validity of decisions made by the local management [26, 30]. The efficiency of the enterprise, according to Rybyantseva, M.S., Ivanova, E.A., Demin, S.S., Dzhamay, E.V., Bakharev, V.V., depends on the state of finances, which requires consideration of the main methods of achieving financial stability. The study of the financial stability of organizations and its key components has been given close attention in the works of such scientists as Bakanov M.I., Kovalev V.V., Krylov S.I., Savitskaya G.V., Sokolov Ya. V., Sheremet A.D Each of the approaches has its own advantages and disadvantages, which indicates the need to improve such methods while consolidating changes in the digitalization environment. The literature search allowed us to summarize the current experience and the specific nature of financial analysis in the context of digitization and revealed a lack of research in the field of predicting financial stability indicators.

All of the above proves the relevance of the research topic, the general task of which is to identify the features of the "financial stability" category for the formation of the effective enterprise management based on the signal indicators Despite the fact that the group of indicators forming the concept of "financial stability" is primarily intra-organizational, that is, it reflects the state of affairs within a particular organization, it develops under the influence of not only internal, but also external factors. Internal factors include the following: composition, structure and production technology; the amount of fixed costs; the structure of the company's assets (the proportion of non-current assets in all assets); financial policy of the enterprise; organizational structure of the enterprise. External factors include: the state of the industry; the state of the national economy; financial and tax policy of the state; the political situation in the country and in the world; laws, by-laws and other regulatory legal acts that impose additional restrictions on the activities of enterprises. Thus, it is important to understand that the financial capabilities of any enterprise are almost always limited; therefore the main function of ensuring financial stability is to use the available resources in the most efficient way within these limitations. There are many interpretations of the concept of "financial sustainability". Analyzing the approaches to the essence of this economic category, one can see that the scientists have different ideas of the economic essence of the concept. Some of them unambiguously determine financial stability by the ratio of the volume of own and borrowed sources of funds [16, 27, 29].

However, another group of researchers insists that the characterization of financial stability will not be complete if it is based only on the analysis of liabilities, that is, sources of funding, and therefore should also include an analysis of the directions of capital investment [3, 28, 13]. This is due to the fact that the growth rate of circulating assets should exceed the growth rate of non-circulating assets, which indicates the release of funds in the most mobile forms and their involvement in the main activity [17, 18]. Based on the above, the following algorithm for generating signal indicators for managing the financial stability of an industrial enterprise is proposed. Fig. 1 shows that in order for an enterprise to achieve the desired indicators of the financial stability, it is necessary to choose a circulating capital management policy based on the requirements and needs of an industrial enterprise in it, as well as the management structure. In its policy the company seeks to improve the financial stability. For this it is proposed to consider the following signal indicators: indicators characterizing the level of receivables; indicators characterizing the level of the external obligations of the enterprise. Next, we will consider each group of indicators.

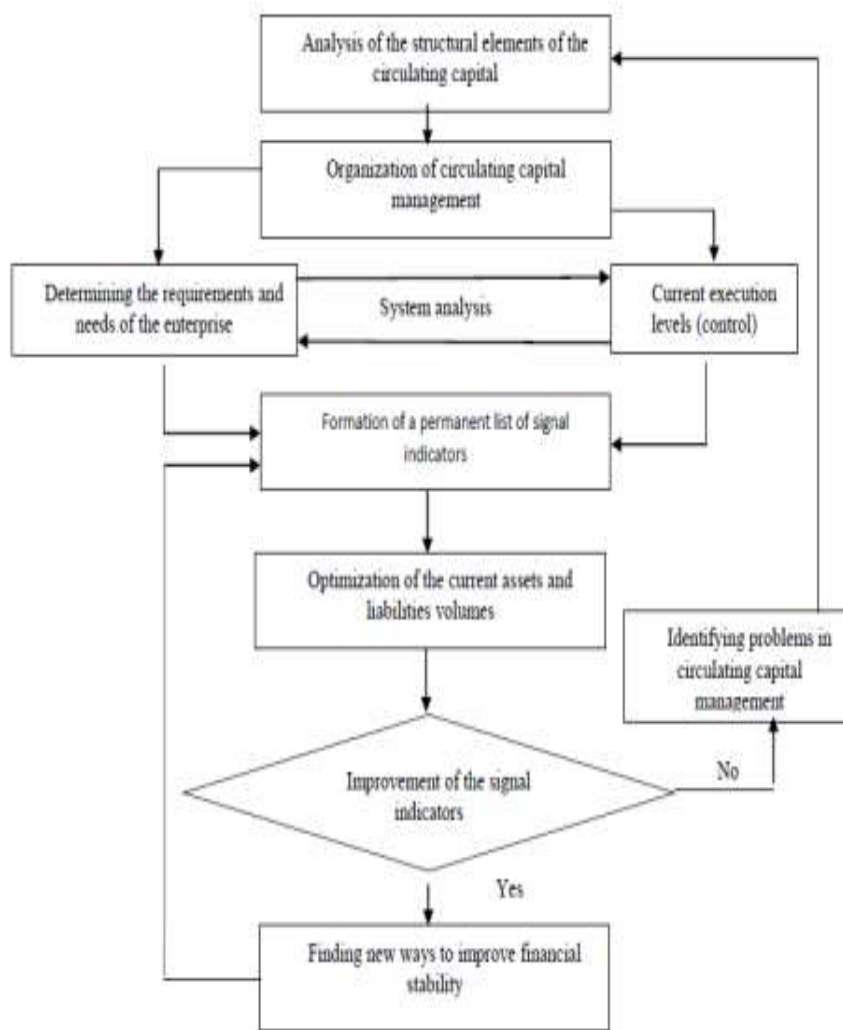


Figure 1. Algorithm for the formation of the signal indicators for managing the financial stability of an industrial enterprise.

The analysis of debtors includes the study of the proceeds volume that this contractor brings, the amount of its debt with the expected amount of repayment and the forecasted value of losses from violating the established maturities of debt, with subsequent grouping of contractors by attractiveness rating. As a working analysis tool, it is proposed to use the ABC analysis of the contractors (groups of contractors) of the enterprise. Then, for each group of contractors, determine the terms of the credit policy. This method will allow you to establish the individual characteristics of working with certain contractors (groups of contractors), for example, the payment schedule or the status of receivables, as well as to assess the possible risks of working with each group of contractors. The identified risks can be taken into account in the organization's pricing policy for each segment. Implementation of the anti-crisis strategy of development of a company is formed taking into consideration authoritative information. Such strategy has to be aimed at obtaining information on the real situation in a company. According to the results of synthesis of the international experience, in order to overcome all components of a crisis information has to capture all: the institutional environment, the technological sphere, and parameters of economic model of development (Kulkov, 2015; Fetai, 2015). At the same time the managerial information cannot exist on its own without presence of effective impact of the subject of management. Creative vector impulse coming from the subject determines the quality of information management, aimed at elaboration of the company's development strategy. Following elaboration of the strategy aimed at ensuring the strategy of growth as a system phenomenon, to ensure stability it is necessary to search for financial instruments determining the conditions of the company's development under the changing conditions. Thus the managerial information can be considered as the basis for implementation of system organized phenomena which provide development of instruments, methods and strategies of management. The information is updated and implemented in the system of control actions on the object of management.

The managerial information selected in a right way helps to create an effective multilevel structural and functional organization, owing to which the individual business processes as structural elements of the management system will interact with each other as a part of the unified integrity. Consequently management information serves as an integral. When two or more management systems interact, e.g. such as strategic and financial, the strategy of the company's development is formed. In the formation of different vectors of company development different types of vectors interaction between instruments, according to Prof. Osipov, methods and strategies appear (Osipov, 2014). It defines the need to consider and apply managerial information as the basis for the information and financial development of companies. Herewith a universal principle of information and financial correspondence of

techniques and instruments exists between managerial information and selected vector of the financial strategy of the company development. Thus managerial information is an attribute characteristic of risk management system, implemented through business processes connected with identification of the company's development risks. Work on risks is actualized through system interactions of companies and contractors on the basis of creating a stable system of financial relations between the company, its customers and contractors. The main prerequisite for formation of the company financial stability model is the methodological provision that condition and main purpose of development of the company as a system of interconnected contractors' relations is the accumulation of managerial information, as well as effective instruments for its processing and managers' use (Toynbee, 1999).

System economic phenomena (cost, price, money, inflation, profits and interest) involved in the process of implementing the company's strategy should ensure its financial stability. All these economic phenomena aimed at sustainable growth of the company have information and financial nature. When it is referred to managerial information as to the fundamental instrument of risk management, it is meant that this information should be directed at reducing risks. Risk in modern financial economy can be considered as an inherent element of development in all economic systems and organizations which are implemented as a system of negative events of common information content. The concept of the company's financial stability management can be represented as a system of risk management established on the basis of the adaptive economic information. One of the main distinguishing features of the concept of the company's financial stability management is to overcome a traditional opposition of information and risk. Principally new provision is also a justification of the thesis that spontaneous unforeseen risks reducing financial stability of the company and violating business processes cannot occur in modern management system. Stable or unstable development of modern companies depends on existence of order or chaos in modern financial economy, level of corporate management.

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