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FINANCIAL STRATEGY IN THE SYSTEM OF CORPORATE MANAGEMENT OF ENTERPRISES

Statement of the problem. New economic relationships that are created on the basis of the information economy, determine the need for innovative ways and methods of business management. Definitely we can say that in order to achieve a certain goal can move in different ways, and the choice of a particular method of achieving it is a decision relating to a development strategy.

The components of enterprise efficiency of any sphere of activity: high competitiveness, solvency, financial stability and sustainability, profitability and investment attractiveness is achieved through the implementation of effective financial management. An essential precondition for strategic opportunities of financial development of the company today serves its financial strategy, which occupies a key position in the system of corporate governance. The balance of corporate interests in corporate governance in general and among its important components including a major key to the success of the modern enterprise. All of the above, reveals that the need to study the processes of formation and evaluation of financial strategy and corporate governance of companies in their interrelation, interdependence and mutual influence in today's dynamic environment.

Analysis of recent research and publications. An important contribution to the development of strategies has foreign scientists: I. Ansoff, A. Vihanskyy, A. Gradov, B. Karloff, M. Porter, A. Strickland, A. Thompson, William Sharpe and others. Significant contribution to the development of these problems includes Ukrainian scientists: E. Byeltyukovu, J. Blanco, M. Voynarenko, V. Hrynychutskomu, A. Kuzmin, V. Oberemchuku, A. Redkin, A. Yastremskyi and others. Among the most important current research issues shaping the financial capacity and financial strategies companies are working these Ukrainian scientists: M. Bilyk, Blakiti D., J. Britchenka, A. Voronkov, S. Oborsky, G. Partyna, A. Cherep, S. Shershnovoyi and others. The development of scientific methods of doing business strategies Ukrainian and foreign scientists: I. Blahun, P. Grygoruk, K. Izmailov, S. Ilyashenko, V. Lukyanov, E.M. Mnich, Orlov, L. Pavlov, E. abundant, G. Savytska, A. Stoyanov, Ivan Tkachenko and others. The problems of corporate governance in Ukraine studied by W. Green, D. Zadyhaylo, E. Korenev, B. Mazur, V. Stadnik, T. Nazarchuk, L. Fedulov and others. In the works of these authors considered various aspects of the creation of corporate strategies and business administration. However, a common approach to the study of the formation of financial strategy in corporate business management with regard to relationships, interdependence and mutual influences between financial strategy and management system were found. Therefore, theoretical, methodological and practical solution to these problems is urgent and requires further investigation.

Problem. *The aim of the paper* is the study of the formation of financial strategy in corporate business

management. *The main objectives* of the study are as follows: Set the location and nature of the financial strategy of the enterprise strategic recruitment, development of institutional mechanism for setting the financial strategy in corporate management, the construction of a common model development and implementation of business strategy.

The main material of the study. The financial strategy of the company is one of the main attractions in the strategic recruitment company, which is a system of different types of strategies, emerging and developing now for a defined period of time specific to the operation and development of the enterprise in order to achieve their goals.

Based on a critical analysis of interpretations of this concept by various authors [1, 3, 7] believe that the financial strategy - a flexible, generic model of financial development company, which aims to implement corporate strategies and the formation of rational financial relationships with contractors, contains a defined term financial targets, technology (tools achievements), resources and management system to ensure its viability and adaptation to changes in the external and internal environments [5].

The financial strategy of the company as one of the basic (functional) strategies is the component of the overall business strategy and should meet her after aim and objectives. Now is especially important to determine its place in the strategic recruitment companies, including of some other functional strategies [2, 4, 6, 8, 9].

There is currently no consensus on a financial strategy among other strategies of the company. We share the opinion of scientists who recognize the financial strategy for the guts to realize all the other strategies of the company. This approach M. Kurkina who believes in the overall development of enterprise financial strategy is the basic element that ensures the effective functioning of other enterprise strategies [7, p. 68]. The same idea was expressed V.I. Aranci and A. P. Zorya that consider financial strategy of the enterprise core component of the strategy, which «provides through financial instruments, methods, financial management, etc. implementing any core strategy, which aims to make effective use of financial resources and their management» [1, p. 157].

Financial Strategy is an integral part of the corporate governance of the company - a form of real implementation of administrative relationships. In reality management activity - is the system of corporate governance. The corporate governance of the company - is objectively existing substance through which management takes specific content and expression, and function of government - the practical implementation, it is also functioning in accordance with: the content management features, the nature of relationships that underlie managerial interrelation connections; conditions in which emerging management system, principles of construction, operation and processes that are inherently control system.

The implementation strategies of the enterprise, including its financial strategy, provides capacity of corporate management, the main elements of which can be considered as forming principles and model. Corporate Governance Principles embody the norms of corporate policy of the company, the results of their organizing is concluded that the main emphasis is on the relationship of stakeholders, transparency, control system and so on. The results of the study of international experience and Ukrainian practice model of corporate governance are quite multifaceted; their traits are determined by historical patterns, business practices and so on. In general, the modern Ukrainian model of corporate governance is under construction, it can be considered a transition structure, which is formally presented the constituent elements of different models used in the world. However, the main orientations for the formation of Ukrainian corporate governance model should aim at the fulfillment of these functions as a strategy, protect the rights of shareholders and other stakeholders, transparency and openness, activity monitoring, etc., promising directions is to harmonize national and international standards of corporate governance, the formation of an effective institutional framework for its implementation in practice, optimization of corporate culture, etc. [6].

It should be emphasized that any changes in corporate governance leads to the formation of dominant transforming the financial strategy of the enterprise, including: dominant trends, principles of formation, characteristics, and selection criteria, scientific and methodological support.

The formation of the financial strategy of the company is carried out in stages [3, 6, 9]. Stages of formation of the financial strategy of the enterprise is the basis of the organizational model of the financial strategy of the enterprise, Fig. 1, where in line with defined milestones blocks the formation of financial strategy.

The key elements in the process of financial strategy are:

- identification of the main objectives (mission);
- statement of objectives (tasks) that cause the financial aspect of all activities of the company;
- determination of the period of which depends on the essence of the strategy;
- analysis of environmental factors that determine the purpose and content of the future strategy.

During the diagnosis and evaluation of strategic opportunities Financial Development Company is:

- analysis and evaluation of the financial condition of the company to identify the state of the company and identify features of its development;
- analysis of factors internal financial environment to identify the direction of their effect on the final results of the company;
- complex analysis and diagnostics of internal financial capacity to establish its level of strategic opportunities for financial development.

Particular attention is paid to the development, selection and evaluation components of the financial strategy of the enterprise, including:

- Establish a set of options for financial strategy;
- justification of criteria for selecting a strategy that allows scientific foundation for making the basic version;

- evaluation and selection of the best most attractive alternative strategies;
- the development and refinement of components of the financial policy of the company, carried out in specific areas of financial activity: tax, depreciation, dividend, emission policy;
- justification and the formation of a system of measures to implement the financial strategy that will provide a detailed and coherent action plan as part of activities of the enterprise in a specific time interval, which are aimed at achieving the desired values of the financial performance of the enterprise.

In the process of implementation and control (monitoring) the performance of the developed financial strategy is:

- implementation strategy that involves the interaction of enterprises with external partners;
- the continued tracking performance of the developed strategy means to control and monitor the results of which is provided to establish the level of actual receipt of interim and final results regarding planned and timely adjustments in business strategy;
- evaluation as a financial strategy that is based on the analysis of quantitative and qualitative parameters, which allows to characterize a complex result, the actual process of financial activity and if necessary adjust the financial strategy.

By organizing the results of all previous studies, we propose the following mechanism of organizational financial strategy in corporate management, which is based on the dominant model of financial and business strategy, Fig. 2.

This mechanism allows for the creation and evaluation of a comprehensive financial strategy in corporate management, by combining the results of an integrated assessment of the financial condition and ratings of the quality of corporate governance of the enterprise. This provides an opportunity to identify and take into account relationships and mutual interdependence be-

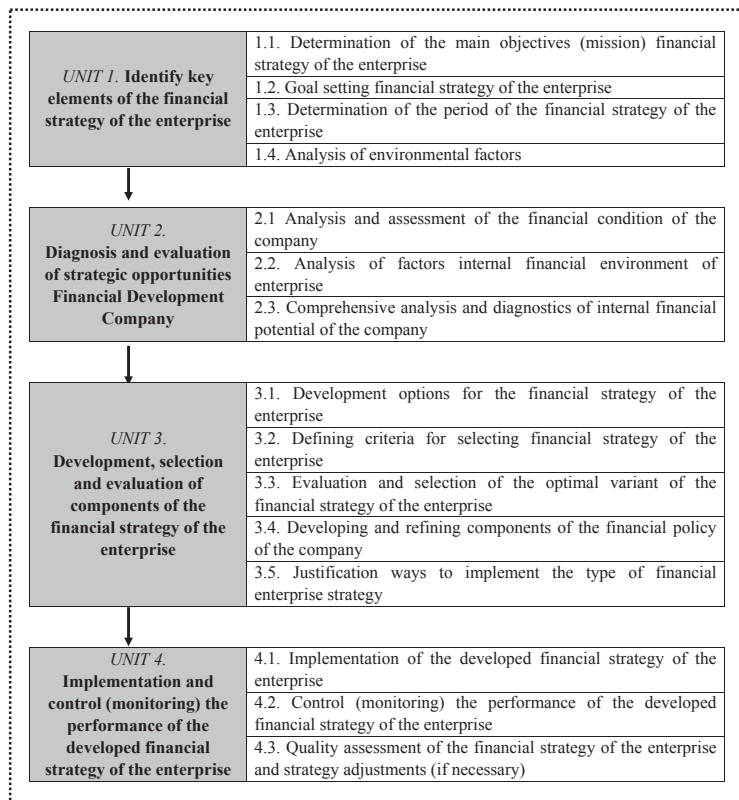


Figure 1. The organizational model of financial strategy.

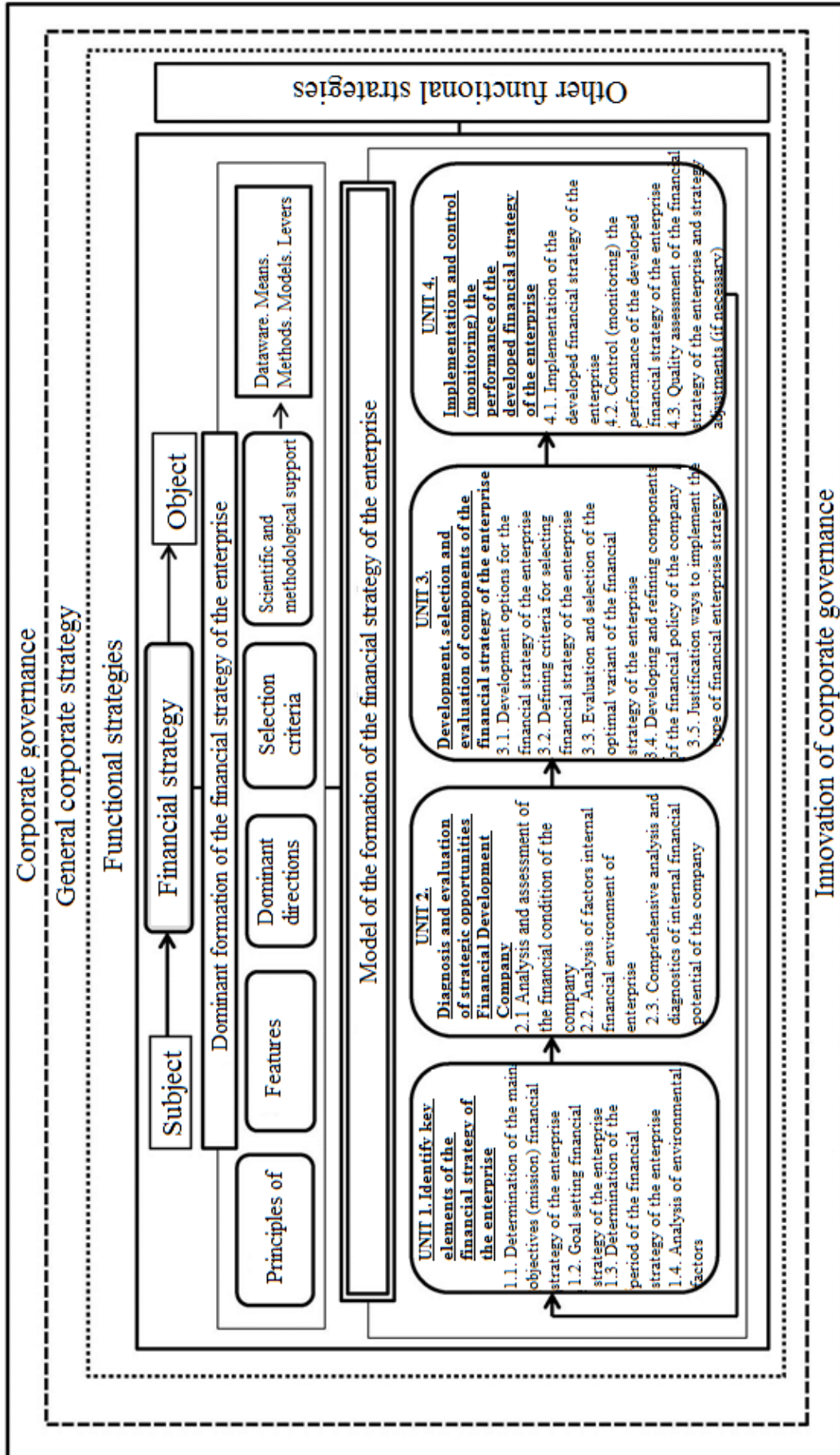


Figure 2. Organizing mechanism of financial strategy in corporate management

tween corporate governance system and its components - financial strategy of the enterprise, allowing more reasonably develop practical recommendations on areas of financial companies with regard to their strategic capabilities.

Select business strategy is based on the definition, analysis and evaluation of key factors that characterize her condition. The selection process is based on the analysis of the portfolio of business and the nature and essence of strategies that are being implemented now. When choosing a strategy based on many key factors must first be considered are:

- the current state of the industry and position it in the company;
- key objectives and mission of the company;
- interests and attitudes of senior management to select (view) strategy;
- the existence and condition of financial resources;
- the level of human resources (skills, experience, etc.);
- commitment to existing policies;
- the degree depending on the external environment;
- time factor (time limits and choice of strategy).

Assessment of the chosen strategy is based on the analysis and evaluation of the major factors that determine the possibility of its implementation. The main criterion for assessment procedure chosen strategy is concluded that this strategy will lead to the achievement of enterprise goals or not.

If the selected strategy set goals of the enterprise, its further evaluation is conducted on the following areas.

1. The estimation of the selected strategy and the requirements of the enterprise environment. It is shown how the strategy is related to the requirements of the main subjects surrounding the extent to which the factors taken into account market dynamics and the dynamics of the product life cycle, to lead the implementation of strategies to new competitive advantages and more.

2. The estimation of the selected strategy capacities and capabilities of the enterprise. Ranked as the chosen strategy associated with other strategies, whether it is the ability of staff whether existing structure can successfully implement it, program or verified the strategy over time and so on.

3. Fits degree (eligibility) risk inherent in the strategy. Assessment of risk is justified on three areas:

- how realistic assumptions underlying the choice of this strategy;
- to which negative consequences for the enterprise can lead failure of this strategy;
- as far as possible positive outcome justifies the risk of losses due to failure in implementing this strategy.

General model development and implementation of business strategy is shown in Fig. 3.

Unlike existing, the proposed model includes a system of criteria for selecting strategies to assess the main characteristics of future strategy and set of advantages compared with other strategies and system constraints of implementation strategies that reflect the internal criteria for rational resource allocation.

At the heart of the strategy, and it is an essential element of management decisions on the allocation of

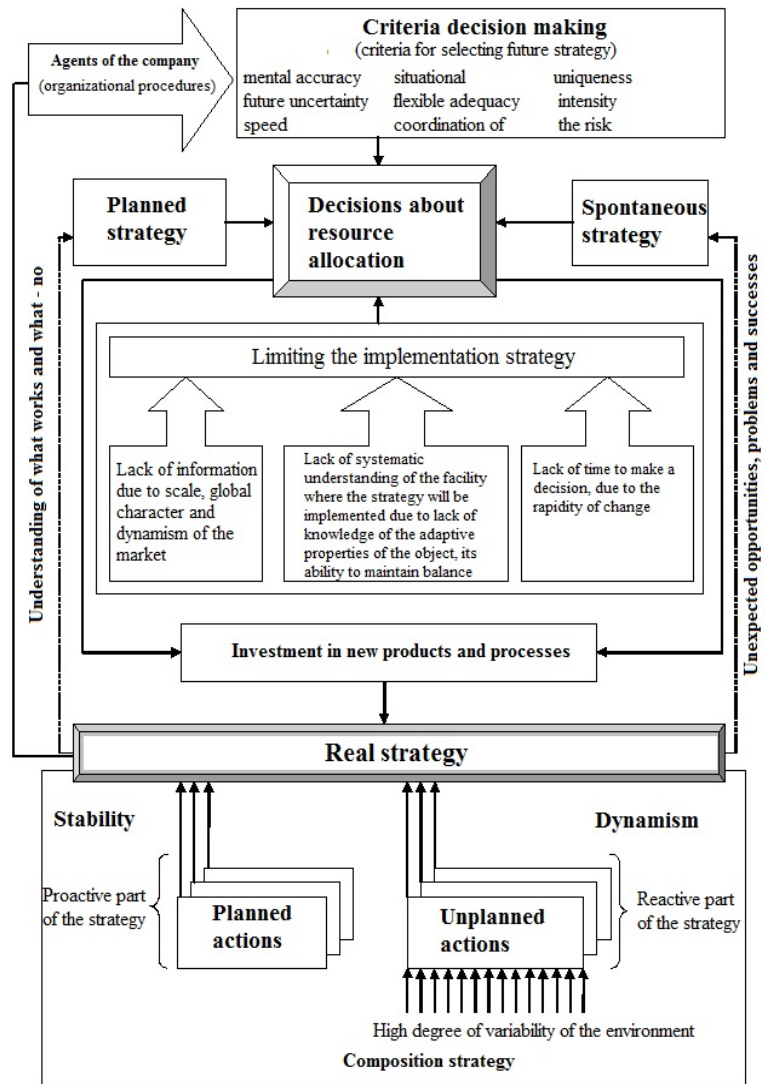


Figure 3. Model development and implementation strategies

resources, enterprises should make financial managers.

To evaluate the benefits of one strategy over another (others) and check how it is able to ensure the success of the enterprise system recommended criteria table 1.

Table 1

Criteria for selection of enterprise strategy

Criterion	Brief description of
Mental correct	The strategy should be developed with the knowledge and understanding of two absolute poles of effective strategies: absolute irrationality (extreme pole) and the limit of rationality (the opposite pole)
Situationally	The strategy should integrate the characteristics of the specific situation in key factors of the future (strategic) success
Unicity (competitive advantage)	The strategy should contain unique (different from existing) possibilities of future business success that will positively will distinguish this company from its competitors and allow it to achieve sustainable competitive advantage. The greater the competitive advantage created by the strategy, so it is more powerful and efficient

Future uncertainty as a strategic opportunity	The strategy should be capable of converting change in the external environment on its strategic and tactical advantages
Flexible adequacy (correspondence)	The strategy should ensure compliance with its own policy changes of the external environment changes
The intensity of the enterprise	The strategy should be aimed at reducing the time to achieve financial and strategic goals of the company
Speed of competitive advantage	The strategy should provide businesses the ability to «accelerate» and «ahead» of competitors
Coordination of	The strategy should ensure consistency and coordination of all its components
The risk	The strategy should be aimed at reducing the probability of risk

Criterion allows matching specific strategy characteristics. It should be noted that all these characteristics are not alternatives but rather complementary and mutually reinforcing.

During the analysis we carried out the literature and practice strategies of individual enterprises found that in practice there are two interpretations of the strategy: proclaimed and real. In our opinion, *the real strategy - a strategy that consists of a stream of new products, services and processes that invested resources*. In this case, consider if the values or criteria upon which decisions about investment priorities do not coincide with the acclaimed (planned) strategy (as often happens in practice), it is now declared strategy and its real strategy greatly.

Pyramid hierarchy «strategic set» includes providing a function of functional strategies is paramount for the enterprise -wide strategy and implementation.

Findings from this study and recommendations for further research in this direction. In the study, we constructed: 1) organizational mechanism of financial strategy in corporate management, which is based on the dominant model of financial and business strategy. This mechanism takes into account the relationships and mutual interdependence between corporate governance system and its components - financial strategy of the enterprise, allowing more reasonable to develop

practical recommendations on areas of financial companies with regard to their strategic capabilities, 2) a general model for development and implementation of business strategy, that, unlike the existing system includes criteria for selecting strategies to assess the main characteristics of future strategy and set of advantages compared with other strategies and system constraints of implementation strategies that reflect the internal criteria for rational resource allocation. The structure of the model development and implementation of business strategy is a combination of planned actions (planned strategy) and unplanned strategic decisions to adapt to the current situation.

We believe that further research should be conducted to identify the nature of relationships in financial strategy with other functional strategies of the company.

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