KAPITEL 2 / *CHAPTER 2* [2]
THE ROLE OF FINANCIAL ANALYSIS IN THE FINANCIAL CONTROLLING SYSTEM OF AN ENTERPRISE

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Introduction

In the context of constant changes in the macroeconomic environment, inflationary fluctuations, political instability and global challenges (in particular, war, pandemics, energy market crises), the financial stability of enterprises becomes particularly important. The uncertainty of the external environment complicates the process of making managerial decisions and requires businesses to be flexible, adaptable and able to respond quickly to risks. In such conditions, there is a growing need to develop effective approaches to stabilizing the financial condition of enterprises, which will ensure their solvency, financial balance and competitiveness in the long term.

Research in this area is especially relevant for economies undergoing structural transformation or operating in crisis conditions. Identifying key factors affecting financial stability and forming an adaptive financial controlling system will increase the efficiency of enterprises in an unstable environment.

During wartime, enterprises operate in conditions of extremely high uncertainty, increased risks and destabilization of the market environment. Destruction of logistics chains, reduced demand, limited access to financing, increased costs for security and preservation of property - all this creates a threat to the stability of economic activity. In such circumstances, systematic control of the financial condition becomes critical. First, it allows you to identify weaknesses in the structure of assets, liabilities and sources of financing, which helps to make timely anti-crisis management decisions. Second, financial analysis is the basis for maintaining solvency, controlling costs and forming reserves. Third, it is on the basis of an objective financial assessment that

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management can reasonably attract investors, partners or state support [1,2].

During the war, the analysis of the financial condition becomes not only a tool for financial controlling, but also a means of ensuring the survival and adaptation of the enterprise to the new reality. Its implementation is a step towards minimizing losses and preserving the potential for recovery after the end of hostilities.

In Ukraine, leading scientists and practitioners are engaged in the assessment of the financial condition of enterprises, in particular G. Kulish, V. Chepka, I. Shcherbatenko, O. Shamaeva, I. Berzhanir, O. Vinnytska, N. Gvozdei. At the international level, the study of financial stability and assessment of the financial condition of enterprises is carried out by the following recognized economists: J. Danielsson, M. Schularick, J. Welc, S. Rachev, W. Perraudin. These scientists make a significant contribution to the development of methodologies for assessing the financial condition of enterprises, which is extremely important for ensuring their stability and adaptation to conditions of uncertainty. However, it should be noted that the problem of stabilizing the financial condition of an enterprise in conditions of uncertainty is relevant and requires improvement.

2.1. Financial stability as the most important characteristic of an enterprise's economic activity

To achieve sustainable post-war development of the Ukrainian economy, it is necessary to solve a number of priority tasks, among which an important place is occupied by increasing the efficiency of the use of financial resources of enterprises. This is due to significant changes in the conditions of functioning of business entities in the market environment. In this regard, there is a need to improve existing and develop new methodological approaches to financial management, which would take into account the specifics of the transformation period of the domestic economy. To ensure long-term stable financial condition, it is necessary to rationally distribute and use the available resources of enterprises, especially financial, in a strategic perspective [3]. That is why the issue of strategic management of the formation and use of financial resources is gaining particular relevance and requires a systematic scientific approach. Today, many Ukrainian enterprises, in addition to external problems, are faced with the problem of inefficient financial management. This is due to insufficient analysis of both the external and internal environment, the lack of a deep assessment of the market situation and the level of economic risks. In a market economy and the independence of business entities, there is a growing need for an adequate assessment of financial capabilities and development prospects, such as attracting investments or obtaining loans. It is also important to be able to analyze the financial condition of other enterprises. A comprehensive assessment of the financial condition allows management to make informed management decisions regarding the solvency, profitability and profitability of the enterprise. The basis of such analysis is a system of financial indicators calculated on the basis of reporting data.

The financial condition is a reflection of the interaction of all components of the financial system of the enterprise, depends on the efficiency of its production, trade and financial activities. The uninterrupted production of competitive products, their sale and reduction of cost are factors that have a direct positive impact on financial stability [4].

Analysis of the financial condition is a necessary stage in the development of plans for the financial recovery of the enterprise. Methods of financial analysis are constantly updated in response to changes in the economic environment. It is the new approaches set out in modern economic publications that became the basis for the preparation of this qualification work. The effective functioning of an enterprise, manifested in stable production and sales of quality products, has a direct positive impact on its financial condition. At the same time, failures in production processes, a decrease in product quality or difficulties with its sale can lead to a decrease in cash receipts, which, in turn, negatively affects the solvency of the enterprise. There is also an inverse relationship - a shortage of funds can complicate the provision of the enterprise with material resources, which leads to interruptions in production. In the practice of Ukrainian enterprises, situations often occur when even efficient production does not guarantee financial stability. This is due to imperfect management of available financial resources, their irrational distribution and use [8].

Financial analysis is a tool that covers a wide range of economic information, is operational in nature and is aimed at meeting the needs of management personnel. It is thanks to such an analysis that one can obtain an objective picture of the financial position of the enterprise, examine in detail the structure of costs, the cost of products in general and their individual types, as well as analyze the volume of commercial and administrative expenses. In addition, the analysis allows one to more accurately determine the responsibility of managers for compliance with the provisions of the business plan. In market conditions, financial stability is a key factor in the survival of the enterprise and the key to its stable development. It is characterized by such a state of financial resources in which the enterprise can freely manage funds and ensure the continuity of the production cycle, product sales, as well as financing modernization and expansion costs. The main goal of financial analysis in the financial controlling system is not only to record and assess the current financial condition of the enterprise, but also to identify areas for its improvement. Conducting such an analysis allows one to clearly outline problem areas and offer effective tools for stabilizing and developing the financial system of the enterprise in a specific period of its activity [5].

Financial analysis, in turn, acts as a scientific research method that allows you to assess and predict the financial situation of an enterprise. It is based on the dissection of the object of research into separate components, which allows you to more deeply understand the essence of phenomena and processes. In conjunction with analysis, synthesis is also used - a method of studying the subject in its unity and interrelationships. This interaction is key in economic research both at the level of individual enterprises and at the national level [5,6].

The main purpose of financial analysis is to provide information support when making management decisions that depend on actual or forecast indicators of the financial condition of the enterprise. The task of the analysis is to identify a limited but most important set of indicators that allow you to objectively and fully assess the financial situation of a business entity. Such key indicators include: the level of solvency, financial stability, independence from external sources of financing, profitability of operating activities and the probability of financial insolvency.

Financial analysis is an integral part of the general analysis of the economic activity of an enterprise, which involves a systematic approach to assessing the effectiveness of functioning. Within the framework of this approach, two interrelated areas are distinguished: financial and management analysis. Such a distinction is conditional and follows from the practice of dividing accounting into financial and management, which is fully justified in the conditions of the functioning of enterprises in a market environment.

External financial analysis involves providing objective information to a wide range of users regarding the effectiveness of the enterprise's activities, its solvency, financial stability, independence, level of business activity and ability to maintain positions in the market. The basis for such analysis is the official financial reporting of the enterprise, which allows the use of standardized approaches and unified methods. In particular, the Methods of Integrated Assessment of Investment Attractiveness of Enterprises and Detailed Analysis of the Financial Condition of Business Entities with Signs of Insolvency, developed by relevant state institutions, are based on external analysis indicators. External analysis tools also include models for assessing the risk of bankruptcy. However, the limited amount of available information makes it impossible to fully identify the internal causes of the economic results of the enterprise.

Internal financial analysis, unlike external, aims to provide the enterprise's management with detailed analytical data for making strategic and tactical decisions. The main emphasis is on studying the factors that affect the formation of profit or loss, profitability, costs by product type and costing items, determining the break-even point, as well as analyzing the effectiveness of investment projects [7].

2.2. Ensuring the financial stability of an enterprise in the enterprise financial management systems

Sustainability is a key condition for the viability of an enterprise and the basis for its development in a competitive market. This indicator is influenced by both internal

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and external factors: manufacturing of demanded products at an affordable price, stable position in the market, high level of technical equipment of production, introduction of the latest technologies, established partnership relations, continuity of resource circulation, effective management of economic and financial processes, minimal risks in carrying out economic activities, etc.

The financial stability of an enterprise is such a state of its financial resources, under which stable solvency is ensured. Possession of information about the permissible limits of changes in sources of financing of assets allows the enterprise to choose the optimal directions of development and carry out economic operations that contribute to strengthening the financial condition [7].

The essence of financial stability is that the resources invested in production activities must bring income sufficient to cover costs and ensure profitability. The profit received, in turn, should create opportunities for self-financing, reducing the enterprise's dependence on external sources of financing.

In other words, financial stability is characterized by the ability of the enterprise to pay off its obligations at the expense of existing assets. It is achieved when income covers expenses, and profit ensures financial independence. The level of financial stability is defined as the ratio of the cost of current material resources (inventories and expenses) to the totality of its own and borrowed funds used to form them.

Financial stability reflects the level of financial independence of the enterprise in owning and managing its own assets. This independence can be assessed using several criteria: the degree of provision of current material resources (inventories) with stable sources of financing; the ability of the enterprise to timely fulfill short-term obligations at the expense of liquid assets; the specific weight of its own or stable financial resources in the overall structure of sources of financing.

A set of absolute and relative indicators is used to assess the financial stability of the enterprise. The most generalized absolute indicators include the ratio between the total volume of financing sources and the amount of inventories and expenses. This indicator reveals the presence of a surplus or deficit of resources to ensure operational activities.

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The formation of financial stability is the result of a long-term process of conducting economic activities. That is why its assessment should be based not on one or two indicators, but on a broad system of indicators that allow obtaining a complete picture of the financial position of the enterprise [3]. Assessment of the financial stability of an enterprise is aimed at an objective study of the structure and volumes of assets and liabilities in order to determine the level of financial stability, independence and compliance of the enterprise's activities with its statutory objectives. The main analytical tool in this process is the method of relative financial ratios.

The key relative indicators used to assess the solvency of an enterprise include current liquidity ratios (coverage ratio) and quick liquidity ratio. In global and national practice, a set of financial stability ratios is used that reflect the movement of the financial activity of the enterprise, in particular: the autonomy (independence) ratio or the equity ratio; the financial dependence ratio; the ratio of the ratio of borrowed and own funds, or the financial risk ratio; the ratio of providing inventories with own working capital. In the process of financial analysis, various profitability indicators are also used. All of them are relative values and demonstrate how much profit (net, balance sheet, operating, after tax, etc.) is accounted for per one hryvnia of sold products, assets, fixed assets or equity. In the process of economic activity, the enterprise constantly forms and replenishes inventories of commodity and material values. For this, both its own working resources and borrowed funds are used - both long-term and short-term credits and loans. Assessment of the adequacy or inadequacy (surplus or deficit) of financing sources to cover inventories and expenses allows determining absolute indicators of financial stability.

The stable financial condition of an enterprise is manifested in the stable production of competitive, high-quality and affordable products that are in constant demand. This also implies a reliable position in the market, a high level of material and technical equipment, the introduction of the latest technologies, established business relations, an uninterrupted capital cycle and effective financial and economic activity with minimal risk. All these factors form the multifaceted nature of the enterprise's stability, which can manifest itself both in the general, price or financial aspect, and in the context of the influence of internal and external factors [4].

The external side of the enterprise's financial stability is determined by the stability of the economic environment, which is formed due to effective state macroeconomic regulation. In turn, the internal aspect reflects the state of the enterprise's resource potential, the structure of its capital in both material and cost terms, as well as the ability to ensure stable production and financial results. The coordinated action of external and internal factors ensures the integrity of the functioning of both the enterprise and the economy as a whole. Therefore, the financial stability of the enterprise is the final result of the interaction of endogenous and exogenous factors within a single financial and economic mechanism that covers the levels of macro- and microeconomics.

2.3. Financial stability as a basis for making management decisions

To ensure the financial stability of the enterprise in crisis conditions, it is necessary to implement an effective financial strategy. Among the key strategic guidelines of the enterprise, priorities for the future should be determined, in particular: improving product quality, optimizing production costs, reducing costs, introducing productive technologies and achieving sustainable profitability.

In a dynamic external environment, strategic management requires a flexible internal organizational structure, as well as training management personnel for the operational implementation of the chosen strategy. The ability to quickly respond to external changes, making timely strategic decisions, as well as determining the optimal ways to implement these decisions is important.

The need for further development of theoretical and methodological foundations of strategic financial management is due to the high dynamics of economic processes, increased risk and uncertainty in decision-making, as well as the multi-vector nature of economic activity. That is why assessing the quality of financial strategy formation appears as one of the central problems of strategic management of enterprise resources.

Financial strategy should be considered as an information product of strategic management, because its essence lies in the development of management decisions, programs and plans. It is not the main goal, but it is a key factor in ensuring the financing of other functional strategies of the enterprise, such as marketing or personnel. Thus, a qualitatively formed financial strategy contributes to the implementation of the overall development strategy of the enterprise. This creates a cause-and-effect chain: "quality of financial strategy - quality of functional strategies - quality of overall corporate strategy". That is why assessing the quality of financial strategy should be based on the effectiveness of the enterprise as a whole and take into account the system of relevant indicators [2,6].

Among the key characteristics of a financial strategy, it is necessary to distinguish such as effectiveness, compliance with conditions and goals (adequacy), reliability, the ability to form and maintain long-term competitive advantages both in the field of finance and for the enterprise as a whole. Also important are: strategic orientation in time, realistic goals, consistency with the resource potential of the enterprise, clear planning, a systematic approach, differentiation, flexibility and risk accounting. However, these properties may conflict with each other: the improvement of some is often accompanied by a decrease in others [2]. In the case of a product, its quality is usually determined by comparing characteristics with a benchmark - a standard or norm. However, in the context of a financial strategy, such a comparison is difficult, since there is no predetermined ideal sample. During the development of a financial strategy, the most realistic development option is formed, which can only conditionally be compared with the "ideal". At the same time, an understanding of how effective the strategy is comes only during its implementation.

Summary and conclusions

In modern business conditions, financial analysis is an integral part of the effective functioning of any business entity. Financial analysis in the controlling system is a key tool for adapting an enterprise to the crisis conditions of war, allowing for timely identification of financial risks, assessment of liquidity, solvency and financial stability in real time. It helps to promptly make management decisions aimed at preserving working capital, optimizing costs, finding sources of financing and maintaining solvency. At the same time, the use of financial analysis in the controlling system allows for transparency of financial management, control over budget execution and achievement of target indicators, which is especially important in conditions of instability. In-depth financial analysis makes it possible to identify weaknesses in the structure of the enterprise's finances and timely make adjustments to business processes, which contributes to increasing the flexibility and ability of the enterprise to withstand external challenges of war. In wartime, financial analysis and controlling become the basis for maintaining business viability, planning for the resumption of activities after stabilization and ensuring the financial security of the enterprise.