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SYSTEM OF FINANCIAL-ECONOMIC SECURITY OF ENTERPRISES**Demchuk N., Dr.of Econ.Sc.***Dnipropetrovsk State Agrarian and Economic University***Stepanov D.***International University of Business and Law, Kherson*

The article considers the system of financial and economic security of enterprises from the perspective of the need to ensure the profitability; financial stability and enterprise development. It is analyzed the financial condition of enterprises. It is defined the theoretical and methodological basis for studying the basic aspects of the system of financial-economic security in enterprises. The study of the development level and profitability of enterprises of Ukraine are presented. A systematic approach to the study of financial and economic security involves the research of an increasing number of links between system elements and external environment to identify and analyze the most significant of them. One of the main problems of the system approach application to research of financial and economic security of the enterprise is the correct system specification, identifying all significant elements and establishing the totality of the relationships between them. The basis for the development of a comprehensive system of financial and economic security of the enterprise as the main component of economic security should be based on a certain concept.

Keywords: financial-economic security, system, profitability, growth, business, financial condition

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СИСТЕМА ФІНАНСОВО-ЕКОНОМІЧНОЇ БЕЗПЕКИ ІДПРИЄМСТВ**Демчук Н.І., д.е.н.***Дніпропетровський державний аграрно-економічний університет***Степанов Д.С.***Міжнародний університет бізнесу і права, м. Херсон*

Розглянуто систему фінансово-економічної безпеки підприємств з позиції необхідності забезпечення прибутковості, фінансової стійкості та розвитку суб'єкта господарювання, проаналізовано фінансовий стан підприємств. Визначено теоретико-методичну базу для вивчення базових аспектів системи фінансово-економічної безпеки на підприємствах. Представлено дослідження рівня розвитку та прибутковості підприємств України. Системний підхід до дослідження фінансово-економічної безпеки передбачає дослідження якомога більшої кількості зв'язків між елементами системи та об'єктами зовнішнього середовища для виявлення та аналізу найістотніших з них. Однією з основних

проблем застосування системного підходу до дослідження фінансово-економічної безпеки підприємства є правильна специфікація системи, виявлення усіх істотних її елементів та встановлення всієї сукупності зв'язків між ними. В основі розроблення комплексної системи забезпечення фінансово-економічної безпеки підприємства, як основного складника економічної безпеки, повинна лежати визначена концепція.

Ключові слова: фінансово-економічна безпека, система, прибутковість, розвиток, підприємство, фінансовий стан.

Statement of the problem. The issues of financial and economic safety ensuring of the enterprises are becoming increasingly important. The activity of modern enterprises is characterized by rapid changes in the conditions and factors of internal and external environment of functioning, threats to their financial interests from the individual economic entities and a high level of financial risks. An important task of ensuring the viability of business entities is financial-economic security providing.

Analysis of recent research and publications. A research of financial-economic security was studied by O.I. Baranovsky, V.V. Burtsev, O.D. Vasylyk, M.Yu. Dmitrieva, M.M. Ermoshenko, Y.A. Zhalilo, N.P. Kapustin, O.F. Novikova, Ye.A. Oleynikov and others [1-9]. Nevertheless the guaranteeing problem of financial and economic security of enterprises in the market conditions through the implementation of the appropriate control mechanism requires detailed studies both at the macroeconomic level and at the macro level.

The **purpose of the article** is development of scientific-methodical recommendations and proposals for implementation of the financial-economic security system in enterprises.

Main material exposition. The analysis of literary sources allowed determining that the system of financial-economic security of enterprises must meet the following criteria: originality (developed for each individual enterprise), autonomy (separated from similar systems in other production units), complexity, activity and effectiveness.

In order to determine the necessity of the system of ensuring financial and economic safety of the enterprises at the present stage of development, we consider the level of development and profitability of Ukrainian enterprises in the table. 1.

Table 1 - Number of enterprises according to their size by the kinds of economic activities

Kind of business	Years					Ratio, %
	2 010	2 011	2 012	2 013	2 014	
Total	378810	375695	364935	393327	341001	90,02
Including :						
agriculture	50666	41677	47656	49848	46012	90,81
industry	47827	47479	43356	49130	42187	88,21
building	38215	37544	34077	36185	29785	77,94
wholesale and retail trade; repair of motor vehicles and motorcycles	110154	111638	103798	110414	93972	85,31
transport, warehousing, postal and courier activities	13603	14792	15472	16810	14909	109,60
temporary accommodation and catering	9777	9880	9495	10096	7885	80,65
information and telecommunications	13189	14372	13448	14885	13319	100,99
financial and insurance activities	5703	5594	4972	4996	4410	77,33
operations with real estate	27603	28783	32121	35076	31201	113,03
professional, scientific and technical activities	32188	32962	30973	33946	30028	93,29
activities in the field of administrative and support services	16011	16774	16086	17478	15177	94,79
education	2454	2434	2162	2367	2081	84,80
health and social care provision	4684	4883	4636	4914	4093	87,38
arts, sports, entertainment and recreation	2078	2214	2027	2341	1946	93,65
all other types of services	4658	4669	4656	4841	3996	85,79

Source: calculated by the authors according to [10]

The data of table 1 show that the total number of enterprises of Ukraine was decreased by 10 % in 2014 compared to 2010. The decrease in the number of enterprises was occurred by enterprises in almost all sectors, except for such spheres: real estate, information and telecommunications, transport and warehousing.

In Fig. 1 let us consider the dynamics of changes in the number of enterprises in Ukraine in 2010 and 2014.

As it can be seen from Fig. 1 the greatest number of enterprises was in trade sector. The study of financial results at the macro level is an important component of the conditions of the macroeconomic equilibrium maintaining,

the elaboration of the specific means of influence on economic processes through the development and conduct of the particular economic policy. Such complex category as «financial results» it is impossible to read turning to the financial results achieved by one single enterprise. According to table 2 we will make an assessment of the impact of financial results on the country's economy as a whole.

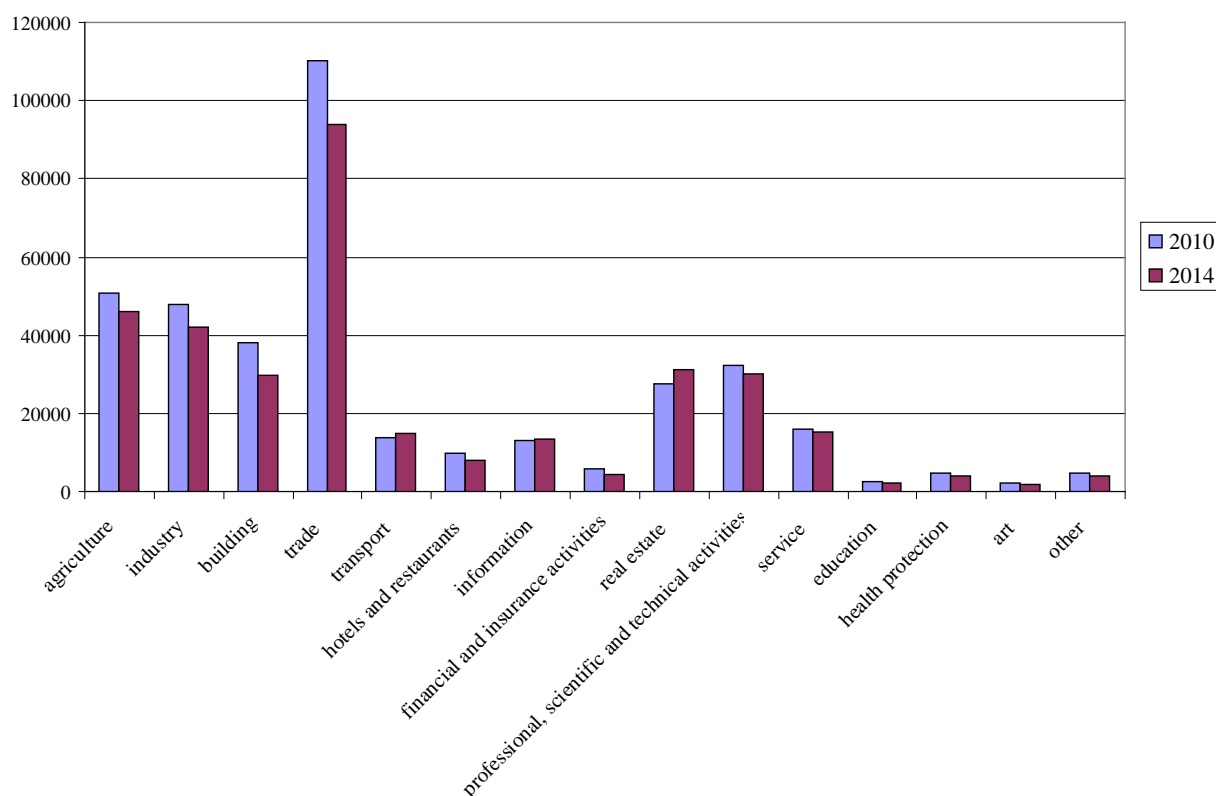


Fig. 1 Evolution of the number of Ukrainian enterprises in 2010 and 2014

Source: calculated by the authors according to [10]

The analysis of the financial results of enterprises shows an overall picture of efficiency of actions and possible expectations for the future. After the data analyzing, it's safe to say that the financial results of the state in the form of profit were formed primarily in industries, agriculture and the financial sector up to 2014. But in 2014, these sectors were unprofitable, which is directly attributable to the financial crisis and the sharp reduction in demand from the population [5].

With varying success, the contribution to the net financial result in the form of profit was done by transport and communication sectors. Under conditions of declining production and demand, the threat of bankruptcy for some companies (according to the laws of microeconomics) it will be more profitable to sell with a loss, the amount of which will be less in the case if

the company goes bankrupt and the cheap assets will be sold much cheaper, as it always happened, than the pre-crisis level. It is paid attention to financial results in agriculture. Despite the tax breaks and large subsidies, the growth rate of financial results in this area is unstable and very low.

Table 2 - Financial results of enterprises of economic activities before taxation, mln.UAH

Kind of business	Years				
	2 010	2 011	2 012	2 013	2 014
Total	58334,0	122210	101884,7	29283	-523587
agriculture	17291,8	25565,9	26992,7	15147,3	21677,4
industry	31221,1	58662,3	21353,4	13698,3	-166414
building	-4418,2	-3845,8	-71,1	-5126,6	-27288,4
wholesale and retail trade; repair of motor vehicles and motorcycles	14883,5	21591,5	9608	-6047,5	-128134,8
transport, warehousing, postal and courier activities	5058,9	8741,4	7524,9	834,3	-19703,9
temporary accommodation and catering	-548,1	-571,6	-862,5	-1270,5	-6579
information and telecommunications	4101,4	4440,7	6300,1	6817,6	-15373,9
financial and insurance activities	15627,0	12423,2	37984,3	24041,2	35960,6
operations with real estate	-6537,7	-12060,8	-8539,5	-9571,4	-105597,6
professional, scientific and technical activities	-15110,3	11167,8	-165,5	-6823,8	-98958,1
activities in the field of administrative and support services	-1578,5	-2213,2	3889,4	-1224,8	-9219,4
education	88,3	100,9	136,8	140,2	82,6
health and social care provision	9,8	-119,8	30,5	-31,9	-1111
arts, sports, entertainment and recreation	-1784,6	-1706,2	-2280,4	-1280,4	-2911,4
all other types of services	29,6	33,7	-16,4	-18,8	-16,1

Source: calculated by the authors according to [10]

One of the main indicators of economic effectiveness and its profitability is profit. The more profit, the greater opportunity for entrepreneurs and the state is in the transformation of its main part into the investment, therefore, and into a new productive capital. Just profit provides businesses the ability to investment and innovation, which is a very important growth factor. Because the main is not dilemma «growth or no growth of financial results», and what is the nature of this growth, it based on which background, how this foundation is strong and what needs to be done to ensure the sustainability of profit growth and the economy growth in general. In figure 2 we compare the dynamics of the number of Ukrainian enterprises and their financial results.

Table 3 - Businesses that made a profit, mln.UAH

Kind of business	Years							
	2 010		2 012		2 013		2 014	
	% of enterprises	mln. UAH	% of enterprises	mln. UAH	% of enterprises	mln. UAH	% of enterprises	mln. UAH
Total	59	212009	64,5	277939	65,9	234514	66,3	334517
agriculture	69,5	22306,1	78,3	33906,7	79,9	26496,5	84,2	52171
industry	58,7	68933,1	62,4	86504,1	63,3	81336,9	63,3	76253,3
building	55,3	4905,1	60,5	9139,1	62,3	5968	62,7	6295,7
trade	62,5	42655,9	66	43877,8	67,2	36528,5	66,7	34360,9
agriculture	54,6	10387,7	61,8	13946,5	63,1	9429,9	62,7	12775,3
hotels and restaurants	57,3	619,8	58,9	858,7	59,5	788,3	59,5	370,2
information	59	8168,5	63,6	11641,6	63,4	11668,3	64,8	11256,5
financial and insurance activities	58,9	38445,2	60,3	48666,4	60,6	38534,3	61,7	122137,3
real estate	49,9	4743,7	55,3	6952,6	57,5	6750,1	56,1	5281,9
professional, scientific and technical activities	57,5	8218,6	62,2	14098,9	63,4	13027,2	63,3	8873,1
service	56	1606,8	60,5	7200,7	64,3	2580,3	62,7	2546,2
education	64,3	163,1	68,1	198,2	69,9	203,7	67	214,8
health protection	60,7	406,5	62,7	416,8	64,7	525,3	64,7	377,5
art, sport	51,3	248,2	54,3	354,6	57,3	571,7	55,6	1415,8
other types of services	62,1	200,3	63,8	175,8	68,1	104,7	65,5	187,8

Source: calculated by the authors according to [10]

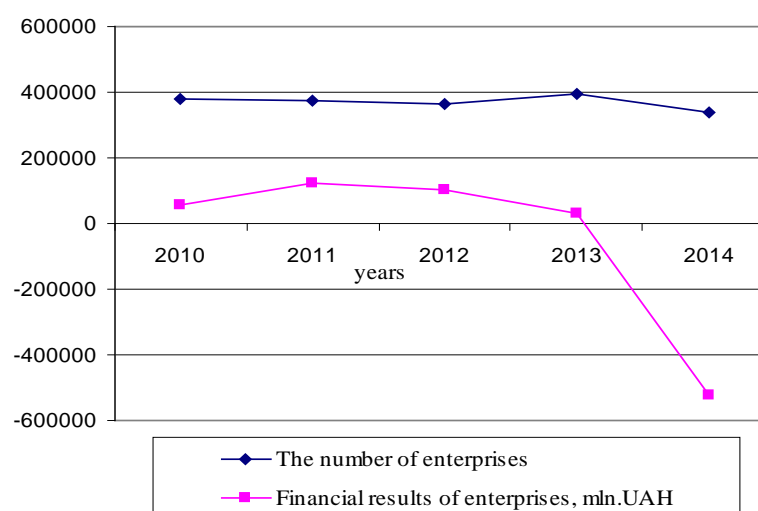


Fig. 2 Dynamics of the number of enterprises and their financial results

Source: calculated by the authors according to [10]

We can see a downward trend in the number of enterprises and a sharp decline in financial results. This fact suggests that the operating enterprises make a loss under the influence of various factors. In particular it is the

insufficient attention to the management of financial and economic security of enterprises. There are necessary components of the financial-economic security system of enterprises.

A systematic approach to the study of financial-economic security involves the study of an increasing number of links between elements of the system and the external environment objects to identify and analyze the most significant of them. One of the main problems of the system approach application to research of financial and economic security of the enterprise is the correct system specification, all significant elements identifying and the link editing the whole set of relations between them [8]. The basis for the development of a comprehensive system of financial and economic security of the enterprise as the main component of economic security should be based on a certain concept, which takes into account the following aspects:

- every enterprise is a system, which includes various connected components, to ensure proper degree of protection from possible negative impacts must be considered comprehensively;

- the content and structure of the financial-economic security system depend on the specificity and nature of the activities, the enterprise potential, markets in which the company operates, management etc.;

- the financial and economic safety system of the enterprise must be comprehensive and independent from the similar systems of business entities [3, 6].

The leading scientists distinguish the functional components of the financial-economic security: resource component, environmental component, innovative component, personnel component; security component; management component; information component.

Let's consider the resource (achievement of efficient usage of available resources) and innovative components of financial and economic safety of the Ukrainian enterprises in table 4.

Table 4 - The amount of innovative activity costs of Ukrainian enterprises, mln. UAH

Year	Total costs	Growth rate of total costs, %	Research costs	Growth rate of research costs, %	Software costs	Growth rate of software costs, %
1	2	3	4	5	6	7
2000	1760,1	-	266,2	-	1074,5	-
2001	1979,4	12,46	171,4	-35,61	1249,4	16,28
2002	3018,3	52,49	270,1	57,58	1865,6	49,32
2003	3059,8	1,37	312,9	15,85	1873,7	0,43

Continuation of Table 4

1	2	3	4	5	6	7
2004	4534,6	48,20	445,3	42,31	2717,5	45,03
2005	5751,6	26,84	612,3	37,50	3149,6	15,90
2006	6160	7,10	992,9	62,16	3489,2	10,78
2007	10821	75,67	986,4	-0,65	7441,3	113,27
2008	11994,2	10,84	1243,6	26,07	7664,8	3,00
2009	7949,9	-33,72	846,7	-31,92	4974,7	-35,10
2010	8045,5	1,20	996,4	17,68	5051,7	1,55
2011	14333,9	78,16	1079,9	8,38	10489,1	107,64
2012	11480,6	-19,91	1196,3	10,78	8051,8	-23,24
2013	9562,6	-16,71	1638,5	36,96	5546,3	-31,12
2014	7695,9	-19,52	1754,6	7,09	5115,3	-7,77

Source: calculated by the authors according to [10]

The total cost of innovation of enterprises in Ukraine in 2014 was amounted to 7695,9 million UAH, that is 19.52 % less than the previous year. According to table 4, the highest figure was in 2008 (11994,2 mln.UAH). Dynamics of the total expenditure for innovation activities of enterprises in Ukraine is shown in Fig. 4.

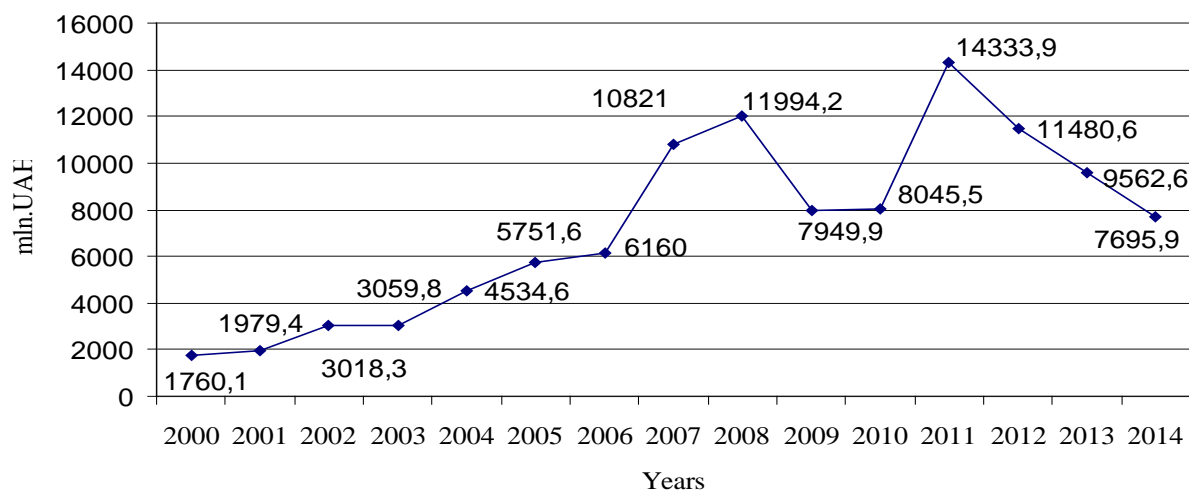


Fig. 4. Dynamics of the total costs for innovation activities of enterprises in Ukraine, mln. UAH

Source: calculated by the authors according to [10]

In Fig. 4 we can see that from 2000 to 2008 there was a gradual increase in the amount of expenses for innovative activity of enterprises of Ukraine. In 2011 it was the highest growth of the cost value and then a gradual decline, which is a negative trend.

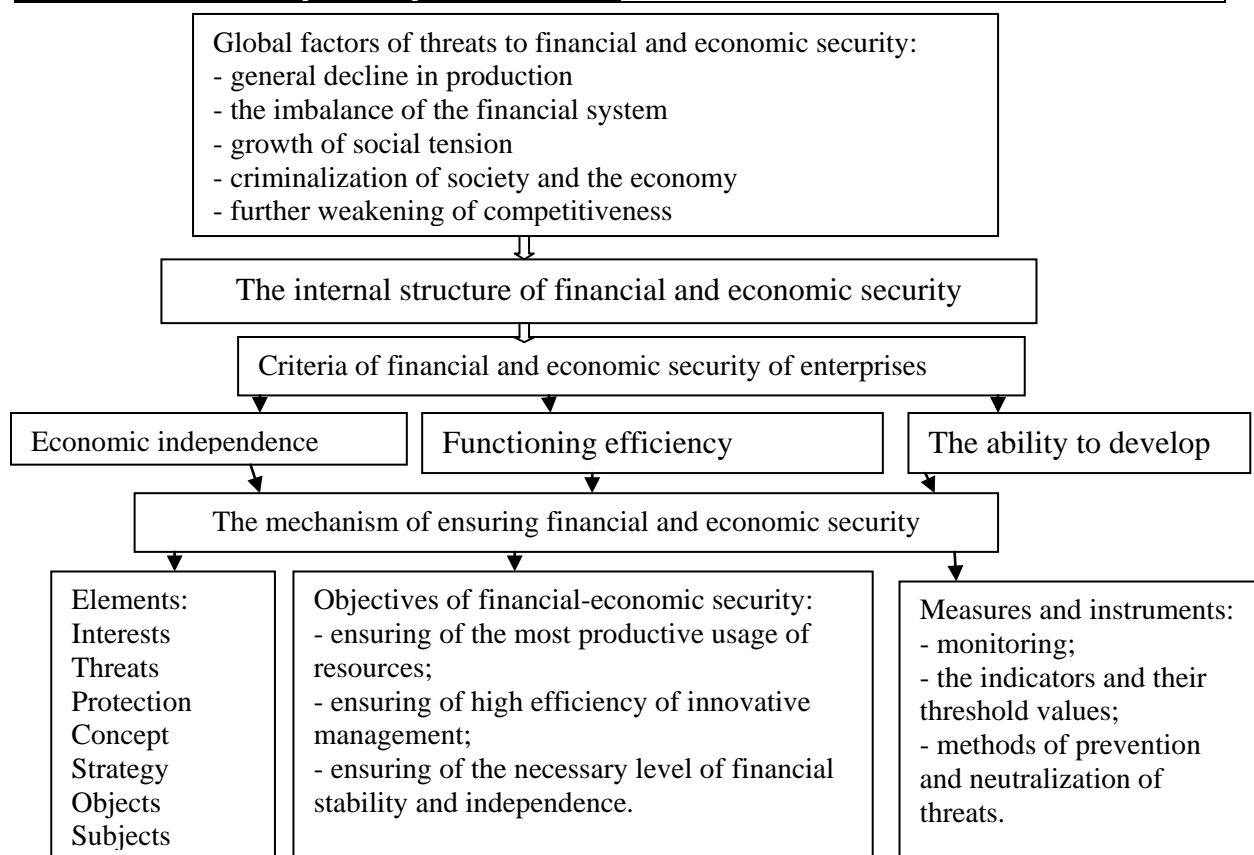


Fig. 5 Conceptual diagram of the financial-economic security system of enterprises (compiled by the authors)

Source: [1-6]

Considering our analysis of Ukrainian enterprises activity, it may be noted that the assessment of financial and economic security of enterprises is a complex process, which requires the availability of interdependent and complementary elements that can be combined by the authors in Fig.5.

The management of financial and economic security of enterprises is based on the provision of financial stability, namely: analysis of profitability and solvency. It is important the economic sustainability of enterprises, namely the analysis of efficiency of the enterprises activity. There are external threats to financial and economic security: competitors, partners, contractors. Internal threats to financial and economic security are staff, loss of intellectual property or commercial information.

Conclusions. The results of the study show the theoretical studies of financial-economic security. There are sufficient number of problems, which is partially investigated and requires in-depth study of certain issues, also for further research to improve the system of financial-economic security management of the enterprise and development of mechanism for its implementation in practical activities of enterprises. Suggestions proposed are

the following: to improve the financial-economic security management of enterprises, they contribute to the strengthening of the implementation of internal and external monitoring of the financial condition of the enterprises, provide the ability to predict the financial and economic activities of enterprises, promote enhance its effectiveness and prevent unpredictable financial situations.

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