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GENESIS OF ENTERPRISE FINANCIAL SECURITY

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The article analyzes the scientific approaches to the definition of «financial security of entities», advantages and disadvantages of these approaches are highlighted. The own definition of financial security of entities is given. The composition of elements of enterprise financial security and principles of its provision are defined. The role of individual elements of financial security to ensure high efficiency operation and development of enterprises is significant and has a direct impact on their solvency, liquidity and profitability.

Keywords: *financial provision, crisis, financial security, stability, financial strategy.*

Introduction. Market relations of the transformation economy are accompanied by a change of organizational – legal forms of ownership, a rapid growth in the number of entities, the emergence of new management practices, an increased competition between them, etc. This state of the economy requires an adequate response to the threat of financial security at various levels, ensuring sustainable financing strategies by creating precautions against possible financial losses and security of the financial interests and stability of all levels of management.

Under these conditions, ensuring the financial security of individual entities is an urgent problem for all businesses regardless of ownership, a type of economic and financial activity and levels of development, it is a form of bankruptcy warning, etc.

Latest research and publications analysis. The problems of financial security provision in an unstable financial condition of agrarian formations, the lack of the required level of profitability, the negative effects of the financial crisis, reduced demand for products, etc. are reflected in the works of prominent scientists, including O. Baranovskyi (1999), I. Blanc (2004), K. Horiachova (2003), M. Yermoshenko (2001), A. Zagorodniy (2007), Z. Varnaliy (2009), N. Reverchuk (2004), L. Martyusheva (2008) et al.

Financial security of entities is a complex economic category. Despite the existing research of financial security as a separate object, in modern conditions there

is a need to improve alternative definitions of the concepts that need to be systematized based on financial criteria and assessments of different control systems.

Thus, the main condition that requires justification of achieving the enterprise financial security is its ability to counter the emerging internal and external dangers and threats that can inflict financial damage to entities, negatively affect the change in capital structure, etc.

The object of the research is the financial security of enterprises in the transformation of economy of Ukraine.

The goal of the article is to develop approaches to study the nature of the enterprise financial security as a system of strategic and tactical measures and instruments of financial support, which allows to achieve sustainable economic development through the accumulation of financial resources in times of financial cooperation strategies and changes in the capital structure.

The methods for the research are the systematic approach to the investigated processes of the financial security.

Key research findings. Solution of financial security problems caused by rapid changes in the life of Ukraine, the necessity to take the rightful place in the international community, needs to adequately respond to different levels of threat. Almost all over the world, and in Ukraine there are negative consequences of the financial crisis, which led to a significant decline in demand for industrial products, especially industries of metallurgy, engineering, chemical and light industry. The overall situation in the world has not yet reached such a state of stability when the security strengthening would not be considered as one of the main prerequisites for further development, requiring scientific study of financial security entities.

According to market conditions, finances are a driver of any economic system, that is why according N.Y. Reverchuk (2004), it is financial security that is leading and critical, as it is the remedy against possible financial losses and prevention of bankruptcy, achievement of the most efficient use of corporate resources.

Financial security of entities is a challenging economic category, and despite the relative novelty of the study of financial security as a separate object, there are now various definition of this category offered by the authors.

According to A.G. Zagorodniy (2007) and Z.S. Varnaliy (2009), financial security is a security of financial interests entities at all levels of financial relations, security of households, enterprises, organizations and institutions, regions, industries and sectors of the state in general with financial resources sufficient to meet their needs and financial obligations.

The project of the concept of financial security Ukraine treats financial security as a part of economic security that characterizes the state protection of vital (key) interests of the state, regions, enterprises and individuals in the financial sector from the effects of a wide range of negative factors (threats) (L. Martysheva, 2008) .

The monograph by Professor O.A. Kyrychenko and V.S. Sidak «Problems of economic security of entities» (2008) contain reasonable recommendations for the selection and evaluation of approaches of different systems of safety management.

A significant contribution to the study of the essence of financial security belongs to O.I. Baranovskiy (1999). Thus, in his monograph the concept of «enterprise financial security» is synthesized, integrates important characteristics of the categories of «enterprise economic security" and "enterprise financial security». These categories are considered deep enough in modern literature, thus they can be used as theoretical framework and methodological apparatus in the study of important substantive characteristics of the concept of «enterprise financial security» as a control object.

A similar approach shown by S. Gelei, M. Lesechko, J. Malik (2002), meaning that financial security provides security of financial interests of the state and entities.

A positive aspect of this definition is the interpretation of financial security through the security degree of financial interests, although last data are given unprecisely, but it (as in the previous one) contained no mechanism to protect them. Also, in our opinion, if financial security is a state of the financial system, there is no need to give its components in details (monetary, foreign exchange, banking, budget, tax ones).

The concept of enterprise financial security in the most general terms is formulated by Professor I.A. Blank (2004) which is: «enterprise financial security is qualitatively and quantitatively determined by the level of its financial condition, providing a stable security of its priorities, balanced interests of identified real and potential threats to internal and external nature, with the parameters determined on the basis of its financial philosophy that create the necessary conditions of financial support of its sustainable growth in this and perspective period».

Y. Liubimtsev and A. Logvina (1998) give the following definition of financial security: it ensures such development of the economy, financial system and financial relations and processes in the country and the region, which would have created the necessary (reasonable) financial conditions and resources for social and economic stability and development of society as a whole and in a specific region, ensuring the integrity and unity of the financial system to efficiently face internal and external threats to the country as a whole and in a specific area in particular.

A. Solovyova (2012) interprets the essence of financial security slightly narrower than under the system of financial security understands creation of the environment which ensures a strict control over the formation and distribution of financial resources; reasonably, purposeful and effective their use; avoiding the possibility of abuse of funds and financial redirection of financial flows in not provided by the legislation scope of their use.

According to M. Yermoshenko (2001) «financial security is a state of financial

and credit sector, which is characterized by balance and quality of the systematic aggregate of financial instruments, technologies and services, resistance to internal and external negative factors (threats), the ability of this field to ensure the protection of national financial interests, sufficient amounts of financial resources for all entities and population in general – the effective functioning of the national economic system and social development».

At the same A.M. Yermoshenko (2006) reveals the importance of financial security by determining the entity financial position, which is characterized by the balanced system of financial performance, resistance to internal and external threats and allows timely and fully perform its obligations and ensures the effective development of the entity in current and future periods. K.S. Horiachova (2003) also agrees with the above-mentioned definition.

Some scientists determine enterprise financial security as a state of the most effective use of resources of the enterprise in which the value of information and financial indicators of liquidity, solvency, efficiency, turnover, profitability of sales and capital are within the permissible limits of their limit values» (Aleksandrov, 2002).

According to A.V. Gukova and I. D. Anakina (2006), the essence of enterprise financial security is the enterprise ability to design and conduct the financial strategy, in accordance with the objectives of the corporate strategy in an uncertain and competitive environment. That is the financial security represents such a state of an enterprise that:

- 1) enables financial equilibrium, stability, solvency and liquidity of the enterprise in the long run;
- 2) meets the needs of an enterprise in financial resources for sustainable enterprise expanded reproduction;
- 3) provides sufficient financial independence of the enterprise;
- 4) is able to deal with existing and emerging dangers and threats that seek to inflict financial damage to the enterprise or undesirable change the capital structure, or is forced to liquidate the enterprise;
- 5) ensures sufficient flexibility in making financial decisions;
- 6) protects the financial interests of the owners of the company.

Pogosova and M.Y. and Lebedeva V.S. (2011) focus on the financial security of the company as a component of economic security, which is such a state of an enterprise that:

- ensures optimal investment and efficient use of financial resources;
- allows to independently develop and implement financial strategies;
- helps identify the dangers and threats of the enterprise and develop measures for their timely correction;

- must be evaluated by qualitative and quantitative indicators that have landmarks.

Lysenko Y.G. (2003) offers to interpret the concept of «enterprise financial security» as a quantitatively and qualitatively determined level of its financial condition, providing a stable ability to protect its priority and balanced financial interests from certain real and potential threats of internal and external nature, the properties of which are determined by the enterprise financial policy.

The main condition for achieving enterprise financial security is its ability to face the emerging internal and external dangers and threats that can inflict financial damage to the enterprise, adversely affect the change in capital structure, etc.

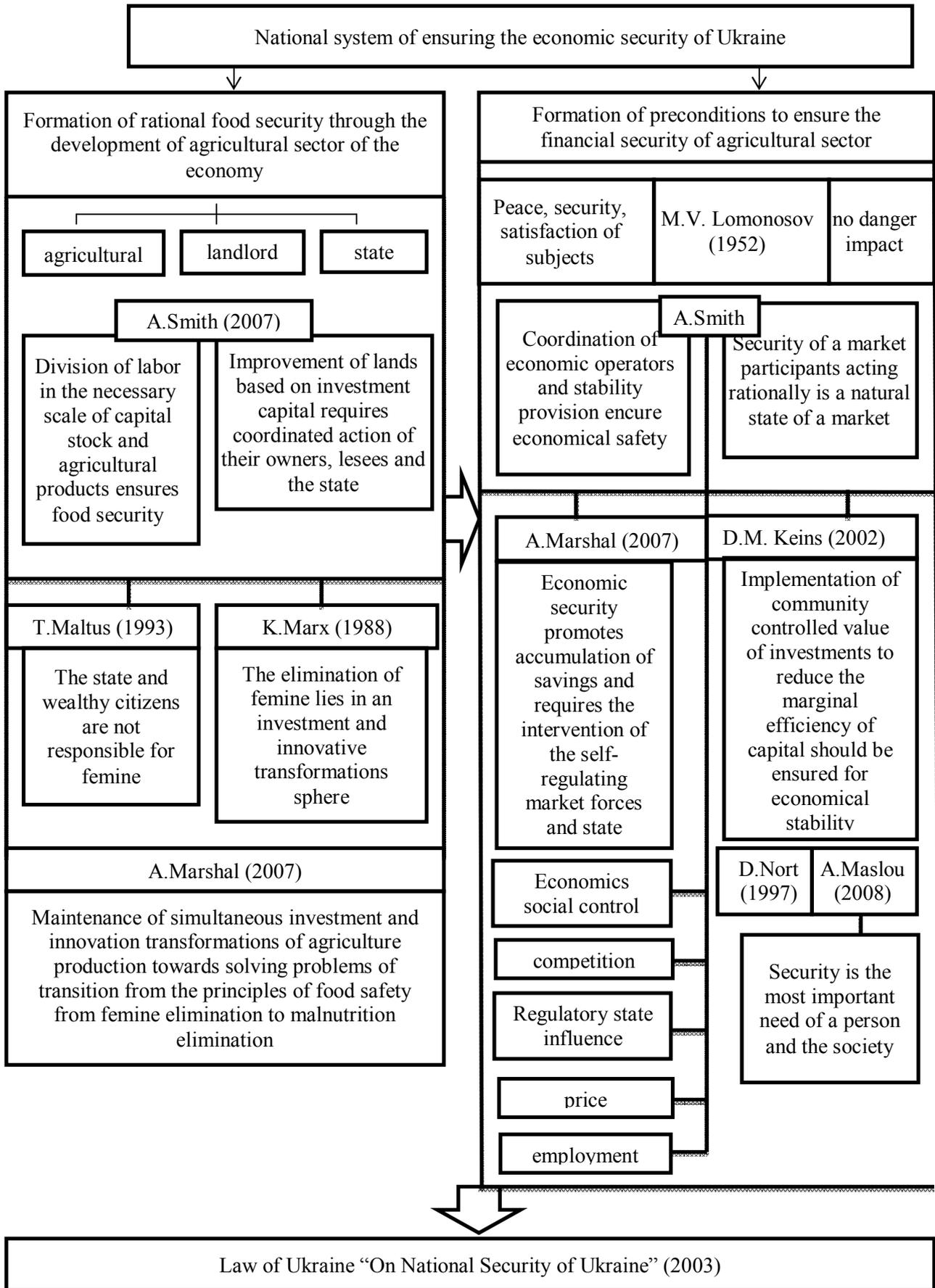
The research of the reference has allowed to conclude that the vast majority of scientists perceive a threat to the financial position in the nature of enterprise financial security. Therefore, in conditions of the current economic crisis in Ukraine, when a sufficiently large number of entities is in distress, with a rather large problem of non-payment, a worsening liquidity position and financial condition, and sometimes a real threat of bankruptcy, the author's position on understanding the financial security of entities is as follows – it is a system of strategic and tactical measures and instruments of financial security of sustainable development with mobilization of financial resources for sustainable expanded reproduction of entities.

Theoretical foundations for provision of financial security of entities are presented in Fig. 1.

The task of security is implemented in certain areas of protection of business of entities and is determined by the specificity of their activities and threats of internal and external environment.

The enterprise security system is designed to perform certain functions, such as: planning and forecasting, detection, prevention, easing dangers and threats; ensuring security interests of the enterprise and its staff, conservation of its property, creating a favorable competitive environment.

Enterprises are in a good condition of financial security only if their financial interests are consistent to some extent with the interests of the entities of the environment: customers, suppliers, competitors and investors. Therefore, the level of financial security of agrarian formations is quite rightly associated with the level of provision of financial resources of operating, investing and financing activities.



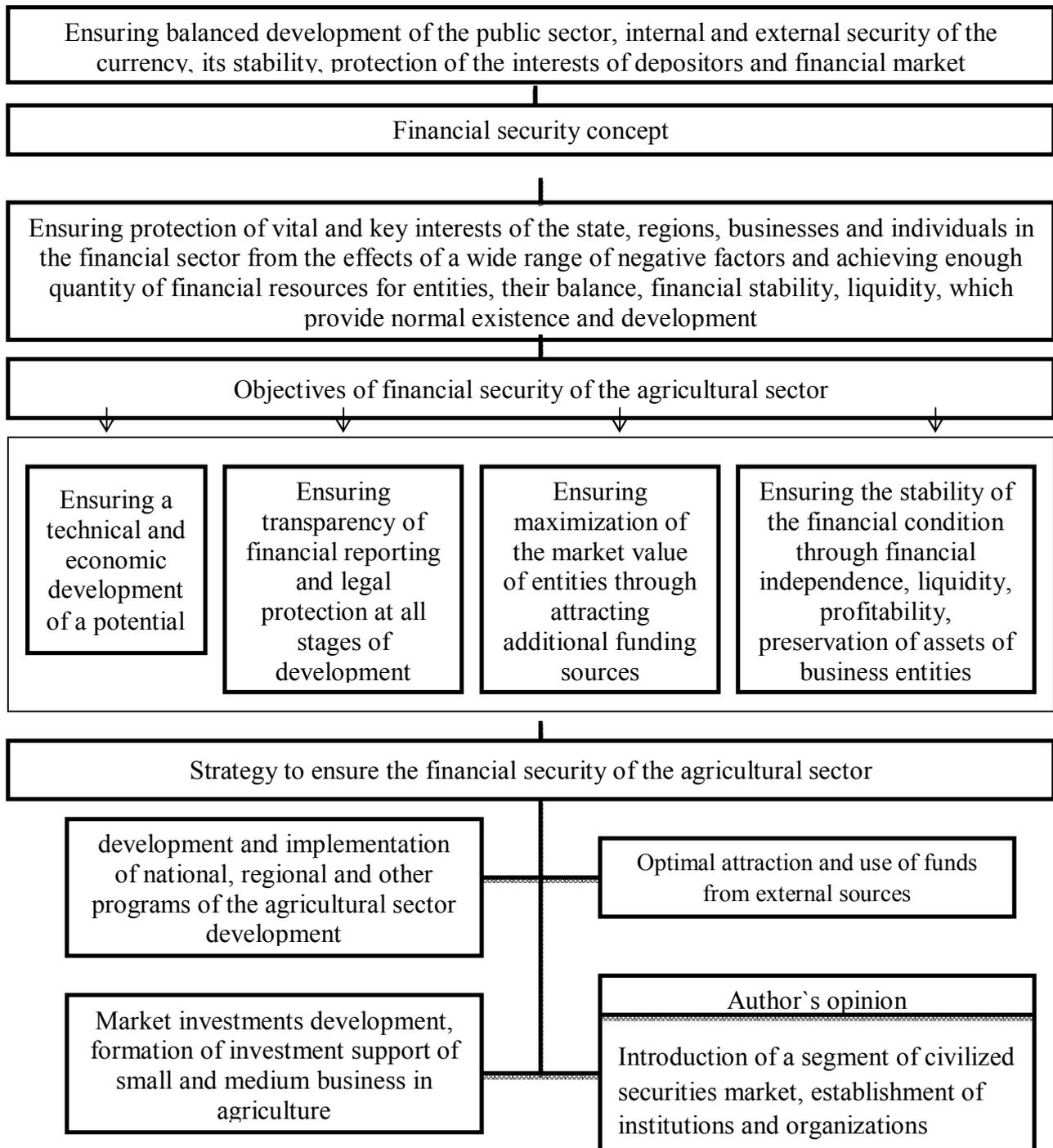


Fig. 1. Theoretical basis of ensuring the financial security of the agricultural sector of Ukraine (author's development)

Blank I.A. (2004) identifies the following essential characteristics of the concept of «enterprise financial security»:

- 1) as the basis of the part of the system of its economic security;

2) as the basic meaning of the level and structure of the financial potential of the enterprise to ensure its economic development goals. This role is defined by the following: financial activities enable enterprise to realize its economic strategy; transactions related to financial activities of the enterprise are stable, they are made constantly; financial activity plays an important role in stabilizing the economic development of the enterprise as a whole; risks related to financial activities of the enterprise (financial risks) in its negative effects are classified as the most dangerous.

At the same time, pointing out the role of financial interests in the system of financial security I. Blank notes that the financial interests determine the basis of its construction, form areas of finance activity development and the most powerful incentives to enhance and improve the efficiency of financial activity of the enterprise. In his opinion, the system of ensuring the financial security of the enterprise is determined by the prioritized financial interests, which are in need of protection.

This approach to the role of the financial interests in the system of enterprise financial security develops K. Horiacheva (2003) who considers profit to be the main financial interest in the enterprise. In her opinion, the whole system of enterprise financial security can be ensured on the basis of this indicator. This view is shared by B. Vyshnivska (2007) who considers maximization of income with minimal loss of capital in a competitive environment to be the main purpose of enterprise activities.

In addition, financial security is a system of quantitative and qualitative parameters of the financial condition of the agricultural formation, which together reflect the level of financial security. This characterization of the concept of «entity financial security» has the following components: financial security expresses a certain aspect of its financial condition, reflecting a particular level of financial security; financial position of an entity that describes its financial security is shown by a defined set of parameters; parameters of the entity financial security requires a clear qualitative and quantitative determination.

In our opinion, the entity financial security should include three levels: first, attracting financial resources; second, the effective use of financial resources and, third, the effective dividend policy.

The state of the most effective use of corporate resources of the enterprise results in profit maximization and improvement of the profitability of the enterprise, used fixed and current assets and a capital structure.

Financial security of agrarian units in the agrarian agriculture is a state of protection of vital interests of enterprises from various internal and external threats, which ensures the most efficient use of corporate resources of a unit to ensure a stable operation and dynamic development. With this in mind, consideration of the essence of the concept of financial security of agrarian units and its features is impossible without a clear elucidation of the role of financial security for strategic development.

Moreover, the financial security of agrarian units is a necessary link in the mechanism of management of any entity, and its level of long-term existence and development influences an agricultural unit in future.

The financial security of agricultural units are affected by numerous factors, including:

- diversification of entities;
- an optimal capital structure;
- high level of capitalization;
- consideration of the risks of an agricultural activity, seasonal production and minimization of negative effects.

Thus, in the current economic conditions it is necessary to ensure the financial security of agrarian units, based on clearly defined methodological principles of scientific security theory (uniqueness, independence, complexity, efficiency and effectiveness of economic security). Within these principles the goal, objectives and key features of enterprise financial security should be defined.

We found that the main goal of financial security of agrarian units is a stable and the most effective provision of high development potential and maximization of a market value as well as an increase of the capitalization of the entity in future.

Conclusions. So, with critical fluctuations, volatility of market conditions and variability of a market environment, financial security is a basis of profit formation of an entity, provides a cash flow stability and reduces the risk and, consequently, reduces the losses of the enterprise. The question of formation and provision of an adequate financial security is of great importance for a modern enterprise, and it consists primarily of monetary, insurance, tax, currency, investment and stock security and is closely related to the financial activities of the organization. Therefore, the role of individual elements of financial security to ensure high efficiency operation and development of enterprises is significant and has a direct impact on their solvency, liquidity and profitability.

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ГЕНЕЗА ФІНАНСОВОЇ БЕЗПЕКИ ПІДПРИЄМСТВА

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Питання формування та забезпечення адекватної фінансової безпеки має велике значення для сучасного підприємства, і складається в основному з грошово-кредитної, страхової, податкової, валютної, інвестиційної та фондової безпеки, тісно пов'язаних з фінансово-господарською діяльністю організації. У статті проведено аналіз наукових підходів до визначення поняття «фінансова безпека суб'єктів господарювання», виявлено переваги і недоліки даних підходів. Наведено власне визначення поняття фінансової безпеки суб'єктів господарювання.

Визначено складові елементи фінансової безпеки підприємства та принципи її забезпечення. Роль окремих елементів фінансової безпеки, щоб забезпечити високу ефективність функціонування і розвиток підприємств є значним і безпосередньо впливає на їх платоспроможність, ліквідність та рентабельність.

Ключові слова: фінансове забезпечення, криза, фінансова безпека, стабільність, фінансова стратегія.

ГЕНЕЗА ФИНАНСОВОЙ БЕЗОПАСНОСТИ ПРЕДПРИЯТИЯ

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Вопросы формирования и обеспечения адекватной финансовой безопасности имеет большое значение для современного предприятия, и состоит в основном из денежно-кредитной, страховой, налоговой, валютной, инвестиционной и фондовой безопасности, тесно связанных с финансово-хозяйственной деятельности организации. В статье проведен анализ научных подходов к определению понятия «финансовая безопасность субъектов хозяйствования», выявлены преимущества и недостатки данных подходов. Приведено собственное определение понятия финансовой безопасности субъектов хозяйствования.

Определены составляющие элементы финансовой безопасности предприятия и принципы ее обеспечения. Роль отдельных элементов финансовой безопасности, чтобы обеспечить высокую эффективность функционирования и развития предприятий является значительным и оказывает непосредственное влияние на их платежеспособность, ликвидность и рентабельность.

Ключевые слова: финансовое обеспечение, кризис, финансовая безопасность, стабильность, финансовая стратегия.