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ECONOMIC ANALYSIS AND ITS IMPORTANCE IN THE MANAGEMENT OF THE ENTERPRISE

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Економічний аналіз і його значення в управлінні підприємством.*

У статті проаналізовано роль економічного аналізу та його значення в управлінні підприємством. Визначено, що він необхідний для планування, обліку, контролю роботи підприємства і прийняття управлінських рішень. А так само є важливим інструментом в оптимізації інвестиційної, податкової, облікової, кредитної та маркетингової політики підприємств. У статті представлені чинники, які можуть впливати на діяльність підприємства. Визначено недоліки в діяльності підприємств в сучасній Україні. Представлені також пропозиції для покращення та усунення цих недоліків. Можливі шляхи мінімізувати ці недоліки: автоматизація процесу аналізу, підвищення кваліфікації фахівців, стежити за всіма новими тенденціями розвитку автоматизації аналізуючих програм.

Ключові слова: економічний аналіз, підприємство, управління, проблема, оцінка

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Экономический анализ и его значение в управлении предприятием.*

В статье проанализирована роль экономического анализа и его значение в управлении предприятием. Определено, что он необходим для планирования, учета, контроля работы предприятия и принятия управленческих решений. А также является важным инструментом в оптимизации инвестиционной, налоговой, учетной, кредитной и маркетинговой политике предприятий. В статье представлены факторы, которые могут влиять на деятельность предприятия. Определены недостатки в деятельности предприятий в современной Украине. Представлены предложения для улучшения и устранения этих недостатков. Возможные пути минимизировать эти недостатки: автоматизация процесса анализа, повышение квалификации специалистов, следить за всеми новыми тенденциями развития автоматизирования анализирующих программ.

Ключевые слова: экономический анализ, предприятие, управление, проблема, оценка

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Economic analysis and its importance in the management of enterprise.*

The article analyzes the role of economic analysis and its importance in the management of the enterprise. It is determined that it is necessary for planning, accounting, control of the enterprise and management decisions. And as an important tool in the optimization of the investment, tax, accounting, credit and marketing policy of companies. The article presents the factors that may affect the activity of the enterprise. Identified shortcomings in the activity of the enterprises in modern Ukraine. Presented as a proposal to improve and overcome these disadvantages. Possible ways to minimize these disadvantages: the automation of the analysis process, skills development, to follow all the new trends in the development of automation of analysis programs.

Keywords: economic analysis, enterprise management, problem, assessment

Economic analysis is one of the main links in system of enterprise control. In fact when you only start planning and forming an enterprise, you need some knowledge (how to realize every stage of existence and how to find decision in solving any problems and to know how to get out of crises).

The questions of economic analysis play an important role at the estimation of efficiency of economic activity and searching the ways of its increase. Any entrepreneurial activity needs permanent control of its development, analysis of process, which influences an enterprise the modern terms of management. Above all it is related to the changes of economic conditions that enterprise works in, such as computer market, tax, law and others [1].

In Ukraine, this problem is actual, because we are on the stage of formation and development of our economic system. New enterprises are being opened all the time, but many of businesspersons do not pay attention to the economic analysis of all factors at all. That will cause the crisis of the company, because they don't define a negative factor in time. That is why to have a better vision of problems, remove them and improve functioning of enterprises we need to improve the knowledge of specialists.

Because of these circumstances the analysis techniques of economic potential usage of organizations, product manufacturing, its cost and previous condition requires to the new terms of menage. All of the above becomes actual because of limited natural resources, deficit of financing, periodic financial crises that are typical for modern stage of development of our country economy [3].

Analysis of recent researches and publications

Nowadays the problem of economic analysis role is engaged by many scientists and economists. Such as F.F. Butynets, V.M. Ivakhnenko, E.V. Mnich, G.V. Savitska, A.D. Sheremet and many others. All of them pay large attention to theoretical side as a decision of problems, which enterprise can face with, create methodology of economic analysis and the way how it can be implemented.

Changes that take place in our modern society need new requirements for organization and

realization of economic analysis. With distribution of privatizing and establishment of economic independence of organizational structures, the sphere of its usage increases [6]. The value of innovative-investment, marketing and financial analysis increases and others like that. Therefore, in the crisis terms of nowadays it is necessary to improve economic analysis in the meaning of management of enterprise.

The aim of the article is to determine the role and value of economic analysis in the management of modern enterprises.

The main part

Nowadays economic analysis is a ponderable instrument in optimization of investment, tax, registration, credit, marketing politics of enterprises. But practical experience testifies that all possibilities of economic analysis for solving these problems is not completely realized with many enterprises.

Let's analyses what is economic analysis and how it interpreted by different authors. Comparative description of definitions of economic analysis is given in the table 1.

Table 1. Comparative characteristics of the definitions of economic analysis

Author	Definitions
Savitska G.V. [3]	Economic analysis is a scientific method of understanding the essence of economic phenomena and processes based on the dissection of the components and studying of diversity in all relationships and dependencies.
Grabovetsky B.E. [4]	Contents of Economic Analysis is a comprehensive study of all aspects of the company based on usage of relevant information sources, studying of separate elements of economic sphere, identifying and measuring the impact of factors on the performance of the enterprise, comparing costs and benefits, summarizing the results of the analysis and, finally, studying alternative options to having the best solution for management.
Tsigilik I.I. [5]	Economic analysis of economic activity in the meaning of science is a system of knowledge about the methods of economic activity, economic phenomena and processes in their interdependence according to accounting, reporting and other economic information.
Bolyuh M.A. [6]	Economic analysis means isolation of individual indicators of economic activity from general parts to study them further.
Fedorovich R.V. [7]	We need to see the difference between "economic analysis" as a management function and "economic analysis" as a science. Organization and usage of the system of economic analysis, which would provide scientific control of production is the task of management function. Development of methodologies and methods of its implementation is the task of the science.
Chernysh S.S. [8]	Economic analysis is a system of exact knowledge for research, changing and developing economic phenomena and processes in their relationship and interdependence, which are determined with subjective and objective factors in order to provide target management.

Source: Compiled by the author according to the material [3-8]

Comparative analysis shows that all authors poses economic analysis as the most important part in enterprise management.

Analysis of economic activity of enterprises is considered as a basis for management decisions in business. For reasoning and making decisions, managers should identify and predict current and potential problems, productive and financial risks to determine the influence of their decisions on the level of risk and income of the entity [3]. An important part of training managers is to understand methodology of comprehensive economic analysis at all levels of management.

Management decisions are based on information which rotates within the enterprise and beyond. However, to make decisions which are based on raw information is difficult; such information is useless for making decisions.

Economic analysis is necessary for preparation and processing of informational decision-making base. Processing is provided with methods, techniques and ways of analysis. It is hard to identify the problem in the enterprise without complicated methods of

economic analysis. If you have much raw information in large quantities to determine where you have a failure will be almost impossible. To solve such problems you can apply to many economic analysis approaches. To study the influence of factors on the results of management and calculation of reserves in the analysis we can use such methods as a chain of substitution, absolute and relative differences, integral, correlation, component method, methods of linear, convex programming, queuing theory, game theory, operations research, and so on. Usage of these methods depends on the purpose and depth of analysis, research object, technical capacity of calculations and so on [3].

We can explain factor analysis method as a complex and systematic study and measure of factors influence on the value of performance indicators. In practice, methods of elimination are used most of the time. Elimination methods are used to eliminate the influence on summary measure of all factors except that one which influence on the object is studied and defined. After we receive and process reliable information about the activities of the object in the

past and form trends in its development, we can start making management decisions. In this case they will be justified, optimal and efficient in their implementation [9].

Economic analysis is an important part not only because we can pinpoint problem areas, but also we can effectively use it in planning. For receiving an efficient manufacturing plan or spending all resources you have to estimate past situation first, and then you can use received results in the planning process.

Besides everything mentioned above economic analysis also helps us with the control function. After you finished the plan you should monitor its implementation. Economic analysis contains methods that allow us to monitor the implementation of the plan and the activities of the company. One of the most effective methods is comparison. In the process of analysis this technique allows to compare the actual performance of the organization in the reporting period with the corresponding figures in different directions. This method is basical for usage of the other methods of economic analysis. If we don't compare the data we have achieved this year, planned data or last year data, without seeing the actual deviations, both negative and positive, we can't decide

which approach to use (factor, trend or rapid analysis of indicators). When you apply to comparative method you will face with complexity which depends on your selection of comparison base. We can use results of our plan, final outcomes for last year, competitors' achievements as a base of comparison.

A system of technical and economic parameters that characterize the technical, economic and organizational status of production at any given time are used to determine the ways of enterprise efficiency growth. They reflect the level of usage of equipment, the degree of mechanization and automation, progressive technological processes, the quality of products, efficiency, qualifications of personnel, production and labor, productivity and so on. Difficulty in using the above mentioned parameters is to determine the impact of each separately and all together on the general level of economic performance [10].

The effectiveness and necessity of economic analysis depends on a large number of factors. Both internal and external factors have an influence on the activities of the company. The main ones are shown in the fig. 1.

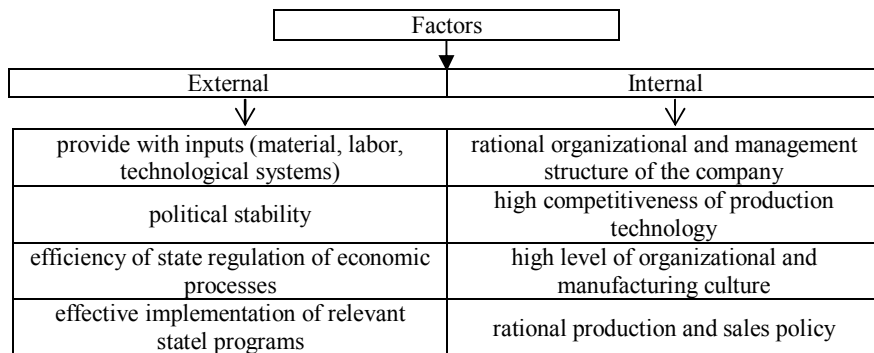


Fig. 1. Factors that influence on enterprise activities
 Source: Own elaboration

Both the performance and the influence of these factors require the development of effective anti-crisis measures that ensure the financial and economic development. This process requires complex analysis of economic indicators as well as separate spheres and trends of the company [11].

While we conduct economic analysis we have to pay attention to finding reserves. With their help we can improve the efficiency of the enterprise through a detailed analysis of the main indicators of industrial activity.

To our opinion, nowadays in Ukraine, the role of economic analysis significantly increases. Because with its help we can identify problematic factors, causes of the crisis of enterprises and we can choose the methods and approaches that will help us to get out of it. Economic analysis gives us opportunity to estimate the work of the company and its branches and we can find ways how to improve efficiency as

well. Analysis provides the possibility of objective evaluation of economic performance.

The functioning of modern economic analysis is impossible without using computer and informational technologies. They make it possible to do accounting documents, calculate the salary, taxes, fees and prepare all the accounts in the short term in order to make automatic economic analysis, financial planning and forecasting. But this practice is not widely spread in Ukraine. This is a disadvantage, because if we use it we will be able to increase production efficiency.

The creation of analytical system plays a very important role because of its influence on the efficiency of the management of all business processes. The validity and quality of management decisions depends on the reliability, efficiency, accessibility and completeness of the information. Analytical System will help to make a statement of planned financial and economic reasons that caused

deviation, adjusting plans, analysis of additional information [12].

To our opinion, the economic analysis automatization will help to improve management efficiency. This requires programmers who deal with the software support and also leading specialists with a high level of knowledge and permanent professional development.

Economic analysis becomes quite important because it doesn't only determine defects, but also reveals the possible ways of further economic growth.

Conclusions

Economic analysis is one of the most important links in the system of management, because it is a stage when we planning and when we can see any problems and we can know how to get out of crisis situations. The issue of economic analysis plays an important role in efficiency mark of economic activity and find ways to improve it. In Ukraine this problem is very urgent. A lot of entrepreneurs do not pay attention to the economic analysis of all factors that could lead to a crisis if not timely identify negative

factor. Therefore, we must improve the knowledge of experts, to see problems, fix them and improve the functioning of enterprises. The functioning of modern economic analysis is impossible without the use of computer and information technology. They make it possible in the short term to make accounting documents, calculate payroll taxes, duties and prepare all the accounts in order to then make automated economic analysis, financial planning and forecasting. But Ukraine has not received a large prevalence of this practice. This is a disadvantage, because its application has the ability to increase production efficiency.

So, the role of economic analysis in the enterprise is very large. The analysis use in evaluation of the results, identifying negative and positive aspects of the enterprise, planning and control of the implementation of plans and targets. Economic analysis is the stage of management, which promotes innovation, use of scientific and technological achievements in practice, increase intellectual capacity to obtain new economic benefits.

Abstract

Economic analysis is one of the most important links in the system of management, because it is a stage when we planning and when we can see any problems and we can know how to get out of crises. The issue of economic analysis plays an important role in efficiency mark of economic activity and find ways to improve it. In Ukraine, this problem is very urgent. Many entrepreneurs do not pay attention to the economic analysis of all factors that could lead to a crisis if not timely identify negative factor. Therefore, we must improve the knowledge of experts, to see problems, fix them and improve the functioning of enterprises. The functioning of modern economic analysis is impossible without the use of computer and information technology. They make it possible in the short term to make accounting documents, calculate payroll taxes, duties and prepare all the accounts in order to then make automated economic analysis, financial planning and forecasting. However, Ukraine has not received a large prevalence of this practice. This is a disadvantage, because its application has the ability to increase production efficiency.

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