

# STATEMENT OF BUDGETING MANAGEMENT AT INDUSTRIAL ENTERPRISES IN COORDINATES OF THE FINANCIAL AND ECONOMIC SECURITY SYSTEM

Lidiia Karpenko – Pavlo Voronzhak

Odessa National Polytechnic University, Institute of Business, Economy and Information Technologies, Shevchenko Avenue, Odessa, 65044, Ukraine, e-mail: Lidako@List.ru, vpv13@mail.ru

In work questions of development the statement of budgeting management at industrial enterprises in coordinates of the financial and economic security system are considered. The methodological approaches to the statement of budgeting management at industrial enterprises for strategy of innovative and investment development of industrial enterprises, in particular, its budgetary basis and methodological basis of the managerial analysis of the innovative and investment activity of the enterprise, are substantiated. This proved that the strategy of activation of innovative and investment development is part of the strategic development of the entire process of industrial enterprise development, which is characterized by a functional outline and tools. Results of research can be used for acceptance of justified managerial decisions of innovative development of enterprises, administrative control of functioning of the organisation in coordinates of the financial and economic security system are considered.

**Keywords:** budgeting, budget planning, statement of budgeting management, the financial and economic security, the budget management, the budgeting process, ways businesses achieve, competitive advantage, technology development, human resource management, general administration.

**JEL:** H61, H63, H72

## 1 Problem setting

An important component of the investment analysis methodology is budgeting, which is a technology of financial planning aimed at developing optimal design decisions and monitoring the achievement of financial investment objectives. One of the main problems in the Ukrainian economy is an unsatisfactory financial situation, which manifests itself in the inefficient allocation of financial resources, unsatisfactory payment discipline, arrears to the budget and other contractors of the market, insufficient financial support for further development due to unfavorable trends in operations, wrongly selected financial strategy and tactics, inadequate managerial decisions in accordance with the conditions of the enterprise. Different approaches to enterprise management, the definition of effective financial and investment planning are needed to solve these problems. Management accounting of each enterprise usually consists of planning (budgeting), control and decision-making. The introduction of a clear budgeting system at the enterprise is one of the most important functions of effective financial management.

Budgeting (budgeting) is a «process of budget preparation and control over its implementation».<sup>1</sup> It contains the process of drafting a financial plan for the investment project, conducting a factor analysis of its implementation and the possibility of adjustment. It is possible to distinguish the following basic essential characteristics of budgeting:

– technology of management of investment activity;

---

<sup>1</sup> DOBROWOLSKIY, E., KARABANOV, B., BOROVKOV, P (2011): Budgeting: step by step. 2nd ed., Optionalp. St.: Peter, 2011. 480 p pages.

- the process of budget development according to the purpose and objectives of the investment;
- system of coordinated management of portfolio of investment projects;
- an integral part of financial planning in the process of developing a business plan for an investment project;
- a system for distributing common investment resources between projects in the portfolio of investments.

The recent updating of the approaches to the definition of the concept "economic security of the enterprise" in the scientific literature, as well as the preconditions for its study, is related to the fact that the economic reforms taking place in Ukraine are important factors in the formation and development of enterprises as a sphere of manifestation of economic activity of the population of the state, and economic security of entrepreneurship in the conditions of a market economy is an important component of national security and competitiveness of the country, which is indispensable in terms of providing a viable basis each person. Therefore, there is a need to include economic security in planned work at each enterprise, given the extremely difficult conditions of the domestic economic and legal environment of entrepreneurial activity; unsuccessful consequences of the financial and economic crisis; inflation processes and decrease in purchasing power of the population; distorted competitive environment as a result of "cooperation" between business and government, which sometimes creates insurmountable problems in access to markets and economic resources, business activities; fraudulent processes for the development of large-scale trade objects, which, having excessive financial potential, will supplant the less liquid and competitive traders of the market; Expectations of increased shadowing of commodity circulation after the change of taxation system.

## **2 Recent publications analysis**

Analysis of research and recent publications that discuss this perspective suggests that the economic literature in recent years, the attention paid to the organization of enterprise management system, cost management, the financial structure of the company. Research of innovation potential production, its structure and methods for evaluation, innovation investment into enterprises development was conducted in the studies by foreign and domestic scientists: I.Blank, M.Bondar, I.Boyarko, L.Hrytsenko, V.Grinova, E.Dobrovolsky, N.Ilysheva, S.Krylov, V.Koyuda, B.Mizyuk, D.Pierce, V.Prihodko, O.Suharev, F.Fabozy, L.Kaarpenko, N.Hrusch, A.Yakovlyev, O.Yastremskaya and others. Analysis of the recent scientific materials indicates the results of comprehensive research on the development and implementation of the elements of innovation and investment mechanism, improvement of the investment climate, some economic and statistic calculations. However, some issues need to be more mainstream, is of interest to develop a conceptual approach to the formulation of the administrative management at the enterprise, or "How to make the administrative work". A number of researches are devoted to problematic issues of attracting investors at an initial stage of implementation of the project. A considerable part of innovative projects are left without financing owing to the lack of confidence of the investor on timely return of financial means.

## **3 The goal of this work**

The purpose of this work is to consider budgeting as an administrative technology in the flexible development of an enterprise, developing and reviewing schemes for interaction between different budgets, conceptual description and systematization of the stages of setting budget management at the enterprise, and organization of budgeting in conditions of compliance control. Budget management in the system of enterprise plans occupies a key place – it is the budget office that is responsible for implementing the strategy, the effectiveness of

current production and financial activities and for feedback in the management system. The content of the budget differs from the content of other plans of the enterprise.

Budgeting is the lowest level of planning, at which it is already planned directly the cost of actions through which the entire vertical of plans is implemented, both strategic and operational<sup>2</sup>.

New tasks of strategy create new requirements of the company to the competencies and competencies of the staff. It is about strategic vision, statement of current tasks, development of strategic alternatives, strategic analysis, etc.

#### **4 Key research findings**

In modern conditions, the process of successful functioning and economic development of domestic enterprises largely depends on the degree of ensuring their economic security. The necessity of constant observance of economic security is predetermined for each business entity to ensure the stability of functioning and achievement of the main objectives of its activities. The level of economic security of an enterprise depends on how effectively its management and specialists will be able to avoid possible threats and eliminate the harmful effects of certain negative components of the external and internal environment.

The main objective of the economic security of the enterprise is to guarantee its stable and most efficient functioning in this period and a high potential for development in the future.

Among the functional levels of economic security, the financial is considered to be leading and decisive, since in the market economy, finance is the "engine" of any economic system.

The process of protecting the financial level of economic security is as follows<sup>3</sup>:

- analysis of the threat of negative actions regarding political and legal economic security;
- assessment of the current state of the financial level of economic security;
- evaluation of the effectiveness of preventing possible harm from negative actions regarding the financial level of economic security;
- planning a set of measures to ensure the financial level of economic security and developing recommendations for its implementation;
- budgetary planning for the practical implementation of the proposed set of activities;
- planning of corporate resources;
- operational implementation of planned actions in the process of the company's financial and economic activities.

Economic security as a complex concept should be characterized by an integrated indicator or an integrated assessment, calculated on the basis of partial estimates. Considering the methods of constructing such an indicator, it is necessary to take into account a number of aspects:

- the indicators determining the level of integrated assessment should first of all include those indicators that characterize the various aspects of the financial condition of the enterprise and allow its financial results to be evaluated in different directions;
- the possibility of quantifying individual indicators and analyzing their relationship. Isolated consideration of indicators does not allow one to reasonably determine their threshold values;
- when selecting indicators, it is necessary to provide for the possibility of calculating their forecast values;

---

<sup>2</sup> OTENKO, V. I. Corporate management of innovation activity // VI Otenchenko // Management of the development of complex systems: Collection of scientific works. K., 2015. № 28 (2) . P. 163-168.

<sup>3</sup> EDVIN J. ELTON, MARTIN J. GRUBER (2014): Modern Portfolio Theory and Investment Analysis. 7-th Edition. USA: New York University, 2014. 728 pages.

- forecasting the levels of indicators should assume an estimate of reliability, depending on the time interval under consideration;
- the methodology for calculating the complex index characterizing the financial level of the economic security of an enterprise should be fairly simple and accessible, based on accounting data.

An important component of the investment analysis methodology is budgeting, which is a technology of financial planning aimed at developing optimal design decisions and monitoring the achievement of financial investment objectives.

Budgeting (budgeting) is a "process of budget preparation and control over its implementation".<sup>4</sup> It contains the process of drafting a financial plan for the investment project, conducting a factor analysis of its implementation and the possibility of adjustment. It is possible to distinguish the following basic essential characteristics of budgeting.

- technology of management of investment activity;
- the process of budget development according to the purpose and objectives of the investment;
- system of coordinated management of portfolio of investment projects;
- an integral part of financial planning in the process of developing a business plan for an investment project;
- a system for distributing common investment resources between projects in the portfolio of investments.

The main purpose of budgeting is the formation of an information base for the financial evaluation of the effectiveness of the investment project and the possibility of its implementation under the given conditions, as well as the forecast of the impact of the investment project on the change in the financial status of the enterprises - project participants, expressed in terms of expenditure and expenditure limits, assessment of resource use norms, and also the movement of monetary, material labour flows. It is with the help of budgets that investment project participants evaluate and forecast their financial results, the need for investment resources, their sources of financing, and the flow of funds.<sup>5</sup>

Budget planning at the enterprise consists of three stages, which together represent a complex socio-economic system: preparation for planning; planning, that is, budgeting; control over budget execution.

The enterprise has its own system of budgets, which is formed on the basis of scientifically grounded principles, whose purpose is to create conditions for effective work, in order to minimize the possibility of the influence of negative factors on the production and sales process. We emphasize that today there is a different view among domestic and foreign scholars and practitioners-economists concerning the principles and factors of budget formation of enterprises, which plays a key role in the formation of results for budgeting. The analysis of the views of the leading domestic and foreign economists on the principles of budgeting of industrial enterprises and the practical experience of the enterprises allow us to assert that the following principles are inherent in the budgeting process:

- unity – content is disclosed in the systematic nature of the planned activities of the enterprise and reveals a series of interrelated elements that develop in one direction for the common purpose;
- accuracy – implies that the enterprise plans must be specified and detailed;

---

<sup>4</sup> MARCELA, C. Investment projects: general presentation, definition, classification, characteristics the stages / C. Marcela. 2008. 700 p.

<sup>5</sup> FABOZZI, FRANK J. CFA (2008): Investment management / Frank J. Fabozzi. 2nd ed. USA, New Jersey 07458, 2008. 837 pages.

- coordination – the essence is revealed that planning of the activity of each unit of the enterprise takes place with the coordination of actions of all stages of planning, and all sorts of changes in its plans are reflected in the plans of each unit;
- participation – the essence is revealed in the fact that participation in the compilation of the budgets of enterprises is accepted by all the specialists of the enterprise;
- continuity – is reflected in the fact that the planning process takes place systematically according to the schedule of the enterprise;
- flexibility – the essence is revealed in the possibility to change in the event of unforeseen circumstances;
- adaptation to the needs of the market – the market conditions, demand and supply of goods and services, and the dependence of the enterprise on the loans provided;
- completeness – is that the development of the budget should cover all aspects of activity and all divisions of the enterprise;
- responsibility – provides for the transfer of responsibility to each unit for the execution of its part of the budget.

Applying the above principles of budgeting will allow enterprises to significantly improve their quality performance.

The budgeting process involves predicting and analyzing the financial results and cash flows of the investment project. Thus, the forecasting of the project report on financial results is reflected in the financial plan of the project in the form of the formation of cash flow from operating activities. The forecast of the financial results report (project income plan) is based on the sales forecasts and the calculation of the operating costs of the project in the context of individual steps in the project cycle. When it is composed of grouping costs is not of fundamental importance, but it is necessary to adhere to the following rules for grouping costs:

- to allocate depreciation deductions to a separate article, since the full cost of fixed assets is a component of initial costs, and taking into account depreciation in operating expenses will lead to a double accounting of these amounts, but its amount must be calculated in calculating the financial result;
- ensure the possibility of allocating costs for conditional and conditional variables to facilitate the analysis of break-even;
- ignore the previous costs of a functioning company, since only additional costs and profits due solely to the project should be valued.

If necessary, this report is supplemented by indicators of profitability calculated for operating profit, net profit or cash flow from operating activities. We will summarize that the budget is a document in which the goals of the enterprises formulated in the plan are quantitatively expressed. In other words, the budget shows how planned goals will be implemented.

It should be noted that the only model for budgeting does not exist - for each individual enterprise budget will be individual. At the same time, it should be emphasized that budget management will be effective if certain requirements are met:

- based on the organizational structure, the financial structure of the enterprise is formed;
- formed the budget structure of the enterprise;
- combined financial and budgetary structure to establish the responsibility of each Centre for financial responsibility for the execution of certain budgets;
- budgets are mandatory for compilation for the first time and subsequently from time to time;
- an analysis of the implementation of budgets and the adoption of management decisions on its consequences is organized.

Thus, budgeting is a methodological basis and appropriate technology for managing business or specific areas of activity (innovation, investment, development, etc.) at all levels of the enterprise, which ensures the achievement of its strategic objectives through budgets based

on balanced financial indicators. That is, budgeting contributes to the efficient use of resources and costs.<sup>6</sup> This task of budgeting is a priority for enterprises, since their performance, the use of resources and costs is desirable. Due to the fact that it is necessary to take into account the specifics of the domestic economy, proposed by the scientists of the economists, the methodological and practical principles of budgeting require careful elaboration. Today, the significance of budgeting becomes very relevant and mostly for controlling performance, for example, the size of accounts receivable and payables, or in order to optimize the spending mechanism. But not in order to manage the development or assets of the enterprise, seek growth in capitalization or determine the investment attractiveness of individual areas of economic activity. That is, it is necessary to actualize budgeting in order to create a budget basis for the strategy of innovation and investment development of an industrial enterprise.<sup>7</sup>

We systematize the conceptual principles of setting the budget management of industrial enterprises and they will be presented in Table 1.

**Table 1 – Stages of setting the budget management of industrial enterprises**

The composition of the stage	The purpose of the stage	Organizational Changes
1	2	3
1. Preparatory stage	Correcting the organizational structure, clarifying the purpose	Reorganization of the company (in some cases) or review of the organizational structure. Formulation of the mission of the company. Establishment of financial goals. Selection (development) of strategy.
2. Formation of the financial structure of the company	Distribution of financial responsibility between the organizational units and consolidation for corresponding positions	The opening of the Centre for Financial Liability (CSF). Designation of CEF leaders. Establishment of a system of remuneration, which provides for material incentives for compliance with budgetary indicators.
3. Formation of the budget structure of the company	Preparation of the list of necessary budgets of the company and determination of the interrelations between them	The appearance of a system of plans (budgets). Filling budgets indicators, the nature of the production and financial activities of the company. The choice of methods of forecasting, planning and calculation of budget indicators. Distribution of budgets between CSFs. Definition of responsible for the compilation, execution and analysis

<sup>6</sup> KARPENKO, L. N. (2015): Multi-index models and methodological base for innovative and investment analysis of enterprises / L.N.Karpenko // Institutional framework for the functioning of the economy in the context of transformation: Collection of scientific articles. – Montreal, Canada, 2015. P. 287-292. ISBN 978-1-926711-20-8

<sup>7</sup> KARPENKO, L. N. (2016): Modernization in the administration management decisions of innovative development of industry enterprises / L.N. Karpenko // Economy and management: collection of scientific works. - Vinnitsa, 2016. V. 1 (21). P.109-118.

4. Formation of financial and budgetary	Establishing responsibility for each CSF for the allocation of budgets between the CSF.	Definition of responsible for the compilation, execution and analysis
Compliance control	Implementation of the function checks for compliance with respect to the business plan. Integral assessment of budgets for CFR.	Management decision making in the management of the business. Assessment of business.

*Source: systematized by the authors [1,3,4,5]*

The next step, we are going to describe the Evaluating a Business's Rapid Response (Speed) Opportunities.

The first, skills and resources that foster speed:

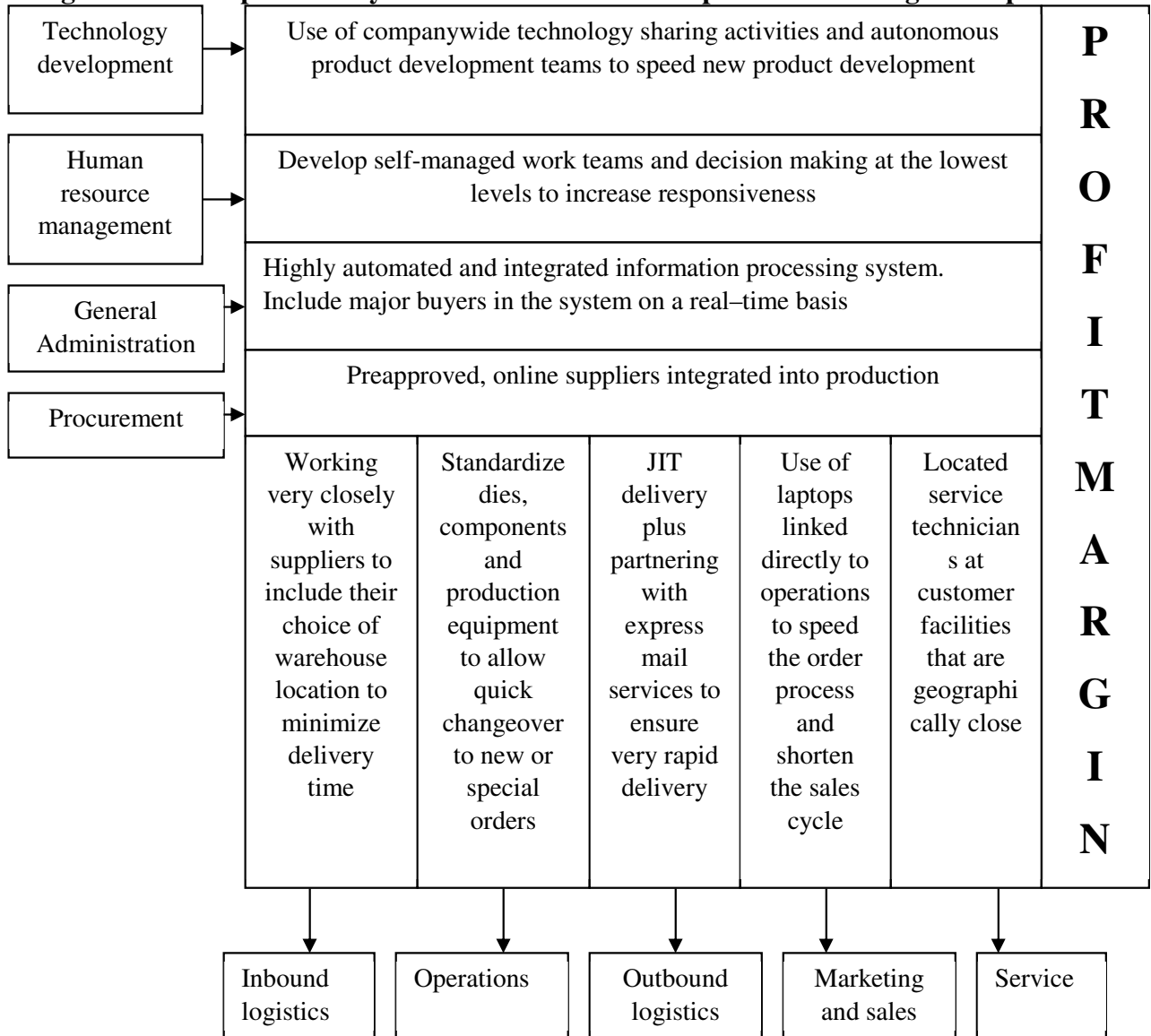
- process engineering skills;
- excellent inbound and outbound logistics;
- technical people in sales and customer service;
- high levels of automation;
- corporate reputation for quality or technical leadership;
- flexible manufacturing capabilities;
- strong downstream partners;
- strong cooperation from suppliers of major components of the product or service,

The second, organizational requirements to support and sustain rapid response activities:

- strong coordination among functions in R&D, product development, and marketing;
- major emphasis on customer satisfaction in incentive programs;
- strong delegation to operating personnel;
- traditional of closeness to key customers;
- some personnel skilled in sales and operations – technical and marketing;
- empowered customer service personnel.

The third, examples of ways businesses achieve competitive advantage via speed (Figure 1)

**Figure 1 – Examples of Ways Businesses Achieve Competitive Advantage Via Speed**



Source: systematized by the authors [7, 9, 11]

Strategic analysis and choice is the phase of the strategic management process when business managers examine and choose a business strategy that allows their business to maintain or create a sustainable competitive advantage. Their starting point is to evaluate and determine which value chain activities provide the basis for distinguishing the firm in the customer’s mind from other reasonable alternatives. Businesses with a dominant product or service line must also choose among alternate grand strategies to guide the firm’s activities, particularly when they are trying to decide about broadening the scope of the firm’s activities beyond its core business<sup>8</sup>.

What strategies are most effective at building sustainable competitive advantages for single business units? What competitive strategy positions a business most effectively in its industry? For example, Scania, the most productive truck manufacturer in the world, joins its major rival Volvo as two anchors of Sweden’s economy. Scania’s return on sales of 9.9 percent

<sup>8</sup> ILYSHEVA, N., KRYLOVA, S. (2014): Accounting, Analysis and Strategic Management of Innovation Activity. Moscow: Finances & Statistics, 2014. 216 pages.



far exceeds Mercedes (2.6 percent) and Volvo (2.5 percent), a level it has achieved most of the last 60 years.<sup>9</sup>

The next, we describe factor models which can be used in analytical researches of enterprise innovative development and for studying the statement of budgeting management at industrial enterprises in coordinates of the financial and economic security system. There are three types of factor models being used today to manage equity portfolios: statistical factor models, macroeconomic factor models, and fundamental factor models.

In a *statistical factor model*, historical and cross-sectional data on stock returns are tossed into a statistical model. The statistical model used is principal components analysis, which is a special case of a statistical technique called factor analysis. In a *macroeconomic factor model*, the inputs to the model are historical stock returns and observable macroeconomic variables. These variables are called raw descriptors. *Fundamental Factor Models* use company and industry attributes and market data as raw descriptors. Examples are price-earning ratios, book-price ratios, estimated economic growth and trading activity. The inputs into a fundamental factors model are stock returns and the raw descriptors about a company. Those fundamental variables about a company that are pervasive in explaining stock returns are, then the raw descriptors retained in the model.<sup>10</sup>

Also there are *Multi-index models*, which attempt to capture some of the nonmarket influences that cause securities to move together. The search for nonmarket influences is a search for a set of economic factors or structural groups (industries) that account for common movement in stock prices beyond that accounted for by the market index itself. While it is easy to find a set of indexes that is associated with nonmarket effects over any period of time, as we will see, it is quite another matter to find a set that is successful in predicting covariances that are not market related.<sup>11</sup>

Thus, conducted research provides with opportunity of making integrated managerial analysis of innovation-investment activity, determination of innovation and investment potential of domestic industrial enterprises, statement of budgeting management at industrial enterprises.

At last, the methodological approaches to the strategy of innovative and investment development of industrial enterprises, in particular, its budgetary basis and methodological basis of the managerial analysis of the innovative and investment activity of the enterprise, are substantiated. This proved that the strategy of activation of innovative and investment development is part of the strategic development of the entire process of industrial enterprise development, which is characterized by a functional outline and tools. In particular, the management analysis of innovation and investment activity of the enterprise systematically uses traditional and new methods of financial and economic calculations (investment, marketing and financial and investment analysis) and considers the efficiency criteria for activating innovation and investment development around the four poles of strategic management (internal coordination mechanism, procedures Incentive system, information system, decision-making structure).

---

<sup>9</sup> KARPENKO, L. M. (2013): Methodological Approaches to Assessing the Competitiveness of the Enterprise / L.M. Karpenko // Bulletin of socio-economic research: Collection of scientific articles. Odessa, 2013. Issue 3 (50), Part 2, p. 24-31.

<sup>10</sup> GRISHOVA, I. Y. (2017): Implementation of the principles of consumerism in the strategy of business development [Text] / I.Y. Grishova, P.V. Voronzhak, T.L. Shestakovskaya // Scientific bulletin Polesie. No. 2 (10), part 1, 2017. P. 41-48.

<sup>11</sup> YANCHUK, A. O. (2017): Tools of the financial and credit mechanism of state regulation of agrarian production development and their effectiveness [Text] / A.O. Yanchuk, E.Y. Markova, P.V. Voronzhak // Scientific bulletin Polesie. No. 3 (11), Part 1. 2017. P. 117-122.

## Conclusions

Management based on the measurement, standardization of management knowledge, and alignment of corporate interests with financial instruments – all these are an incomplete list of key factors which help to ensure the accountability and the effectiveness of measures in the system of financial and economic security management. Measurements of enterprise activities provide the rationality and focus on actions for financial and economic security, increasing effectiveness of financial and economic security system, the main function of which is control and audit of an enterprise's activity. The application of standards in management is the basis for the formation of corporate ethics as a fundamental set of rules and regulations of security culture of an enterprise.

Let's make the results of studies. In setting budgeting should be noted that universal rules, practices and procedures described in strictly economic literature or fixed in the regulations on accounting, can not be. Budgeting - is always area for creativity, because every business, every big and small company - unique. So, and in-house system of budgeting may vary.

Budgeting as a management technology is not only a planning tool. It is also a tool to control the business situation and the financial standing of the company as a whole or as a separate business. Therefore, along with the budget for the coming period shall report on the budget in the meantime and also match the planned and actual performance. The comparison is made on the results of the so-called analysis of deviations, the assessment of actual performance deviations from the plan and their causes. Deviations can be negative when the actual figures are under planning, and positive if the actual values exceed the anticipated or already installed.

With the development of enterprise budget for the period management of the company gets a clear plan for action. In the process of its implementation must be ensured precision execution. If the production processes are any defects, this fact must be taken into account in the control of the budget. Budgetary control starts at the initial time of funding the production process. Control is facilitated by the fact that when you make the appropriate changes to the budget at the time of failure, you can immediately calculate the reflection of the failure on the financial results and the elimination of negative impacts of the production failure. Therefore, monitoring of budget execution is carried out continuously.

In the period of the formation of a market economy, the transformation of the economic and legal field there are additional factors of the external environment of the business entities, most of which have a negative impact (economic crime, imperfection of the legislative framework and state policy, low competitiveness, criminal encroachment on entrepreneurs), which requires strengthening the economic security of entrepreneurial activity as a component of the economic activity of the enterprise. In this context, the problem of guaranteeing the economic security of an enterprise clearly goes beyond the management of a business entity and becomes both an object and a goal of state policy. It is a comprehensive approach that involves the actions of each individual enterprise to create its system of security (at the micro level), as well as the formation of a healthy competitive environment by central, regional and local public authorities and ensuring the necessary conditions for the development of each economic entity.

Therefore, the strategy of activating the innovation and investment development of an enterprise applies all the basic functions of management under certain administrative procedures, but the main object of the strategy is to intensify innovation and investment development, which is to accelerate the organization of innovation and investment activities in the distance and in time. The developed scientific and applied provisions and the aggregate of methodical recommendations for the management of innovation and investment development of enterprises, which are used the strategy basis for its activation, are creating the special complex of management tools that will allow industrial enterprises to hasten the development through innovation, tested in practice, which will confirm their reality and effectiveness. The

abovementioned concept that is proposed in the article was already used by the authors to assess the potential of innovation and Odessa region investment sphere, its attractiveness, possible changes and development directions.

#### **References:**

1. DOBROWOLSKIY, E., KARABANOV, B., BOROVKOV, P. (2011): Budgeting: step by step. – 2nd ed., Optionalp. - St.: Peter, 2011. 480 p pages.
2. OTENKO, V. I. Corporate management of innovation activity // VI Otenchenko // Management of the development of complex systems: Collection of scientific works. - K., 2015. № 28 (2) . P. 163-168.
3. EDVIN J. ELTON, MARTIN J. GRUBER (2014): Modern Portfolio Theory and Investment Analysis. 7-th Edition. USA: New York University, 2014. 728 pages.
4. MARCELA, C. Investment projects: general presentation, definition, classification, characteristics the stages / C. Marcela. 2008. 700 p.
5. FRANK J. FABOZZI, CFA (2008): Investment management / Frank J. Fabozzi. 2nd ed. USA, New Jersey 07458, 2008. 837 pages.
6. KARPENKO, L. N. (2015): Multi-index models and methodological base for innovative and investment analysis of enterprises / L.N.Karpenko // Institutional framework for the functioning of the economy in the context of transformation: Collection of scientific articles. – Montreal, Canada, 2015. – P. 287-292. ISBN 978-1-926711-20-8
7. KARPENKO, L. N. (2016): Modernization in the administration management decisions of innovative development of industry enterprises / L.N. Karpenko // Economy and management: collection of scientific works. - Vinnitsa, 2016. – V. 1 (21). – P.109 –118.
8. ILYSHEVA, N., KRYLOVA, S. (2014): Accounting, Analysis and Strategic Management of Innovation Activity. Moscow: Finances & Statistics, 2014. – 216 pages.
9. KARPENKO, L. M. (2013): Methodological Approaches to Assessing the Competitiveness of the Enterprise / L.M. Karpenko // Bulletin of socio-economic research: Collection of scientific articles. – Odessa, 2013. – Issue 3 (50), Part 2, – P. 24-31.
10. GRISHOVA, I. Y. (2017): Implementation of the principles of consumerism in the strategy of business development [Text] / I.Y. Grishova, P.V. Voronzhak, T.L. Shestakovskaya // Scientific bulletin Polesie. – No. 2 (10), part 1 – 2017. – P. 41–48.
11. YANCHUK, A. O. (2017): Tools of the financial and credit mechanism of state regulation of agrarian production development and their effectiveness [Text] / A.O. Yanchuk, E.Y.Markova, P.V. Voronzhak // Scientific bulletin Polesie. - No. 3 (11), Part 1. - 2017. - P. 117-122.

#### **Contact:**

**prof. Lidiia Karpenko, DrSc.**

Department of the Management of Foreign Economic and Innovative Activity

Institute of Business, Economy and Information Technologies

Odessa National Polytechnic University

1, Shevchenko Avenue

Odessa, 65044

Ukraine

e-mail: Lidako@list.ru, Lidiiko888@gmail.com

**assoc. prof. Pavlo Voronzhak, PhD.**

Department of Accounting, Analysis and Audit

Institute of Business, Economy and Information Technologies

Odessa National Polytechnic University

1, Shevchenko Avenue

Odessa, 65044

Ukraine

e-mail: vorongak@gmail.com, vpv13@mail.ru