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PROBLEMS OF ENSURING THE PROFITABILITY OF THE ENTERPRISE AND WAYS OF ITS INCREASE IN MODERN CONDITIONS

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The article analyzes the theoretical foundations of the profitability of the enterprise. In particular, the essence of the concept of "profitability", functions and types of profitability is investigated. The reasons for the low profitability of enterprises in Ukraine in modern conditions are considered and the ways of its increase are proposed.

Investigation of existing approaches to the interpretation of the concept of profitability allowed to summarize the main features that characterize the profitability, namely: the ratio of profits to expenses, the ability to make a profit, an economic instrument, the main criterion of economic efficiency, an indicator of the efficiency of the enterprise, etc.

The main reasons for the low profitability of enterprises in Ukraine in modern conditions are the following: reducing the volumes of profits, a significant increase in production cost, insufficiency and ineffectiveness of investment and innovation activities, insufficient control by state bodies on the reliability of reporting data, cost indicators, profits, pricing, etc.

The main directions that would allow to increase the profitability of business entities are proposed: the implementation of larger volumes of profitable products, works, services; optimization of assortment of products, works, services; innovative ways of reducing the cost of products, works and services; diversification of activity; activation of investment and innovation activity as a whole; improvement of labor motivation system, etc.

Key words: profitability, profit, profitability of the enterprise, efficiency of activity, types of profitability, cost.

ПРОБЛЕМИ ЗАБЕЗПЕЧЕННЯ ТА ШЛЯХИ ПІДВИЩЕННЯ РЕНТАБЕЛЬНОСТІ ПІДПРИЄМСТВА В СУЧАСНИХ УМОВАХ

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У статті здійснено дослідження теоретичних основ рентабельності підприємства. Зокрема, досліджено сутність поняття «рентабельність», функції та види рентабельності. Розглянуто причини низької рентабельності діяльності підприємств в Україні в сучасних умовах та запропоновано шляхи її підвищення.

Дослідження існуючих підходів до трактування поняття рентабельності дозволило узагальнити основні ознаки, що характеризують рентабельність, а саме: співвідношення прибутку з витратами, здатність отримувати прибуток, бачення рентабельності як економічного інструменту, як основного критерію економічної ефективності, як показника ефективності роботи підприємства тощо.

Визначено основні причини низької рентабельності діяльності вітчизняних підприємств в сучасних умовах, а саме: зниження обсягів прибутків, суттєве підвищення собівартості виробництва, недостатність та неефективність інвестиційно-інноваційної діяльності суб'єктів господарювання, недостатній контроль з боку державних органів щодо достовірності звітних даних, показників собівартості, прибутку, ціноутворення тощо.

Сформовано основні напрямки, які б дозволили підвищити рентабельність суб'єктів господарювання: реалізація більших обсягів прибуткової продукції, робіт, послуг; оптимізація асортименту продукції, робіт, послуг; інноваційні напрямки зниження собівартості продукції, робіт, послуг; диверсифікація діяльності; активізація інвестиційно-інноваційної діяльності в цілому; удосконалення системи мотивації праці тощо.

Ключові слова: рентабельність, прибуток, рентабельність підприємства, ефективність діяльності, види рентабельності, собівартість.

Problem setting and its relationship with important scientific and practical tasks.

Transformation processes taking place in the economy in the direction of forming market conditions of management, require enterprises to operate profitably. Only effective management of financial and other types of resources, comparing profits with costs, can ensure financial stability, competitiveness and development for the future of any business entity.

Given the number and variety of factors that affect the profitability of production, each business entity is forced to constantly look for new ways to optimize production and economic activity, increase competitive positions, which, in turn, would increase profitability.

In the conditions of increasing competition, the problems of finding ways to increase the profitability of economic entities are among the most pressing. After all, achieving the maximum possible level of profitability provides each enterprise not only efficient operation, maintaining a competitive position, but growth in the long run.

Recent research and publications analysis. Problems of increasing the profitability of enterprises are considered in the works of such authors as V.G. Andriychuk, M.M. Berdar, Y.A. Dolgorukov, I.Y. Epifanova, O.A. Zinchenko, V.R. Kobyletsky, O.K. Kurochkina, O.O. Nepochatenko, I.V. Oleksandrenko and others.

At the same time, it is necessary to study the reason for the low profitability of enterprises and find ways to increase it taking into account the current crisis conditions.

The purpose of the article. The aim of the study is to examine main features of profitability, find out reasons for low profitability enterprises in Ukraine and propose ways to increase their profitability.

The main results and their rationale. From the ability of business entities to ensure the appropriate level of profitability depends on their financial stability, ability to protect the interests of investors, to maintain a competitive position. Therefore, the problems of ensuring

profitability for businesses are the most relevant among economic problems, because achieving the highest possible level of profitability can increase the efficiency of both the individual enterprise and the state as a whole.

In a market economy, financial resources are invested in any activity on the criterion of maximum profit. Because of this, profitability plays an important role in determining the financial results of the enterprise. After all, managers and the owners of the enterprise's capital must always evaluate any decision in the field of money management by comparing costs with profits. Another important point is that financial resources are limited, and the profit is an important financial resource that can be reinvested to receive new profits [1].

It should be noted that profitability is a complex economic category of a market economy. The study of the essence of profitability makes it possible to effectively manage each individual business entity and the national economy as a whole.

Therefore, first of all, it is necessary to study the essence of the concept of "profitability". In a broad sense, "profitability is an integrated indicator that reflects the efficiency of the enterprise that aims to make a profit in the short term and indicates the quality of management decisions relating to financial, operating and investment activities of the enterprise" [2].

Also, scientists point to the multilevel concept of profitability, interpreting it as:

"- profitability of production and sale of all products (works, services) or certain types of it;

- profitability of enterprises, organizations, institutions as a whole as business entities;

- profitability of various sectors of the economy" [3].

Existing approaches to the interpretation of the concept of "profitability" with highlighting of their defining characteristics are presented in Table 1.

Table 1

Interpretation of the concept of "profitability"

The essence of the concept "profitability"	Defining characteristics
The ratio of profit to costs (one of the main indicators of efficiency of economic entities of various forms of ownership, which characterizes the intensity of their work) [4]	The ratio of profit to expenses
The company's ability to make a profit from its business activities, using its resources, is an economic tool that underlies all decisions of the company to manage activities and relationships with business partners and therefore acquires the status of the main criterion used to assess economic efficiency [5]	- ability to make a profit; - economic instrument; - the main criterion of economic efficiency
One of the main indicators of production efficiency, which characterizes the level of return on assets and the degree of capital use in the production process [6]	An indicator of the efficiency of the enterprise
Relative indicator of the level of the enterprise, which characterizes the efficiency of the enterprise as a whole, the profitability of various activities [2]	
Measures the profitability of the enterprise from different positions. Profitability indicators are grouped in accordance with the interests of participants in the economic process of market exchange. They allow to evaluate the effectiveness of invested resources. [7]	
An indicator of economic efficiency of production of an industrial enterprise, which reflects the final results of economic activity [8]	
Criterion of economic efficiency, which provides a profit after deducting all costs of its production and sale [9]	Criterion of economic efficiency
Relative indicator of production intensity, which characterizes the level of payback (profitability) of the relevant components of the production process or total costs of the enterprise [10]	Indicator of production intensity

Thus, the study of existing approaches to the interpretation of the concept of profitability allows us to summarize following main features that characterize profitability:

- the ratio of profit to expenses;
- ability to make a profit;
- economic instrument;
- the main criterion of economic efficiency;
- an indicator of the efficiency of the enterprise;
- criterion of economic efficiency;
- indicator of production intensity.

Also, it should be specified following profitability functions:

- is an indicator that assesses the rational use of resources;
- generates a generalized assessment of the enterprise;
- reflects the increase in the cost of capital;
- stimulates employees to work effectively;
- regulates the rate of expanded reproduction of fixed assets.

Profitability is of several types, the main of which are presented in Figure 1.

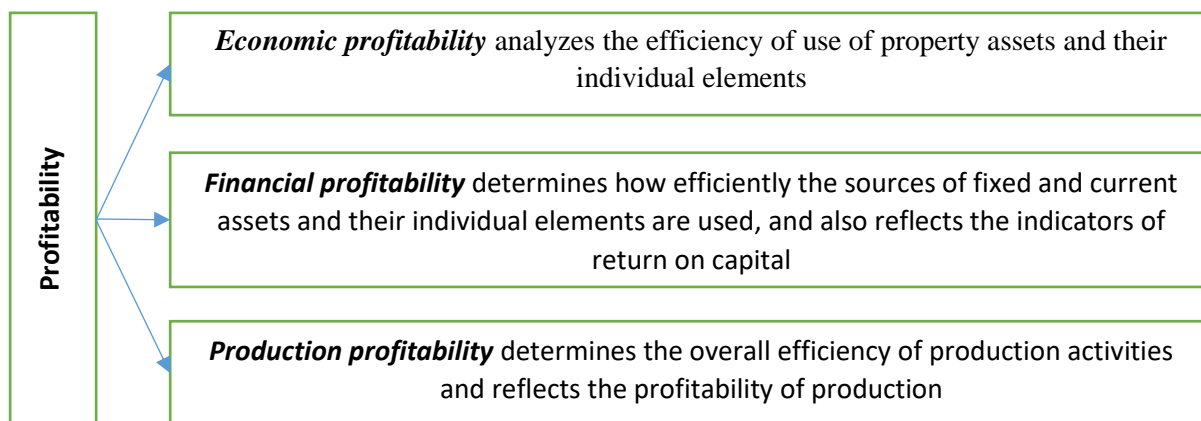


Fig. 1 The main types of profitability

It should be noted that profitability indicators are important characteristics of the factor environment of profit (income) of the enterprise. Therefore, they are key and necessary components of comparative analysis and assessment of the financial condition of the enterprise. Also, in the process of production analysis, profitability indicators are used as a tool of investment policy and pricing.

Accordingly, there are several groups of indicators that make up the system of profitability indicators:

"- indicators based on the cost approach (characterize the payback of the enterprise and investment projects);

- indicators that characterize the profitability of sales (characterize the efficiency of commercial activities and reflect the amount of profit that the enterprise receives from each hryvnia of sales);

- indicators based on the resource approach (used to determine the profitability of resources or capital of the enterprise)" [11].

Therefore, due to the analysis of profitability, business entities have the opportunity:

- identify the effectiveness of financial resources and the level of its rational use;
- produce products (provide services) of high profitability that could meet the demand and needs of consumers;
- increase their competitive positions in the market.

It should be noted that in modern business conditions, many enterprises face problems of low profitability, the reasons for which are:

- reduction of profits;
- a significant increase in production costs;
- insufficiency of investment and innovation activities of economic entities;
- insufficient control by government agencies over the reliability of reporting data, cost indicators, profits, pricing, etc.

Therefore, enterprises, analyzing the factors of the most negative impact on profitability, must constantly look for ways and implement possible measures to increase profitability.

The main ways of increasing the profitability of the enterprise are:

- growth of sales, performance of works and provision of various types of services;
- reducing the cost of products, works and services;
- effective product quality control, constant work on improving the quality and competitiveness of products;
- increasing the efficiency of use of fixed assets of the enterprise;
- optimization of the composition and structure of current assets of the enterprise;
- increasing the effectiveness of marketing policy;
- increase of labor productivity, etc.

The above ways are common and widely used to increase the level of profitability of enterprises. At the same time, in our opinion, it is critical to form and implement exactly those directions and measures that are optimal in modern conditions (Table 2).

Table 2

Ways to increase profitability in modern conditions

Directions for increasing the profitability of the enterprise	Characteristics of the directions
1. Sale of large volumes of profitable products, works, services	The marketing strategy of the enterprise should be aimed at finding ways to sell those types of products, works, services that provide maximum profit and level of profitability
2. Optimization of the range of products, works, services	The formation of the range of products, works and services should take into account the constant variability of customer requirements and be sensitive to market conditions and demands
3. Innovative ways of reducing the cost of products, works and services	In modern conditions this direction is the most effective factor in profitability growth
4. Optimization of the composition and structure of current assets	Businesses need measures to improve the efficiency of formation and use of current assets in order to maximize profitability
5. Diversification of activities	Diversification of activity would allow to use endogenous potential and untapped opportunities
6. Activation of investment and innovation activities	It is necessary to constantly search for and use new promising ways, approaches to intensify investment and innovation activities
7. Improving the system of work motivation	In the modern labor market in Ukraine, there is a significant outflow of labor abroad, in particular, highly skilled workers. Therefore, it is necessary to develop an effective system of work motivation (especially material incentives).

The implementation of the proposed measures in the complex is aimed at increase the level of profitability of the enterprises and the efficiency of their activities as a whole.

Conclusion. Thus, ensuring profitability of the enterprise is especially important in today's crisis, when management needs to constantly make decisions to ensure the financial stability of the enterprise. The effects of the negative factors caused by the crisis were exacerbated by the effects of the pandemic, which affected the profitability of enterprises.

Today, many companies in Ukraine are in a difficult financial situation and need to take measures to increase profitability. A significant proportion of enterprises are unprofitable,

insolvent or there is a gradual decrease in profitability of their activities. Therefore, each business entity must actively seek all possible ways to increase effectiveness of their activities taking into account effects of crises.

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APPROACHES AND METHODS OF DEVELOPMENT, ADOPTION AND IMPLEMENTATION OF MANAGEMENT DECISIONS

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Any purposeful human activity is always associated with decision-making, and this process is a structural element, the most important attribute of activity. In all spheres of society, at all levels of management, the managerial decision is the main activity of the leader. The process of development, adoption, organization of implementation and implementation of such a decision reflects the content and essence of management and is considered in science as a specialized activity designed to streamline relations between people and subjects of socio-economic relations. This is a mechanism for empowering management entities to direct the process of joint activities of people to solve common socio-economic problems.

The article analyzes the general approaches and methods of development, adoption and implementation of management decisions. Development and decision-making is a certain sequence of actions (operations), which ensures decision-making. Development and decision-making - a number of different, but fairly typical procedures, which are separate stages in the management process, which allows you to build a general scheme of the management decision-making process.

The study of approaches and methods of development and implementation of management decisions allowed us to determine that the development and adoption of management decisions is a certain sequence of actions (operations), which ensures decision-making. Development and decision-making - a number of different, but fairly typical procedures, which are separate stages in the management process, which allows you to build a general scheme of the management decision-making process. There are two main approaches to making management decisions: centralized and decentralized. Traditional, economic-mathematical, systematized and system-target methods should be used in the development and adoption of management decisions.

Keywords: management decision, manager, aspects of acceptance, implementation, responsibility, problem.