# CHANGE FROM ECONOMIC ANALYSIS TO OPERATIONAL ANALYTICS AND CORPORATE ANALYSIS IN INNOVATIVE ENTREPRENEURSHIP

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## ABSTRACT

***Aim of the study:*** *In modern conditions, it is necessary to use new approaches to both the analysis of company reporting and the analysis of certain aspects of economic activity, based on the interests of stakeholders. In the internal management, it is necessary to move to operational analytics on the basis of big data and to automate the adoption of operational and strategic decisions. External users are interested in the results of corporate analysis of the company's activities and prospects for its operation in external competitive environment.*

***Methodology:*** *In the article, the authors propose to synthesize intra-economic analysis with technical, technological by converting natural production indicators, for example, hours of work, into a cost form.*

***Conclusion:*** *The authors believe that it should in theory and in practice, to go in company management from economic analysis on the basis of reporting the analysis on the basis of accounting, i.e. go to operational intelligence, subject to global trends. After all, it is on the basis of primary operational accounting that the modern approach of studying and analyzing big data (Big Data) is built around the world. As noted in the literature and in this article, the concept of turning traditional Analytics into operational is not new, however, in the past, this concept was rarely implemented in practice.*

**Keywords:** Entrepreneurship, Innovation System, Economic Analysis, Corporate Analysis, Operational Analytics.

## INTRODUCTION

The economic analysis of economic activity and the economic analysis of the reporting in the basis arose in the middle of the last century and changed only with change of the reporting (Akhmetshin, 2018). The General approach to the analysis, its statistical methods, judgments about the company's activities on the basis of artificial factors that influenced the generalized indicators of reporting, have changed little since then and have poorly adapted to the modern requirements of the digital economy (Urbano, 2016).

## LITURATURE REVIEW

The goals of economic (economic) analysis are often defined in the most General, "*Desired*" form (Abramov, 2017). For example, economic (economic) analysis is considered as an objectively necessary element of management of the enterprise, by which the essence of economic processes is determined, the financial situation is assessed, production reserves are identified and decisions are made for planning and management (Darnihamedani, 2018). But with the help of economic (economic) analysis, which is devoted to a lot of publications and which is widely represented in training courses in universities, you can only superficially assess the financial situation, while the rest of the above goals are not achieved by methods of economic (economic) analysis, because it is

superficial, without penetrating into the essence of the phenomena. In addition, in-house management and in-house analysis are used not only cost, but also natural indicators, primarily - working time. Efficiency and reserves are also determined not only by economic indicators (Abramov, 2016).

Operational planning processes require information about the company's external environment, including competitors and market conditions (Baboshkina, 2018). And the essence of economic processes can be determined by studying these processes on the spot, including using operational non-economic Analytics.

## METHODOLOGY

From our point of view, economic analysis is only a very small part of the process of converting the array of primary and summary data (information resources) formed at the enterprise into significant results for management in the form of preparation or automated decision-making. At the same time, the analysis should identify both economic and non-economic criteria for the effectiveness of the use of such an important non-renewable resource as working time (Koshkin, 2018).

Analysis of economic activity, based on the analysis of financial statements, can be called a "*Romantic*" period of its development (Abramov, 2015). The main drawback of this analysis is the vagueness of purpose and the use of only a small proportion of the information that is generated in the enterprise. The classical approach used in the economic analysis, is that initially, the primary data of managerial accounting are summarized in the accounts to aggregated synthetic indicators - articles, financial statements, and then in the analysis they are formatted ("*Dismember*", "*Regroup*", "*Transformersa*", "*Mapped*", etc.) to a new artificially created performance contingent factors. The analysis turns only into aimless mathematical, statistical processing of the generalized indicators of the reporting. This kind of analysis has long failed to provide answers to practically significant questions in the context of market and competitive relations (McKelvey, 2019).

The subject of any field of economic science is industrial relations between people (Vivarelli, 2011). The paradox is that the economic analysis of economic activity that has developed in previous years does not focus on this kind of relationship either within the company or outside it. At the same time, such analysis does not have a specific purpose, is not intended to meet the needs of specific users of information for management decision-making (most likely, the results of traditional economic analysis can be classified as "*Take note*") (Abramov, 2018).

The analysis of reporting indicators involuntarily puts the analyst in the conditions under which he proceeds from the principle "*what I can do, I do*", sitting in the office, not appearing at the enterprise and not involving in the analysis the whole set of necessary data and information (Arroyo-Vázquez, 2010).

## RESULTS AND DISCUSSION

It should be noted that consideration only of accounting, control and analysis in isolation from other types of accounting, control and analysis significantly reduces the possibility of economic analysis, moreover, makes it contrary to other information available at the enterprise (Pech, 2016). How can, without operational information on the progress and implementation of business processes, the process of achieving results, including economic, judge the effectiveness of the enterprise, if the process of activity was not even considered? Analysis of economic activity is not only an economic problem. This is an interdisciplinary problem (Malerba, 2018). This analysis should be based not only and not so much on accounting and reporting data, but also on operational accounting data for all activities. And this analysis should be carried out not only by dividing the generalized accounting indicators to obtain the so-called factors that influenced the result, but also by grouping homogeneous primary facts to identify and detect problems in management and their solutions. It is thus possible to evaluate and manage the activities of the enterprise (Block, 2013).

For comparison, let's see how now in the theory of economic analysis are classified its objectives. Economic analysis applied science, which is a system of special knowledge to assess the effectiveness of a subject of the market economy. The main purpose of the analysis is to improve the efficiency of economic entities and search for reserves of such increase (Morozov, 2018). However, analyzing only reporting, it is difficult to improve the efficiency of functioning, to assess all the reserves of the company and to make many management decisions. In addition, it is also necessary to assess the position of the company in the external environment in competitive markets.

The modern approach to the analysis of reporting involves the establishment and achievement in the analysis of specific goals and objectives, based on the needs of specific groups of users of information, i.e. - obtaining useful information. In addition, the analysis of the past should be aimed at assessing the future activities of the company (Ni, 2017).

In addition, at present, it is not taken into account for whom and what is needed, for example, a comprehensive economic analysis of economic activities - for external users or for internal management (Del Bosco, 2018).

With the advent of computer technologies of operational management accounting, economic analysis of reporting for internal decision-making is no longer effective, because it is not focused on internal management, and for external users of reporting is of uncertain value (Leyden, 2016).

In addition, there are obvious paradoxes in the set and use of analytical characteristics. For example, one of the most important indicators of the efficiency of fixed assets in the analysis of economic activity is still considered to be capital productivity. It is worth considering what this indicator means, defined as the ratio of sales to the value of fixed assets? It turns out that it doesn't mean anything because too many circumstances affect sales. No less than the circumstances affect the use of equipment. There can be no question of any "*Return*" with this approach. Now this indicator-the coefficient shows only how many times the residual or initial cost of fixed assets is more or less than the cost of production. In addition, it is not clear why the return of funds is involved, although only the initial or residual value of property, plant and equipment is present (Kuratko, 2015).

An indicator of the effectiveness of the use of fixed assets in the internal management, for example, to assess the use of equipment, can be the value of unplanned downtime of equipment in hours for reasons identified during the operational management accounting. These include, for example, downtime of equipment in emergency repairs for various root causes for example, associated with the use of equipment. It should be borne in mind that the primary cause of equipment downtime may be circumstances related to the use of equipment and unrelated: late delivery of materials and semi-finished products, lack of skilled workers, etc. it Should be recalled that fixed assets (capital) are not only fixed assets, but also intangible assets with a service life of more than a year. So there is also terminological confusion in this indicator. In addition, it is known that fixed assets (or funds) do not create the value of products, but only transfer their value to the value of the finished product, so the term "*Return*" is inappropriate and unsuccessful. Fixed assets "*Give*" only depreciation.

Management operational accounting includes a huge array of non-accounting information, non-management primary and summary operational accounting data. Operational accounting, from our point of view, is the primary and summary accounting of economic facts, events, operations, which serves all areas of the company's detailed and detailed data on the processes and results of this activity. Only a small part of this information gets into accounting (mainly in value terms). Non-galactic operational management accounting is the lion's share of primary and summary data. It is on the basis of primary operational accounting that the modern approach of studying and analyzing big data is built.

The concept of turning traditional Analytics into an operating system is not new, but has rarely been implemented in the past due to the lack of modern operational accounting technologies. But today, with the development of these technologies and the complexity of the nature of business, the use of operational Analytics becomes inevitable.

It's not just descriptive Analytics, it's predictive Analytics, prescribing Analytics that determine the timely actions needed to achieve goals.

## CONCLUSION

In the economic literature on the analysis of economic activity is constantly used the phrase "information support analysis." There is no need, in our view, to provide information for analysis. Information needs to be managed internally. And the analysis itself is essentially information support, along with accounting and control. With the advent of computer technology in the management of new requirements for the formation of information. The formation of information has become a single technological process, technological procedures, which are the unity of the primary accounting, control and analysis of the data, as well as the method of grouping and generalization. This generalization has nothing to do with the principles of accounting generalization, but it is equally important for management.

These operating records and can serve as a basis for intra-operational analysis and control in real control. Operational analysis information, if necessary, can be turned into economic. For example, using the ABC (Activity Based Costing) method, you can determine both the total cost of repair, and the cost of its individual types, groups of equipment, departments where the equipment works. In addition, you can determine the cost of one hour of downtime losses by type and location of equipment, the highest repair costs by type, nodes, systems, departments, the highest cost of downtime by type, nodes, systems, departments.

For in-house management of equipment use it is enough to take into account its downtime in hours for various reasons. If necessary, downtime of equipment in hours can be easily converted into economic losses by calculating the cost of one hour of loss of each type of equipment in case of downtime during the main time of its active operation.

At the same time, even in the course of intra-company economic analysis, technical, technological and natural production indicators cannot be rejected.

Similar problems arise with the analysis of labor productivity, with the analysis of the use of materials, cost and cost of production analysis, in General, in all production analysis, which, for example, in the internal management should be based not on the analysis of reporting, but on the data of operational management accounting.

Thus, it can be stated that there is a need to move in the internal management and in theory and practice from economic analysis based on reporting to analysis based on operational accounting, i.e. to move to operational Analytics.

In addition, having accumulated a huge potential of such primary operational information, it is possible to use big data technology and conduct additional research on the basis of operational Analytics to obtain new knowledge about unexpected situations. According to experts, there is a great potential for the development of intra-firm analysis in operational Analytics, which replaces the traditional reporting Analytics. The term "operational Analytics" applies to a situation where Analytics becomes an integral part of individual decision-making by functional managers within an organization. Operational Analytics is used to support not strategic, but significant everyday, current, tactical decisions. [4, p. 38].

As you can see, the capabilities of modern technical means of collecting and processing information can not only increase the degree of efficiency of its use, but also reorient the focus and the substantive side of economic analysis. Involvement in the analytical turnover of not only reporting data, but also primary information, data on accounting generalizations in accounting registers, technical and production indicators, registered defining features of objects of taxation, estimate and budget characteristics and other in-house information resources allows as a result of the analysis of transactions and individual operations to prevent (prevent) the Commission of ineffective actions in response to critical or signal indicators, and not to state only (as before) already accomplished unfavorable economic fact.

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