

# RESEARCH OF LOGICAL CONTRADICTIONS IN ENTERPRISE MANAGEMENT

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## ABSTRACT

*The article formulates the foundations of strategic and operational management of an enterprise; disclosed systemic contradictions in enterprise management; formulated the criteria for the consistency of strategic goals and operational results of the enterprise; the characteristic of the current state of enterprises in the service sector is given; an assessment of the operational results of the activities of service enterprises; the analysis of the factors influencing the formation of the strategic goals of the enterprise in the service sector is carried out; a methodology for assessing the criteria for operational management of a service sector enterprise was developed; control of compliance of criteria of efficiency of operational management of service sector enterprises with the declared strategy of concentrated growth was carried out; the planning of a sustainable process was carried out based on the data modeling of the concentrated growth strategy.*

**Keywords:** Enterprise, Management, Strategy, Efficiency.

## INTRODUCTION

The works of many domestic and foreign theorists and practitioners are devoted to resource management, in particular, to the operational management of a service sector enterprise, results and costs. However, the relationship between the criteria for the effectiveness of operational management and the strategy of an enterprise in the service sector remains insufficiently regulated. The systems of indicators that allow grouping the effectiveness of this activity with the implementation of different strategies (concentrated, integrated, diversified growth, reduction) are schematic in nature and are not accompanied by recommendations for changing values (Rybnova, 2002; Bogoyavlenskaya, 2004; Safin, 2019; Liudmyla & Alina, 2020).

Disagreements arising in organizational and economic relations with the desire to various directed goals of individuals and legal entities and their associations interested in the functioning and results of activities of service enterprises (stakeholders), are limited by the well-known disagreement between the desire to maximize profitability and the desire to maximize liquidity.

Other disagreements arising in the process of managing an enterprise in the service sector from the standpoint of the relationship between the operational and strategic levels of management, as well as the ways to resolve them, are presented in economic science and practice in fragments. The relevance of the tasks set, their theoretical, methodological and practical significance, also determined the choice of the research topic, its goal and objectives, subject and object.

Scientific and theoretical aspects of strategic management are studied in the works:

Vikhanskiy (2006); Mescon et al. (2007); Thompson et al. (2007); Parakhina et al. (20

08); Akmaeva (2010); Alabugina (2015), Alberta (2006), Baeva (2002), Barinova (2011), Gurkova (2004), Kerimova (2015), Kuznetsova (2001).

The analysis and theory of system management is revealed in the works of V.S. Anfilatova (2006); Zhuravleva (2002); Kleiner (2020) and others.

The purpose of the article is to develop a theoretical approach to enterprise management in the sphere.

## **THEORETICAL APPROACH TO ENTERPRISE MANAGEMENT IN THE SPHERE**

The tasks in this case are the categories: "cost of capital", "sources of financing", "investments". Let's concretize the content of these categories. Capital cost, marginal - the cost of attracting additional capital; theoretically, as operations expand, the cost of raising additional capital decreases Ilyin, 2008; Richie & Martin, 2009; Kuznetsov, 2012; Iasechko, 2020; Kostiukevych et al., 2020; Liudmyla & Alina, 2020; Mishchuk et al., 2020..

Cost of capital - measured as a percentage, the cost of various sources of capital required to finance an investment. An enterprise's cost of capital at any given time is the weighted average cost of each type of capital. The weight is defined as the ratio of the amount of capital of each type to the total amount of reserves and all securities issued by the enterprise (Iasechko, 2019a; Iasechko, 2019b; Safin, 2019; Iasechko, 2020a).

Sources of financing:

- 1) A list of economic entities capable of providing such resources;
- 2) Existing and planned sources of obtaining financial resources. Sources of financing are internal (profit, other income), in the form of depreciation and external (loans, gratuitous loans) (Gurkov, 2004).

When studying the process of financing non-current assets (investments), the sources of financing of capital investments are determined.

Sources of financing capital investments - sources of funds aimed at restoring, expanding and improving existing and creating new fixed assets.

Sources of financing capital investments - monetary values accumulated in trust funds, on the accounts of enterprises and directed to capital investments: during the construction of facilities - to pay for design and survey, construction and installation works, purchase of equipment; when buying objects - to pay their price.

The concept of investment in modern reference publications is interpreted as follows:

Investments - a set of costs realized in the form of long-term capital investments in agriculture, transport and other sectors of the economy. Investments include: monetary values, targeted bank deposits, shares, shares and other securities, technologies, machinery, equipment, licenses, including for trademarks, loans, any other property or property rights, intellectual values invested in objects of entrepreneurial and other types of activity in order to obtain profit (income) and achieve a positive social effect.

Investments - 1) investing money to generate income, social effect; 2) cash, securities, other property, incl. property rights, other rights that have a monetary value, invested in objects of entrepreneurial and (or) other activities in order to make a profit and (or) achieve another useful effect.

In this case, current assets can also be attributed to investments.

Long-term capital investments, consisting of capital costs (capital investments); costs associated with an increase in working capital (when expanding production) or working capital in full, required to start production (when creating new industries), as well as costs

required to prepare an investment project (Rybnova, 2002; Bogoyavlenskaya, 2004; Liudmyla & Alina, 2020; Iasechko, 2020b; Iasechko, 2020c).

In a crisis, enterprises, on the one hand, seek to minimize costs, including the cost of attracting financial resources, so that their volume and dynamics correspond to stagnating and falling demand. On the other hand, seeing the crisis as an opportunity for a qualitative change in business, managers seek to restructure the business, which often requires large-scale investments in both current and non-current assets.

Sources of asset financing include paid and share capital.

Paid sources include:

- equity capital, the price of which is financial profitability, defined as the ratio of net profit to the average equity capital for the study period and showing the maximum possible level of dividends for each ruble of equity capital;
- debt capital for a long term in the form of loans, the price of which is determined by the level of the interest rate, as well as bond loans, the price of which is predetermined by coupon payments;
- loans for a short period and loans, the price of which is determined by the interest rate.

The conditionally free sources include accounts payable. However, the delay in payments on it in comparison with the terms of contracts is accompanied by fines, penalties, forfeits, which can also be considered as the price of this type of capital.

Deferred income (prepayment of buyers) is also characterized by a certain value for the enterprise in the form of discounts from the price of products sold on prepayment.

As a result, the amount of this capital that the enterprise attracts to finance its non-current and circulating assets directly depends on the level of costs associated with paying for these financial sources.

The term for raising capital also plays a role: the longer the paid capital is in the company's turnover, the more interest and other payments the company makes on it.

Minimization of costs associated with the price of capital is achieved, first of all, by increasing the efficiency of management of the components of circulating assets, in which capital is attracted, by optimizing their value, as well as accelerating their turnover.

On the other hand, in the activities of the enterprise, a contradiction arises between the cost of capital and the return on assets in which this capital is invested.

Improving the efficiency of working capital management affects the level of profitability, profitability and profitability of the enterprise. Each turnover of working capital brings the company a certain amount of profit, regulated by the profitability of the turnover (sales) or the trade margin. The more revolutions the capital invested in working capital makes, the more profit in absolute terms the enterprise will receive for a given period.

## CONCLUSION

As a result of our research, the problems and tasks of managing the economy of a service sector enterprise aimed at solving these problems are classified by us according to a set of features:

- 1) By the specifics of management relations arising in the process of formation, development (stabilization) and destruction of economic systems;
- 2) In the areas of operation and development of the enterprise;
- 3) By subjects, objects, methods and management tools;
- 4) By the level of management.

Classification of problems and tasks of managing the economy of an industrial enterprise made it possible to determine the areas of tasks of managing an industrial enterprise in the context of minimizing systemic contradictions.

Based on the results of the study, it can be argued that the factors of the microenvironment and the internal environment of the enterprise have the greatest influence on the criteria for the operational management of an enterprise. When comparing the factors of the external macro environment with strategic management, factors of the external microenvironment with tactical (operational) management, factors of the internal environment with dispositive management, it is noted that all levels of management should be involved in maximizing the strengths of the enterprise and minimizing external threats.

The proposed approach to structuring the problems of managing the economy of an enterprise in the service sector makes it possible to develop more effective methods for studying these contradictions, as well as to offer typical management solutions aimed at resolving them for various stages of development of an enterprise, objects and management entities.

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