

MECHANISMS OF COMPANY'S FINANCIAL STABILIZATION

Annotation. The management and financial mechanisms which are used in order to stabilize the company in crisis conditions are described. The definition of the strategic framework of financial stabilization is given. The basic stages of the financial stabilization of the company in a crisis situation are defined.

Анотація. Розглянуто управлінські та фінансові механізми стабілізації підприємства у кризових умовах. Дано визначення стратегічного механізму фінансової стабілізації. Визначено основні етапи фінансової стабілізації на підприємстві в умовах кризової ситуації.

Аннотация. Рассмотрены управленческие и финансовые механизмы стабилизации предприятия в кризисных условиях. Дано определение стратегического механизма финансовой стабилизации. Определены основные этапы финансовой стабилизации на предприятии в условиях кризисной ситуации.

Key words: crisis management, financial stabilization mechanism, insolvency, financial stability, financial equilibrium.

In the heart of crisis management there is the process of constant and consistent innovation at all levels and areas of action of the company.

Anti-crisis management is aimed at the fact that even in the most difficult economic situation in which the enterprise has got, it is possible to put in place administrative and financial mechanisms that would get out of the difficulties with the least losses.

Thus, the aim of this research is to develop and validate practical steps in order to create new, user-friendly tools for the implementation of the company's management.

Significant contribution to the development and research of financial arrangements was made by: Sheremet A. D. [1], Brovina T. M. [2], Grigorieva I. L. [3], Sayfulin R. S. [1], Brigham Yu. [4], Form I. A. [5], L. Gapenski [4], Korelsky T. V. [2] and others.

The strategic mechanism of the financial stabilization is a system of measures aimed at maintaining achieved financial balance of the company in the long run. This mechanism based on using a model of sustainable economic growth of the company provides the basic parameters of its financial strategy.

Talking about the models of sustainable economic growth, it is necessary to notice that it is a regulator of the optimal pace of development of operating activities (increase in sales) or its reverse form – the basic parameters of the regulator of the financial development of the company (which reflects the considered system of coefficients). It allows to consolidate financial balance achievements of crisis management which was made in the previous phase in the long term of economic development.

Financial stability of the enterprise in the terms of crisis gradually implemented in three stages:

- elimination of insolvency;
- restoring financial stability;
- ensuring financial balance in the long run.

Thus, strategic financial stabilization mechanism of the enterprise can draw the following conclusions:

1. Maximal crisis period in progress of equilibrium financial conditions of the company is determined by the period of the corresponding growth rates of the sales volume, its values calculated according to a model of sustainable economic growth. Any deviation from the calculated values of this index leads to the loss of the company's financial equilibrium.

2. Steady economic growth of the company provides the following basic parameters of its financial development:
profit ratio of sales;
policy of profit distribution (reflecting the capitalization ratio of net income);
policy of the capital structure formation (which reflects financial leverage ratio) or, respectively, funding policy assets (reflected by leverage ratio of the assets);
policy formation of the assets composition (reflected by turnover ratio of the assets).

So, changing these parameters, any financial strategy of the company can achieve acceptable rate of economic development in the conditions of financial balance.

3. All parameters of sustainable economic growth model are variable in time, and in order to ensure the financial equilibrium of the company it should be periodically adjusted to the internal conditions of its development, changes in conditions of financial and commodity markets, and other environmental factors.

Basing on these findings, the parameters of the company's financial strategy in the process of crisis management and for its further development it is necessary to make corrections, which are set by potential growth rate of sales.

Thus, the goal of this phase of financial stability is achieved, if the acceleration of sustainable economic growth of the company is provided by the corresponding increase of its market value in the long term.

Considered methods of the crisis management show a wide range of possibilities of financial stabilization of the enterprise through the use of its internal mechanisms.

Thus, as a result of the research the main administrative and financial mechanisms of crisis management were identified. The article reveals the main stages of the financial stabilization of the company, and the main findings of strategic financial stabilization mechanism were made. Further researches may focus on developing the methods of introducing financial stability's mechanisms at the enterprise, and of assessing their effectiveness and use.

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