

PROBLEMS OF EFFECTIVE MANAGEMENT OF THE PROCESS OF FORMATION OF PROFITABILITY OF THE ENTERPRISE

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The effectiveness of management of the process of profitability formation for many enterprises of Ukraine serves as the main criterion for successful activity in modern economic conditions. In this aspect, it is important to analyse not only profit, as the main factor in improving the enterprise's activities, but also costs, because in its economic sense, the effectiveness involves the study of both revenue and expenditure. It is important not to use a one-sided approach, estimating only profit, since such a method will not allow to get a real picture of the effectiveness of profitability management [1].

Considering the general factors of influence on the efficiency of profitability management for Ukrainian enterprises, it should be noted that it is expedient to divide them into external and internal ones. External factors are associated with changes in natural conditions that the company can not control. They can have a negative impact on the company's activities in the event of an emergency, which may result in the normal operation of the enterprise [2,3].

Other important problems of this group, which can be faced by the company, is the change in the state regulation of the relevant branch in which the company operates. May change in the direction of growth of the tax burden on the company, resulting in a level of its profitability will decrease. The level of interest rates can greatly affect the cost of loans for businesses, which can also be a negative factor. Changing the exchange rate may lead to problems with cash flows in the enterprise, as well as working capital, which in turn will reduce the level of profitability

Internal factors of influence on profitability management of the enterprise are more complicated, but they are easier to control because they are dependent on the enterprise. Among the non-productive factors, one can distinguish the company's social policy, including conditions of work, social security of employees and other similar measures. In the event that the employee is not motivated enough, he will be working worse, which will affect the financial result of the company. Other important factors in this list are sales activities and deductions for environmental measures.

Regarding the production factors that are key to the enterprise, the situation here is somewhat different. In particular, the group of extensively related factors is related to the amount of financial resources of the enterprise, the total number of staff and other factors. For example, with a decrease in financial resources, the profitability of an enterprise can be reduced or the firm can get a loss.

Factors of labor intensity also have a significant impact on the company, because in the case of improvement of technologies, improvement of production lines, as well as increase of labor productivity, the company improves its own profitability. Conversely, with insufficient technology, the company may have significant problems in managing profitability.

Analysing the main problems with the efficiency of managing the profitability process in modern conditions for Ukrainian enterprises, it should be noted that they are characterized by 3 main groups of problems related to each other, namely: economic, organizational and socio-psychological [4].

The first group of problems is economic. These problems in profitability management are due to the following factors:

- economic incentives and benefits - if an enterprise does not have any benefits in its activities, it can only increase its costs, which will reduce the profitability of the business;
- tax policy - increase of tax burden will promote increase of expenses of the enterprise and decrease of profitability;
- price policy - as a result of ill-conceived price policy, an enterprise may not receive an adequate level of income, which may have a negative effect on profitability.

Organizational aspects of the problems associated with obtaining insufficient profit levels are the lack of organization of work in the company, non-optimal corporate governance structure and organizational structure. If an enterprise is not organized properly, and the functions of the divisions are duplicated, one can observe the negative effect of economic activity, which is manifested in the lack of profit.

Social-psychological problems in managing profitability at an enterprise can be attributed to such factors:

- characteristics of each employee in a personal plan;
- the order of creation of workplaces;
- the procedure for selection, training and qualification of employees;
- microclimate in the team;
- motivation system for employees to achieve a better result.

Analysing these factors, one can conclude that they are important in the management of profitability, because when reducing, for example, the motivation of employees, the company can lower its economic efficiency and profitability. On the other hand, the relationship between employees can help increase or decrease productivity, which also affects the company's profit.

Separately, the general level of tax burden in Ukraine should be noted. This is a factor affecting the profitability of an enterprise, which requires special consideration. This is due to the fact that at present the tax burden in Ukraine is high, which reduces the incentives for activities in most enterprises. With the increase of tax rates, there is a drop in the number of enterprises in the shadow, which is negative for the Ukrainian economy as a whole.

It should be noted that for each enterprise in Ukraine there is also a set of certain factors related to the general features of the functioning of enterprises, which may lead to problems with profitability management. For example, if a firm has an inadequate level of equity, it is negatively reflected in the total amount of capital, which indicates an inadequate level of own resources.

Another problem in this case may be the growth of accounts receivable, which indicates a decrease in the company's own financial resources. And this, in turn, will reduce the profitability of the enterprise.

The enterprise may face various problems in managing profitability. For example, when a level of investment income is reduced or absent, the enterprise does not actually have additional sources for revenue growth, which contributes to reducing the overall level of profitability of the company.

Another important factor is the attraction of funds from banks and other institutions. If an enterprise has problems in attracting loans from banking institutions, this negatively results in the enterprise being difficult to attract such resources if necessary. Therefore, all problems of profitability management should be considered in a complex way.

To overcome all of the above mentioned companies, you can provide the following recommendations:

- correct organization of the production process, continuous improvement of production technologies and the possibility of re-equipment of production in the short term;
- Improvement of marketing and brand management of the company, which will lead to increase of sales and receive more profit;
- optimization of the pricing policy of the enterprise with orientation both on own resources and on competitors of the market;
- continuous improvement of information processing systems, which will lead to more rapid decision-making on profitability management of the company;
- the correct organization of work with personnel, which involves both a clear division of tasks and their effective control, as well as a system of incentives for employees to achieve the best performance of the enterprise;
- optimization of cost management, in which the enterprise has an optimal level of cost and does not carry out over-expenses.

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