



Economics and Business Management

15(3), 9-21

Journal homepage: <https://economicscience.com.ua/en>

Received: 08.02.2024 Revised: 20.06.2024 Accepted: 15.08.2024

UDC 336.64

DOI: 10.31548/economics/3.2024.09

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Innovative approaches to the management of enterprise financial resources: Analysis of factoring implementation

Abstract. The study was aimed at investigating the mechanism of formation of financial resources and efficiency of their use, specifically in the context of using factoring to reduce the debt burden. Successful management of financial resources is critical for the stability and development of any company, as their efficient use allows not only maintaining financial stability but also achieving long-term goals. The purpose of this study was to introduce methods of optimisation of the financial condition on the example of LLC "Agrobuiding Alliance "Astra", with a focus on a new instrument for managing financial resources in Ukraine – factoring. Materials and methods of the study included qualitative and quantitative analysis of financial resources of the enterprise. The key materials used included the scientific studies of Ukrainian and foreign economists and financial reports of the company under study. The research methods included a comparative analysis of financial indicators before and after the introduction of factoring, modelling of financial flows (revenue), and evaluation of the efficiency of using this tool. The study employed financial analysis methods, such as financial stability and profitability analysis, as well as methods of horizontal and vertical analysis of the company's balance sheet, structural analysis of profits, and factor analysis of return on equity based on the impact of the financial leverage effect. The results of the study showed that the introduction of factoring reduced accounts receivable and improved the company's financial stability. The use of factoring as an innovative tool for Ukraine helped to optimise the financial position and analyse its impact on the company's financial performance. The practical significance of this study is to provide recommendations on the effective use of factoring to improve financial stability not only for the studied LLC, but also for other enterprises facing analogous challenges, since factoring is a relevant solution in the context of economic instability, as a tool that allows reducing the debt burden and ensuring the stability of financial flows of enterprises

Keywords: assets; management; company; capital; efficiency; accounts receivable; financing

INTRODUCTION

The need to investigate the mechanism of formation and efficient use of financial resources of enterprises is conditioned by the unfavourable economic conditions in which modern

Suggested Citation:

Moisiievych, O. (2024). Innovative approaches to the management of enterprise financial resources: Analysis of factoring implementation. *Economics and Business Management*, 15(3), 9-21. doi: 10.31548/economics/3.2024.09.

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companies operate. Due to the rapid changes in the market environment, the significant impact of inflationary processes and the growth of the credit burden, the issue of effective management of financial assets and liabilities is becoming critical to ensure the financial stability and competitiveness of enterprises. Insufficient financial resources or poor management of financial resources leads to increased financial risks, including increased debt burden, liquidity problems, and insolvency.

At the same time, excessive dependence on external sources of financing, such as loans or contractual deferrals, can lead to a decrease in the financial flexibility of the enterprise and increase debt service costs (Shved *et al.*, 2024). The significance of the study lies in the development of effective methods for managing financial assets (cash, accounts receivable, investments) and liabilities (loans, payables) to optimise financial flows. Efficient use of financial resources will help businesses reduce their capital raising costs, increase their return on equity, and reduce the risk of bankruptcy, which are key objectives in an environment of economic instability. In the economic conditions of the 2020s, N. Hryniuk *et al.* (2021) concluded that the key to the stable development of the national economy is to strengthen the financial position of enterprises, as evidenced by the level of their financial security. The success of every business depends on how effectively it manages its resources. In a market environment, the efficiency of any enterprise depends not only on the number of resources it uses or receives, but primarily on the efficiency of managing these resources and the effectiveness of interaction between them. Many researchers focus on the development of policies for the formation of financial resources of enterprises through capital raising and optimisation of the structure of assets and liabilities. L. Solianyk *et al.* (2021) considered different approaches to the development of such a policy, the implementation of which would determine the final financial result of the enterprise. In the context of studying the issue of managing the financial policy of an enterprise, S. Kyrychenko & V. Zabiia (2023) believe that it is advisable to use factor analysis, specifically the principal components method, as it contributes to

making informed decisions to achieve stability and high efficiency in the long term, as interest in the problem of efficient use of financial resources is growing, especially in the context of management decisions aimed at increasing the profitability and liquidity of enterprises.

I. Rumyk *et al.* (2023) pointed out that the availability of the necessary number of financial resources and their efficient use largely determines the financial stability and liquidity of the balance sheet of enterprises, while the required amount of these resources and their current and future efficiency are determined in financial analysis and planning. O. Velyka (2023) and N.V. Smyrnova & N.M. Kozub (2018) investigated the tasks of managing the capital structure. A prominent area of research is the optimisation of current assets, specifically the management of accounts receivable and payable, which is the subject of the studies by M. Zhovtobriukh (2022) and V. Rudyka *et al.* (2018). Effective management of these assets considerably reduces financial risks and ensures the continuity of the company's operations. Some researchers emphasise the significance of a systematic approach to financial resource management, which includes not only internal but also external factors, such as the business environment. S.N. Salamah (2023) noted that in a changing and complex business environment, effective financial management becomes a crucial factor in ensuring business continuity and improving company performance. K. Bakhodirova (2021) argued that the effective structure of the national economy affects not only the content of the financial stability of the entire economy (which directly affects the financial condition of enterprises from the outside), but also the factors of its formation.

Furthermore, over the past 5-10 years, considerable attention has been paid to research aimed at using innovative financing methods to improve the efficiency of managing financial resources of enterprises. Methods such as venture capital or bank capital, grants or mortgages have been considered in the studies of Ukrainian researchers, such as O. Kondrat (2024) and M. Rushchyshyn (2023), and foreign researchers, such as A.-H. Darid (2024). One such method is factoring, which is actively used to optimise

accounts receivable management and improve liquidity (Moniruzzaman, 2023). Although this instrument is new to Ukraine, it has long proven effective in international practice as a means of reducing the financial burden and accelerate capital turnover. Thus, the demonstrated importance of an integrated approach to the formation and efficient use of financial resources of enterprises should include both conventional management methods and the introduction of innovative solutions that will allow enterprises to adapt to current market conditions and ensure their sustainable development. The purpose of this study was to investigate the ways of optimising the financial condition of ABA Astra LLC. To fulfil this purpose, the following tasks were performed: analysis of the company's financial resources and performance; assessment of the impact of factoring on reducing accounts receivable; development of recommendations for further use of this tool to ensure the stability of the company's financial resources.

MATERIALS AND METHODS

The study used both qualitative and quantitative methods of analysing the financial resources of enterprises. The key materials included the scientific studies of Ukrainian and foreign economists, financial statements of ABA Astra LLC for 2021-2023, obtained directly from the company on confidentiality terms and not published in open sources. The subject of the study was Agrobuiding Alliance Astra LLC, one of the largest suppliers and service operators of agricultural machinery in Ukraine, which has been operating in the market for over 20 years. The principal areas of activity are the sale of new and used agricultural machinery, warranty service and post-warranty service of agricultural machinery, and the sale of spare parts (Official website of ABA "Astra" LLC, n.d.).

As a typical sales company, the analysis focused on accounts receivable and accounts payable. A considerable share of the latter is related to the purchase of goods for resale and is typical for the industry. However, the relationship with debtors depends on the company's financial policy, while the management of the right to claim payment for goods sold depends on the company itself. Factoring is one of the

tools of such management. The research methods included a comparative analysis of financial indicators before and after the introduction of factoring, modelling of financial flows (revenue), and assessment of the effectiveness of using an innovative financing instrument. Specifically, financial analysis methods were applied, such as financial stability and profitability analysis, as well as methods for assessing the impact of factoring on the financial condition of the enterprise.

The initial stage of the financial condition analysis was the study of the company's balance sheet, as it allows observing the specific features of the company's property and capital structure caused by the specifics of its activities (Rubezhanska & Hrechko, 2022). Changes in the balance sheet were briefly disclosed in the statement of financial position, and therefore analysing the revenue structure was the next step. Having considered the absolute performance indicators of the enterprise, the current financial position and performance were assessed on their basis using financial indicators – ratios. They helped to identify weaknesses in the company's operations and provide further recommendations for their elimination. O. Yatsukh & N. Zakharova (2018) described in detail the methodology for calculating liquidity, financial stability, and profitability indicators based on financial statements. Factoring was chosen as an instrument of influence on the financial condition of the research object. Its effectiveness is determined based on the cash flow it generates and the costs incurred to raise the instrument. Factoring service costs were calculated using Equation 1, which was adapted to the specifics of financing by a particular bank based on the study by V. Petrenko *et al.* (2021) and considers the financial costs of the service according to the terms of the factor (Official website of Radabank JSB, n.d.):

$$C_f = S_{ar} \times \left(\left(\frac{i}{T} \times t \right) + C_{fs} \right), \quad (1)$$

where C_f is the cost of factoring services, thsd UAH, %; S_{ar} is the sum of financing of accounts receivable; i is the advance payment (8% was used for calculation); T is the period of factoring services, days; C_{fs} is the commission for factoring services.

When working with factoring, the inequality should be observed – the gross profit on factoring should be greater than the factoring costs, which follows from the basic definition of profit (Jayathilaka, 2020). Therefore, it is necessary to determine the gross profit from the use of factoring, which is calculated using Equation 2:

$$GP_f = (R_s \times S_{ar}) + \left(SF \times S_{ar} \times C_{\frac{gp}{sc}} \right), \quad (2)$$

where GP_f is the gross profit, thsd UAH; R_s is the return on sales; SF is the amount of financing from factoring in shares; is the indicator reflecting the ratio of gross profit to cost of sales.

For further comparison, the indicator of additional profit from the use of released funds was applied according to Equation 3:

$$AP = R_{ar} \times P, \quad (3)$$

where AP is the additional profit from the released funds, thsd UAH; P is the return on investment, rate of return, %; R_{ar} is the amount of released funds from accounts receivable, thsd UAH.

To evaluate the impact of factoring on the turnover of accounts receivable, the additional accounts receivable ratio was calculated, which allows estimating the amount of accounts receivable released as a result of factoring using Equation 4:

$$R_{rel} = (TP_{ar0} - TP_{ar1}) \times \frac{Q_p}{T}, \quad (4)$$

where R_{rel} is the accounts receivable release ratio; TP_{ar1} and TP_{ar0} are the period of one turnover in the reporting and planning periods, days; Q_p is the factual volume of pWroducts sold, thsd UAH; T is the number of days in the reporting period, days.

RESULTS AND DISCUSSION

It was found that during the company's economic activity, financial resources make a cycle consisting of several stages: attracting financial resources, accumulating financial resources, and investing for further attraction of financial resources (Sytnyk *et al.*, 2020). There can be an infinite number of such cycles. Financial resources management is a system of management principles and methods, the development and implementation of which will ensure its stable financial position and efficient operation. The primary purpose of management is to choose rational forms of financial resources, considering the conditions and specific features of the enterprise's economic activity, as well as to maximise profits and increase the total value of the enterprise (Bortnikova & Chyrkova, 2021). The financial analysis of the company's property (assets) and sources of its formation (liabilities) was the first stage and an essential practice for assessing the company's financial position and making informed business decisions. The analysis helped to comprehensively analyse the financial stability and performance of the company.

First of all, the study considered the structure and dynamics of the assets of the LLC under study for 2021-2023 (Table 1).

Table 1. Analysis of the composition and structure of ABA Astra LLC's assets for 2021-2023

Indicators	Period, years						Deviations by year			
	2021		2022		2023		2022/21		2023/21	
	thsd UAH	%	thsd UAH	%	thsd UAH	%	thsd UAH	%	thsd UAH	%
Intangible assets	2,162	0.3	1,386	0.2	1,004	0.1	-776	-0.1	-1,158	-0.2
Property, plant, and equipment	79,666	10.9	60,474	7.9	104,680	11.0	-19,192	-3.0	25,014	0.1
Other non-current assets	3	0.0	3	0.0	5,049	0.5	0	0.0	5,046	0.5
Non-current assets	81,831	11.2	61,863	8.1	110,733	11.6	-19,968	-3.1	28,902	0.4
Inventory	393,548	53.8	421,186	55.2	603,671	63.2	27,638	1.4	210,123	9.4
Accounts receivable	173,365	23.7	215,794	28.3	155,972	16.3	42,429	4.6	-17,393	-7.4
Cash	10,488	1.4	7,269	1.0	21,386	2.2	-3,219	-0.5	10,898	0.8

Table 1, Continued

Indicators	Period, years						Deviations by year			
	2021		2022		2023		2022/21		2023/21	
	thsd UAH	%	thsd UAH	%	thsd UAH	%	thsd UAH	%	thsd UAH	%
Prepaid expenses	40,701	5.6	41,007	5.4	38,904	4.1	306	-0.2	-1,797	-1.5
Other current assets	32,180	4.4	16,313	2.1	25,093	2.6	-15,867	-2.3	-7,087	-1.8
Current assets	650,282	88.8	701,569	91.9	845,026	88.4	51,287	3.1	194,744	-0.4
Balance	732,113	100.0	763,432	100.0	955,759	100.0	31,319	0.0	223,646	0.0

Source: calculated by the author of this study

According to the data in Table 1, the main share of the property structure comprises current assets – over 88%. Property, plant, and equipment accounted for 11% in 2023, 8% – in 2022, and 11% – in 2021; current assets in 2023 consisted mainly of inventories, which accounted for 63%. In 2023, accounts receivable amounted to UAH 155 million, which is 16% of total assets, while cash amounted to UAH 21 million, which is 2% of total assets. It is also important to note that the seasonal nature of the company's

suppliers and customers results in significant deferred expenses. The company is characterised by a high proportion of current assets and a relatively low proportion of non-current assets, as the company's business is based on the resale of goods. Apart from reviewing the company's assets, the study analysed the company's capital formation to assess its financial stability, i.e., its ability to repay its debts. The study also analysed the company's capital structure and identified possible risks associated with its use (Table 2).

Table 2. Analysis of the composition and structure of equity and liabilities of ABA Astra LLC for 2021-2023

Indicators	Period, years						Deviations by year			
	2021		2022		2023		2022/21		2023/21	
	thsd UAH	%	thsd UAH	%	thsd UAH	%	thsd UAH	%	thsd UAH	%
Share capital	58,062	7.9	58,062	7.6	58,062	6.1	0	-0.3	0	-1.9
Additional capital	432	0.1	432	0.1	432	0.0	0	0.0	0	0.0
Retained earnings	-17,835	-2.4	3,137	0.4	48,913	5.1	20,972	2.8	66,748	7.6
Equity	40,659	5.6	61,631	8.1	107,407	11.2	20,972	2.5	66,748	5.7
Long-term liabilities	0	0	0	0	5,934	0.6	0.0	0.0	5,934	0.6
Short-term loans	45,185	6.2	111,094	14.6	196,286	20.5	65,909	8.4	151,101	14.4
Current accounts payable	638,432	87.2	583,049	76.4	635,053	66.4	-55,383	-10.8	-3,379	-20.8
Current provisions	2,166	0.3	1,774	0.2	5,215	0.5	-392	-0.1	3,049	0.2
Other current liabilities	5,671	0.8	5,884	0.8	5,864	0.6	213	0.0	193	-0.2
Current liabilities	691,454	94.4	701,801	91.9	842,418	88.1	10,347	-2.5	150,964	-6.3
Balance	732,113	100.0	763,432	100.0	955,759	100	31,319	0	223,646	0

Source: built and calculated by the author of this study

Table 2 shows that borrowed funds are the main source of the company's assets, with a share of over 91% in the balance sheet, including accounts payable with a share of 82% in 2021, 76% – in 2022, and 63% – in 2023. In 2023,

long-term capital also appeared in the form of other long-term liabilities with a share of 0.6% in equity. Shareholders' equity was less than 9%, with the largest share of property sources coming from the unchanged share capital of

UAH 58 million. Based on the study of the components of the company's profit for 2020-2023,

an overview of the company's economic situation was calculated (Table 3).

Table 3. Economic indicators of ABA Astra LLC for 2021-2023

Indicators	Period, years			Deviations by year		Rate of change by years, %	
	2021	2022	2023	2022/21	2023/21	2022/21	2023/21
Sales revenue	1,616,597	1,946,388	2,132,845	329,791	516,248	20.4	31.9
Cost of revenue	1,385,381	1,507,470	1,708,232	122,089	322,851	8.8	23.3
Gross profit	231,216	438,918	424,613	207,702	193,397	89.8	83.6
Operating profit	45,832	37,660	64,105	-8,172	18,273	-17.8	39.9
Profit before taxation	32,479	37,660	50,063	5,181	17,584	16.0	54.1
Net profit	24,824	20,972	45,708	-3,852	20,884	-15.5	84.1

Source: built and calculated by the author of this study

It was considered that sales revenue increased by 31.9% in 2023 compared to 2021 and amounted to UAH 2,133 million. Gross profit in 2023 amounted to UAH 425 million, which is 84% higher than in 2021. In 2022, operating profit decreased by UAH 8 million to UAH 38 million, while in 2023, on the contrary, it increased by UAH 18 million to UAH 64 million. Profit before taxation, in

contrast to profit from operations, only grew, reaching UAH 50 million in 2023. In 2023, net profit amounted to UAH 46 million, up by UAH 25 million year-on-year. The growth of net profit is a positive factor and suggests a positive trend in the development of the enterprise (Nogoibaeva *et al.*, 2024). The next step was to calculate and study the company's profitability indicators (Table 4).

Table 4. Indicators for assessing the profitability of ABA Astra LLC for 2021-2023

Indicators	Period, years		
	2021	2022	2023
Profitability, %:			
products	14.3	22.6	19.9
assets	3.4	2.7	4.8
equity	61.1	34.0	42.6

Source: compiled by the author of this study

The data obtained showed that the company's profitability is unstable. Product profitability increased by 5.6% to 19.9% between 2021 and 2023, while return on assets increased by 1.4% to 4.8% in 2023, which suggests a decrease in the cost of production relative to sales and is a positive factor. However, the return on equity decreased by 18.5% to 42.6%, indicating a slower growth in net profit compared to equity and showing a breakdown in the effective link between asset, revenue, and profit growth. The efficiency of the enterprise is characterised by the availability of

sufficient equity capital, solvency, and adequate financial stability, which is characterised by indicators of turnover and profitability: internal and external factors (Pravdiuk *et al.*, 2019). The factors that influence the efficiency of capital use in the production process of an enterprise were evaluated. The study determined the impact of using borrowed funds. In connection with the use of external financing, the concept of "financial leverage" is considered, i.e., the limits of the enterprise's ability to improve its performance through external financing (Table 5).

Table 5. Calculation of the effect of financial leverage

Indicator	Period, years			Growth rate by year, %		Change by year	
	2021	2022	2023	2022	2023	2022	2023
Total assets, gross	732,113	763,432	955,759	104.3	125.2	31,319	223,646
Average amount of equity	28,256	51,145	84,519	181.0	165.3	22,889	56,263
Average amount of capital raised	700,147	696,628	775,077	99.5	111.3	-3,519	74,930
EBIT	46,362	47,252	63,753	101.9	134.9	890	17,391
Net profit	24,824	20,972	45,708	84.5	217.9	-3,852	20,884
Current tax	7,655	16,688	4,355	218.0	26.1	9,033	-3,300
Total financial expenses	13,883	9,592	13,690	69.1	142.7	-4,291	-193
Economic return on assets, %	3.39	2.75	4.78	81.0	174.1	-0.64	1.39
Interest rate on the loan, %	30.72	8.63	9.25	28.1	107.1	-22.09	-21.47
Tax corrector	0.82	0.82	0.82	100.0	100.0	0	0
Income tax rate	0.18	0.18	0.18	100.0	100.0	0	0
Financial differential	-27.33	-5.89	-4.47	21.5	75.9	21.45	22.86
Lever arm	24.78	13.62	9.17	55.0	67.3	-11.16	-15.61
Effect of financial leverage, %	-555.39	-65.75	-33.59	11.8	51.1	489.64	521.8
Return on equity, %	87.85	41.00	54.08	46.7	131.9	-46.85	-33.77

Source: built and calculated by the author of this study based on Tables 1, 2, and 3

When calculating the effect of financial leverage, a positive trend was observed, with the value gradually increasing from - 555.39% to - 33.59%. The effect of financial leverage stayed

negative in 2023, which meant a decrease in the return on equity (Didukh & Fedorova, 2023). The study also calculated the use of equity and debt capital of the enterprise (Table 6).

Table 6. Analysis of the capital structure of ABA Astra LLC

Indicator	Period, years			Growth rate by year, %		Change by year	
	2021	2022	2023	2022	2023	2022	2023
Financial stability ratio	0.04	0.07	0.1	176.3	148.8	0.03	0.03
Financial risk ratio	24.8	13.6	9.2	55.0	67.3	-11.16	-4.45
Autonomy ratio	0.04	0.07	0.1	176.3	143.8	0.03	0.03
Return on equity, %	87.85	41	54.08	46.7	131.9	-46.85	13.08
Leverage ratio	0.96	0.93	0.9	96.9	97.0	-0.03	-0.03
Borrowing ratio	0.06	0.15	0.21	235.8	141.1	0.08	0.06
Debt to sales ratio	0.43	0.36	0.36	82.6	101.5	-0.08	0.01

Source: compiled by the author of this study based on Tables 1, 2, and 3

During 2021-2023, the company's financial performance showed "alarming" trends. Despite the stability of its autonomy and financial strength ratios, which stay low, the high financial risk ratio indicates a need to adjust its debt struc-

ture. Return on equity decreased considerably, suggesting less efficient use of capital. Financial dependency and leverage ratios exceed the recommended limits, which may adversely affect the creditworthiness. Overall, the company

should focus on optimising its capital structure and increasing the efficiency of its financial resources to improve financial stability.

After the analysis, it is necessary to identify the risks associated with the enterprise's activities that considerably affect management decision-making in the field of financial policy formation and implementation. It was found that the company's activities are characterised by the following: increased competitor activity; the risk of interruptions in financing current operations due to high levels of accounts receivable; dependence on major foreign suppliers and the parent company; rising costs of imported machinery and spare parts due to currency fluctuations; low investment attractiveness; and the instability of the political and economic situation in Ukraine. High accounts receivable was identified as a financially significant problem (Danylenko *et al.*, 2019). Striving to reduce it as much as possible is one of the ways a company manages its financial resources. Accounts receivable at the end of 2023 amounted to UAH 156 million. With a sales margin of 20%, this meant that the company did not receive UAH 31.2 million in gross income. This part of financial resources is frozen in accounts receivable. Thus, the main task in the field of accounts receivable management of the LLC under study in late 2023 – early 2024 was to optimise the structure and quality of accounts receivable.

Based on the findings of the balance sheet analysis, the company will not be able to gain more access to standard forms of credit to replenish working capital for the following reasons: 90% dependence on short-term borrowings, including loans and debts to creditors to finance the business; insufficient collateral for new loan amounts. In this regard, factoring should be chosen as a means of managing the accounts receivable. The first step in concluding a factoring agreement is to determine the optimum funding limit, i.e., the number of accounts receivable that the company will transfer to the factor (Derevianko, 2020). The optimum funding limit for factoring is minimal or no accounts receivable. This means that sales exceed the number of days in the reporting period, while the sales period is zero. The funding limit is also influenced by the bank's interest in

delegating part of the risk of non-payment to the client. Thus, banks usually finance deliveries of up to 90% of the total amount. In this regard, the LLC under study cannot achieve complete "liquidation" of the debt through factoring. Let us calculate the costs of factoring services provided by Radabank for an enterprise with a financing amount of UAH 75 million, a commission of 0.12% of the transaction value, and an advance fee of 0.5-8.0% of the transaction value (current factoring service rates) (Official website of Radabank JSB, n.d.).

Using Equation 1, the factoring costs will be as follows:

$$C_f = \left(\left(\frac{0.08}{365} \times 30 \right) + 0.0012 \right) \times 75,000,000 = 583,151 \text{ UAH}$$

Assuming that R_s and $C \frac{gp}{c}$ are constants and S_{ar} is a variable, the value of gross profit from factoring will be determined using Equation 2 as follows:

$$GP_f = (0.2 \times 75,000,000) + (0.9 \times 75,000,000 \times 0.2486) = 31,780,500 \text{ UAH}$$

The inequality is respected, which is in line with the requirements when working with factoring. Let us determine whether a factoring operation is profitable for the company under study. For this, let us compare the costs of factoring with the amount of additional profit from the introduction of factoring.

The bank provides 90% of the loan amount at 8% per annum. The enterprise can invest free funds for an analogous period (1 year) in PrivatBank JSC at 8.25% per annum (Official website of PrivatBank CB JSC, n.d.), the profit from which is calculated using the Equation 3:

$$AP = (75,000,000 - 583,151) \times 0.0825 = 6,139,390 \text{ UAH}$$

Therefore, the additional profit will also be higher than the factoring costs. Within the framework of the analysis, let us assess the level and composition of the company's accounts receivable before and after the proposed measures for the LLC, considering the dynamics of changes in key indicators (Table 7).

Table 7. Comparison of accounts receivable utilisation before and after factoring

Indicators	Period, years		Deviation	
	2023	2024	absolute	relative, %
Revenue	2,132,845	2,452,772	319,927	15
Cost of sales	1,708,232	2,049,878	341,646	20
Accounts receivable	155,972	80,972	-75,000	-48.1
Total current assets	845,026	837,526	-7,500	-0.9
Share of accounts receivable in current assets	18.5	9.7	-8.8	-47.6
Turnover ratio	13.7	30.3	16.6	121.5
Accounts receivable turnover period, days	26.3	11.9	-14.4	-54.9

Source: created by the author of this study

Analysis of Table 7 shows that accounts receivable as a percentage of total current assets decreased by 8.8%. Thus, factoring helped to “free up” additional financial resources in the amount of UAH 75 million.

The analysis also shows that as a result of the proposed measures, accounts receivable will be reduced by 48% to UAH 81 million in 2024. The reduction in the turnover period from 26 to 12 days is evidence of effective accounts receivable management. The final performance indicator is the accounts receivable release ratio, calculated using Equation 4:

$$R_{rel} = (26.3 - 11.9) \times \frac{2,132,845}{366} = 83,915 \text{ thsd UAH}$$

Thus, as a result of factoring accounts receivable, the company released an amount of UAH 84 million. By the beginning of 2024, factoring can be considered virtually the main tool for managing accounts receivable at an enterprise (Onaepemipo *et al.*, 2019). Assessing its flexibility and effectiveness, in the current environment, attracting additional external sources of funding, including short-term ones, is less expedient. The study analysed the impact of factoring implementation on the company’s financial position. The effect of using the financial instrument was measured by the funds released from turnover (i.e., no longer “frozen” in accounts receivable), and the effectiveness of implementation was determined based on the debt release ratio. Unlike other studies, such as the research by A. Kravtsov (2022), where attention was focused on the change in liquidity indicators of the enterprise before and after the introduction of

factoring, the approach presented in the current was more suitable for assessing the financial effect for a company engaged in the sale of goods, i.e., the main asset item is inventory rather than debts of debtors for services.

A. Kravtsov (2022) investigated a company engaged in the sale of electricity, where the structure of assets and capital is considerably different from that of the enterprise under the current study. Accordingly, the use of liquidity indicators as the principal indicator of factoring efficiency in this case is not optimal, since for a company with a different business profile, factoring is primarily associated with improving capital turnover. Considering the limited modern research on factoring in terms of its financial impact on an individual company, as well as the underdevelopment of the instrument in Ukraine, I. Doloh (2019) described in detail the process of restructuring the accounts receivable of a construction company as a result of attracting factoring financing, as well as determined the costs of obtaining such financing. The result of such a study was the determination of the amount of released working capital, which is compared with the amount of debt. In contrast to the study of A. Kravtsov (2022), in the study of I. Doloh (2019), the indicator of the efficiency of using factoring was the factoring commercial effect ratio, which was defined as the quotient of dividing the amount of funds released during the factoring operation and the total level of accounts receivable. This approach resembles the valuation methodology used in the present study, although the substantial difference is that the object of study in I. Doloh (2019) is a construction company engaged in the execution

of works and whose main asset is accounts receivable, which is different from the sales asset of the LLC under study.

Accordingly, the methodologies used in the cited studies can be only partially compared with the findings of the present study. Therewith, this emphasises the significance of using such studies as a basis for comparing the results of the current study. Despite the differences in approaches to assessing the effectiveness of factoring, the conclusions of many researchers on the effectiveness of using factoring as a tool to improve the management of financial resources were confirmed. However, the effectiveness of this tool depends largely on the specifics of the company and its industry – to achieve maximum results, factoring should be used in conjunction with other financial instruments and financial resource management strategies. N. Mamontova & M. Taryn (2023) also note the importance of legal and accounting aspects of factoring operations in Ukraine. According to the researchers, there is a problem that the method of proper conduct of these services has not been approved legislatively. Furthermore, it is vital to consider the type of factoring operations in the accounting of factoring transactions, as this affects not only accounting entries but also the amount of commission. A prominent area of focus is control, which should take place not only during the transfer, but also before, to ensure that the debtor company has accurate information about the debt. M. Holub (2024) proposes the introduction of a special regulation 'On Factoring' and the corresponding amendments to existing legislative acts. This will allow factoring to be legislated as a separate financial service and, considering the pace of factoring development in Ukraine, will make it possible to implement European legislation in the field of domestic regulation of factoring services (Knowledge guide on factoring regulation and supervision, 2023). With a high proportion of accounts receivable, factoring is an effective tool for improving the financial position of an enterprise. Its use helps to accelerate capital turnover and increase liquidity, reducing the risks associated with non-payments. Research confirms that factoring can be a self-sufficient tool for optimising a company's financial resources without the need for other financial measures or strategies.

CONCLUSIONS

The study investigated innovative approaches to management of financial resources of an enterprise on the example of introduction of factoring into the activities of ABA Astra LLC. The use of factoring to manage accounts receivable proved to be an effective tool for optimising financial resources. As a result, the company received additional financial resources of UAH 75 million, while the share of accounts receivable in current assets decreased by 9%. The reduction in accounts receivable turnover from 26 days to 12 days reflects improved cash flow management. A significant result of the factoring implementation was a 48% reduction in accounts receivable in 2024, which allowed the company to free up about UAH 84 million from its turnover. This increased the turnover of settlements with the company's debtors, which is vital in the current conditions of economic uncertainty.

The introduction of factoring also positively affects the overall financial position of the company, which allows it to increase its competitiveness in the market. It was also proved that factoring allows reducing the company's dependence on external financing in the form of loans, which reduces the cost of servicing debt obligations. This helps to improve financial stability and increase the efficiency of financial management in an unstable economic environment. Using factoring as a permanent tool for managing accounts receivable helps to reduce financial risks and increase the company's flexibility in managing its resources.

Thus, the purpose of this study was fulfilled. The introduction of factoring not only reduced accounts receivable and freed up considerable financial resources, but also positively influenced the company's overall financial stability. Further investigation of factoring as a financial management tool is a promising area, as it provides opportunities to increase the competitiveness of Ukrainian enterprises, specifically in the field of sales of goods and services. The recommendations proposed in this study can be useful both for practitioners in search for new methods of optimising financial resources and for researchers studying financial management and tools for improving the financial condition of enterprises.

ACKNOWLEDGEMENTS

The author of this study would like to express sincere gratitude to colleagues at ABA Astra LLC for providing the financial data necessary for this study, as well as for their support

and professional assistance in preparing this paper.

CONFLICT OF INTEREST

None.

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Інноваційні підходи до управління фінансовими ресурсами підприємства: аналіз впровадження факторингу

Анотація. Стаття спрямована на вивчення механізму формування фінансових ресурсів та ефективності їх використання, зокрема в контексті застосування факторингу для зменшення боргового навантаження. Успішне управління фінансовими ресурсами є критично важливим для стабільності та розвитку будь-якої компанії, оскільки їх ефективне використання дозволяє не лише зберігати фінансову стійкість, але й досягати довгострокових цілей. Метою статті було впровадження методів оптимізації фінансового стану на прикладі ТОВ «Агробудівельний альянс «Астра», з акцентом на новий для України інструмент управління фінансовими ресурсами – факторинг. Матеріали та методи дослідження включали якісний та кількісний аналіз фінансових ресурсів підприємства. В якості основних матеріалів використовувалися наукові праці українських та зарубіжних вчених-економістів та фінансові звіти досліджуваної компанії. Методи дослідження залучали порівняльний аналіз фінансових показників до та після впровадження факторингу, моделювання фінансових потоків (виручки) та оцінку ефективності використання цього інструменту. В роботі застосовувалися методи фінансового аналізу, такі як аналіз фінансової стійкості та рентабельності, а також методи горизонтального та вертикального аналізу балансу компанії, структурний аналіз прибутку, факторний аналіз рентабельності власного капіталу на основі впливу ефекту фінансового важеля. Результати дослідження показали, що впровадження факторингу зменшило дебіторську заборгованість та покращило фінансову стійкість компанії. Застосування факторингу як інноваційного для України інструменту сприяло оптимізації фінансового стану, допомогло проаналізувати його вплив на фінансові показники підприємства. Практична значимість дослідження полягала в наданні рекомендацій щодо ефективного застосування факторингу для підвищення фінансової стійкості не лише для досліджуваного ТОВ, а й для інших підприємств, що зіштовхуються з подібними викликами, адже факторинг є актуальним рішенням в умовах економічної нестабільності, як інструмент, що дозволяє зменшити боргове навантаження та забезпечити стабільність фінансових потоків підприємств

Ключові слова: активи; менеджмент; компанія; капітал; ефективність; дебіторська заборгованість; фінансування