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FINANCIAL POTENTIAL OF THE ENTERPRISE: SUBSTANTIVE CHARACTERISTICS

The concept, essence, and substantive characteristics of the financial potential of an enterprise have been examined. The main functions and levels of the financial potential of the enterprise have been identified and analyzed. The position of the financial potential of the enterprise within the overall potential structure has been investigated. The role of the financial potential of the enterprise in ensuring its operational efficiency has been identified. A fundamental basis for the formation of the financial potential of the enterprise has been outlined. The financial potential has been presented as an indicator of the internal environment's response to the enterprise's activities. The peculiarities and approaches to evaluating the financial potential of the enterprise have been discussed. The aspects of managing the financial potential of the enterprise have been studied. The significance of this research lies in expanding the approaches to managing the financial potential of modern enterprises.

Keywords: *financial potential, enterprise, formation, management, evaluation, analysis.*

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ФІНАНСОВИЙ ПОТЕНЦІАЛ ПІДПРИЄМСТВА: ЗМІСТОВНІ ХАРАКТЕРИСТИКИ

Розглянуто поняття, сутність та змістовні характеристики фінансового потенціалу підприємства. Визначено та проаналізовано основні функції, рівні фінансового потенціалу підприємства. Досліджено позицію фінансового потенціалу підприємства у загальній структурі потенціалу. Ідентифіковано роль фінансового потенціалу підприємства у забезпеченні ефективності його діяльності. Окреслено фундаментальну базу для формування фінансового потенціалу підприємства. Представлено фінансовий потенціал як індикатор реакції внутрішнього середовища діяльності підприємства. Розглянуто особливості та підходи до оцінки фінансового потенціалу підприємства. Вивчено аспекти управління фінансовим потенціалом підприємства. Цінність проведеного дослідження полягає у розвитку підходів до управління фінансовим потенціалом сучасних підприємств.

Ключові слова: *фінансовий потенціал, підприємство, формування, управління, оцінка, аналіз.*

Introduction. One of the most critical objectives of an enterprise's potential is to ensure it possesses necessary conditions and advantages over existing competitors through operational mechanisms that maximally utilize all available resources and expedite its growth faster than market-leading companies, its competitors. In light of this, it is essential to comprehend the overall structure, key components, and influencing factors of the enterprise's financial potential. Furthermore, it's crucial to identify where within the structure the financial potential of the enterprise is embedded, serving as the foundation for its subsequent effective management.

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Literature review. Having explored the financial potential of enterprises, it can be concluded that both domestic and foreign scholars have inadequately researched this issue. Nevertheless, certain aspects related to this topic have been addressed in specific works. For instance, the position of financial potential within the potential structure of enterprises has been examined by B. Ya. Blashchuk [3], O. V. Portna [6], T. D. Kosova, O. V. Yaroshevska, and G. V. Solomina [8], as well as L. A. Kostyrko and O. O. Seredi [5]. In terms of the general essence of the concept of "financial potential" and its content, which is quite extensively revealed in the works of V. A. Bovyi and O. S. Khryniuk [4], as well as A. V. Dragan and A. Yu. Gevorkyan [7], particular attention deserves the research conducted by S. V. Bardash [1, 2] and O. M. Petruk [1].

The analysis of scientific developments indicates the existence of an established theoretical framework regarding the financial potential of enterprises. However, numerous issues remain unresolved; the interpretation of this concept remains ambiguous. Consequently, the incompleteness in comprehending the importance of financial potential for enhancing the efficiency of enterprise operations underscores the relevance and purpose of the conducted research while outlining prospects for further scientific investigations.

Purpose. The purpose of this article is to study the financial potential of an enterprise and its substantive characteristics.

Results. In general, the essence of the concept of a company's financial potential remains a subject of debate among domestic scholars. Among the interpretive methods, two most common ones can be distinguished - resource or endowed and performance, the first of which is widely used, which leads to a relatively one-sided consideration of the problem

While exploring the definition of "financial potential," one can also conclude that many scholars equate it with financial resources, which, in our opinion, is unjustified. The financial potential of an enterprise is predominantly a combination of available financial resources and corresponding managerial activities, representing the potential to achieve maximal economic outcomes. Moreover, the concept of financial potential is broader, encompassing not only financial resources but also the enhancement of a company's competitiveness through effective utilization of financial means and their mobilization to ensure operational stability and foster developmental opportunities [4].

At the same time, it should be understood that in order to effectively use the components of the financial potential of a business, it is also necessary to take into account entrepreneurial abilities or the so-called human factor. The main content of this section is a comprehensive assessment of the available financial capabilities, analysis of the current situation and market prospects, as well as making appropriate and effective decisions to optimize financial resources and transform them into positive financial results. These decisions are to some extent subjective and depend on management. It is an obvious fact that the ability of a company to develop its financial potential directly depends on the availability of highly qualified personnel who are fully aware of the market situation and are able to provide services at a highly competitive level [9].

Besides everything else, it is important to pay particular attention to the financial potential of an enterprise. This undoubtedly depends on the role it plays in ensuring its effectiveness. Among the most important aspects are [2, 7]:

Allocation: Involves the distribution and redistribution of financial assets among economic actors based on existing needs, demand, supply, convenience, motivation, as well as goals and development strategies.

Reproductive aspects: Formation of an adequate volume of financial assets to ensure effective financial and economic activities of the enterprise.

Control: Oversight of the formation, utilization, and accumulation of the enterprise's financial assets in accordance with current legislation and the tactics and long-term development strategy of the enterprise.

Indicative: Determination of the financial condition, trends, risks, and the ability of the enterprise to ensure achieving a sufficient level of efficiency in conducted activities and accomplishing current and strategic goals and objectives.

We believe that the financial potential of enterprises should be divided into short-term or tactical and long-term or strategic. This division is conditioned, in particular, by the complexity of managing aspects belonging to individual types and the degree of influence of external and internal environmental factors. It is evident that the long-term financial potential of an enterprise is closely linked to the influence of external environmental factors, thus making it more sensitive to their changes. Consequently, there is an urgent need to apply strategic analysis methodologies and manage the spheres of economic relations based on such analysis. It is also necessary to explore the external environment as a nonlinear, dynamic, self-organizing system of factors that impact economic entities. Moreover, the presence of hierarchical symbols and feedback loops leads to direct and indirect influences on the external environment, which, in turn, are system-forming factors of the industry, macro-, and global (world) environment [4, 9].

On the other hand, the financial potential serves as an indicator of the internal environment's response to operational decisions within the enterprise, and its growth, in turn, reflects the overall effectiveness of the financial policy pursued by the economic entity and its financial status.

It's worth noting that a stable financial condition of the enterprise is formed throughout its entire production and economic activities. Therefore, evaluating the financial potential using a specific method cannot be entirely objective. The assessment of a company's financial potential relies solely on comprehensive and systematic indicators that characterize the economic standing of the enterprise. Thus, the resource potential transforms into a production potential under the provision of specific components of the production process. Consequently, the financial potential ensures the production process and serves as the basis for the efficient utilization of the enterprise's financial and economic potential. It offers the possibility to convert resources and production potential into the enterprise's outcomes.The financial potential, to some extent, acts as a lever, shaping the mechanism for dynamically transforming resources into the results of corporate activities. Equally important is its role in the reproduction process of the enterprise.

For a comprehensive and systematic assessment of the financial potential and the effectiveness of its management system, a diverse array of methods, approaches, and analytical tools is necessary. This allows for a critical evaluation of both static and dynamic financial indicators within a specific timeframe of business operations. Over several periods, identifying the "pain points" in financial activities becomes feasible, along with devising more efficient approaches to funding. The aim of assessing a company's financial potential is to explore reserves for enhancing production profits and reinforcing commercial transactions. This strengthening serves as the foundation for the stable operation of the enterprise and the fulfillment of obligations to governmental bodies, banks, and other institutions. Enterprises allocate assets (financial resources) within expected needs and use them rationally, creating extensive opportunities for further enhancing both quantitative and qualitative aspects of the financial potential.

The financial potential of an enterprise constitutes the entirety of its existing and potential capabilities to mobilize and augment its capacities and transform them into other production factors necessary to achieve the strategic and tactical objectives of the enterprise.

The foundation for shaping an enterprise's financial potential rests on financial resources, originating during the establishment phase. It's crucial not to equate financial resources solely with cash, as they directly serve as the source for forming other enterprise assets. Financial resources, in turn, comprise own, borrowed, and attracted resources, typically expressed in the form of corporate capital.

The logic behind establishing economic mechanisms for managing enterprises' financial potential involves a specific sequence in organizational implementation. Utilizing a logic-structural model for managing such potential stems from defining the essence of the economic mechanism for its governance.

It has been demonstrated that enterprises supply assets (financial resources) within anticipated needs and use them judiciously, creating ample opportunities for further enhancing both quantitative and qualitative indicators of the financial potential. Assessing the efficiency of managing financial potential can be conducted by company leadership and external analysts, as this analysis relies on publicly available information. Hence, the analysis of financial potential divides into two categories: internal and external.

Conclusions. The financial potential of an enterprise plays a vital role in enhancing its competitiveness in both internal and external markets. Yet, while exploring the concept of "financial potential of an enterprise," it has been revealed that research in this direction is actively ongoing. Various methods-resource-based, efficiency-based, reserve-based, hybrid-are employed to reveal the essence of this definition, complicating the search for truth. Considering this, a proposed approach for interpretation is suggested. The primary functions of financial potential-distribution, reproductive, control, and indicative-have been defined, along with their alignment with micro-, macro-, and meso-levels and characteristics.

By decomposing financial potential, its position in the overall enterprise structure is determined, and the fallacy of equating financial potential solely with financial resources as one of its primary elements is rectified. The main components of financial potential and their key aspects-information, resources, organization, and analysis-have been identified.

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