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## STRATEGIC ALTERNATIVES FOR INCREASING THE ENTERPRISE'S FINANCIAL POTENTIAL

The article is devoted to the study of the peculiarities of the formation of strategic alternatives in the direction of increasing the enterprise's financial potential. It is noted that in the process of developing the enterprise's financial strategy, it is necessary, firstly, to ensure its compliance with the enterprise's financial policy as a whole; secondly, the enterprise's financial strategy should be aligned with its basic corporate strategy. Also, it should be taken into account that a key factor in the development of the enterprise's financial strategy is the need for it to match the enterprise's internal potential.

The main strategic stages of increasing the enterprise's financial potential have been formed. The basic financial strategies in the aspect of increasing the enterprise's financial potential are considered: the strategy of forming financial resources, the structural financial strategy and the strategy of ensuring financial security. The formation and implementation of the enterprise's basic financial strategies must be consistent with the situation and development trends of the market in which the enterprise operates. At the same time, it is also necessary to take into account risk factors at the state level and global threats.

Along with the basic financial strategies, functional strategies related to the formation and improvement of the efficiency of the use of the enterprise's financial potential are considered. A classification of functional strategies, systematized according to individual approaches, is given.

In the process of choosing strategic alternatives for increasing the enterprise's financial potential, each enterprise must take into account the specifics of its activity, the influence of a combination of factors, etc. A successful choice and combination of strategies for increasing financial potential leads to the minimization of risks, the growth of activity efficiency, the improvement of financial stability and the provision of competitive positions of the enterprise.

**Keywords:** *strategy, enterprise's financial potential, basic financial strategy, functional financial strategy, financial resources.*

## СТРАТЕГІЧНІ АЛЬТЕРНАТИВИ НАРОЩЕННЯ ФІНАНСОВОГО ПОТЕНЦІАЛУ ПІДПРИЄМСТВА

Стаття присвячена дослідженню особливостей формування стратегічних альтернатив в напрямку нарощення фінансового потенціалу підприємства. Зазначається, що в процесі розробки фінансової стратегії підприємства необхідним, по-перше, є забезпечення її відповідності фінансовій політиці підприємства в цілому; по-друге, фінансова стратегія підприємства повинна бути узгоджена з його базовою корпоративною стратегією. Також, потрібно враховувати, що ключовим фактором при розробці фінансової стратегії підприємства є необхідність її відповідності внутрішньому потенціалу підприємства.

Сформовано основні стратегічні етапи нарощення фінансового потенціалу підприємства. Розглянуто базові фінансові стратегії в аспекті нарощення фінансового потенціалу підприємства: стратегія

формування фінансових ресурсів, структурна фінансова стратегія та стратегія забезпечення фінансової безпеки. Формування та імплементація базових фінансових стратегій підприємства повинні узгоджуватися з кон'юнктурою та тенденціями розвитку ринку, на якому функціонує підприємство. При цьому, також, необхідно враховувати фактори ризику на державному рівні та глобальні загрози.

Поряд із базовими фінансовими стратегіями розглянуто функціональні стратегії, що стосуються формування та підвищення ефективності використання фінансового потенціалу підприємства. Наведено класифікацію функціональних стратегій, систематизованих за окремими підходами.

В процесі вибору стратегічних альтернатив нарощення фінансового потенціалу підприємства кожне підприємство повинно враховувати специфіку своєї діяльності, вплив сукупності факторів тощо. Вдалим вибором та поєднанням стратегій щодо нарощення фінансового потенціалу досягається мінімізація ризиків, зростання ефективності діяльності, підвищення фінансової стійкості та забезпечення конкурентоспроможних позицій підприємства.

**Ключові слова:** стратегія, фінансовий потенціал підприємства, базова фінансова стратегія, функціональна фінансова стратегія, фінансові ресурси.

**Problem setting and its relationship with important scientific and practical tasks.** In the conditions of economic and political instability, practical approaches to managing the enterprise's financial potential through the search and implementation of appropriate strategic alternatives are becoming increasingly important. It is the strategic management of the enterprise's financial potential that makes it possible to ensure systematicity and take into account the multifaceted nature of the category of financial potential.

**Recent research and publications analysis.** The works of such scientists as I. Antohova, L. Vodianka and L. Sybyrka (*Antohova et al., 2019*), B.Ya. Blaschak (*Blaschak, 2019*), I.V. Bruslynovska and V.I. Matviychuk (*Bruslynovska and Matviychuk, 2018*), O.M. Honcharenko (*Honcharenko, 2015*), A. I. Ivashchenko, and K.F. Yusupova (*Ivashchenko and Yusupova, 2018*), V.O. Kryzhnya and O.S. Hrynyuk (*Kryzhnya and Hrynyuk, 2018*), V.P. Martynenko (*Martynenko, 2019*) and others are devoted to the study of the formation of financial strategies of enterprise. At the same time, the issue of developing strategies for increasing the enterprise's financial potential requires deeper research.

**The purpose of the article** is to study the peculiarities of the formation of strategic alternatives for increasing the enterprise's financial potential.

**The main results and their rationale.** In the process of developing a financial strategy, it is necessary, first of all, to ensure its compliance with the financial policy of the enterprise as a whole. Secondly, the financial strategy of the enterprise must be coordinated with its basic corporate strategy. Also, it should be taken into account that a key factor in the development of the enterprise's financial strategy is the need for it to match the enterprise's internal potential.

The main results of the development and implementation of strategic directions for increasing the enterprise's financial potential should be:

- ensuring the financial stability of the enterprise;
- increasing the profitability of the enterprise;
- increasing the level of competitiveness;
- increasing the economic capacity of the enterprise;
- growth of the enterprise's business reputation.

Comprehensive management of the enterprise's financial potential is one of the important factors that ensure its effectiveness. The continuity and efficiency of the reproduction process largely depends on the strength of the financial potential. Solving this problem is complicated by the nature of this synthetic category and its multifunctional tasks (*Blaschak, 2019*).

One of the key tasks of strategic management of the enterprise's financial potential is to ensure uninterrupted and sufficient financial flows in order to increase profits and improve the efficiency of operations. For this purpose, it is necessary to develop and implement an effective financial strategy.

The enterprise's financial strategy is a strategy that corresponds to the general strategy of the enterprise, defines the long-term financial goals of the enterprise, distinguishes the tasks that follow from them and forms a system of managing financial resources in order to ensure their effective use and sustainable development of the enterprise (*Kryzhnya and Hrynyuk, 2018*); is a complex, multifactorial oriented model of actions and measures necessary to achieve the set long-term goals in the general concept of development in the field of formation and use of the financial and resource potential of the enterprise (*Antohova et al., 2019*); provides the flexibility necessary to adapt to all changes occurring in the market environment (*Martynenko, 2019*); must take into account both the interests of the owner and interests of other subjects of interaction (*Ivashchenko and Yusupova, 2018*);

One of the alternatives of the enterprise's financial strategy is the strategy of forming and increasing the efficiency of the use of the enterprise's financial potential. In the most general form, this strategy involves the implementation of a set of measures to increase the efficiency of managing the enterprise's financial potential with the aim of obtaining economic benefits, ensuring a continuous production process, increasing financial stability and competitiveness.

The main tasks of the strategy of increasing of the enterprise's financial potential are: determination of methods of successful financial strategy and use of financial opportunities; determination of prospective financial relations with business entities, the budget, banks and other financial institutions; financial support of operational and investment activities for the future; studying the economic and financial capabilities of potential competitors, developing and implementing measures to ensure financial stability; development of anti-crisis measures (*Honcharenko, 2015*).

Formation and implementation of the strategy must be carried out in a certain sequence (Fig. 1).

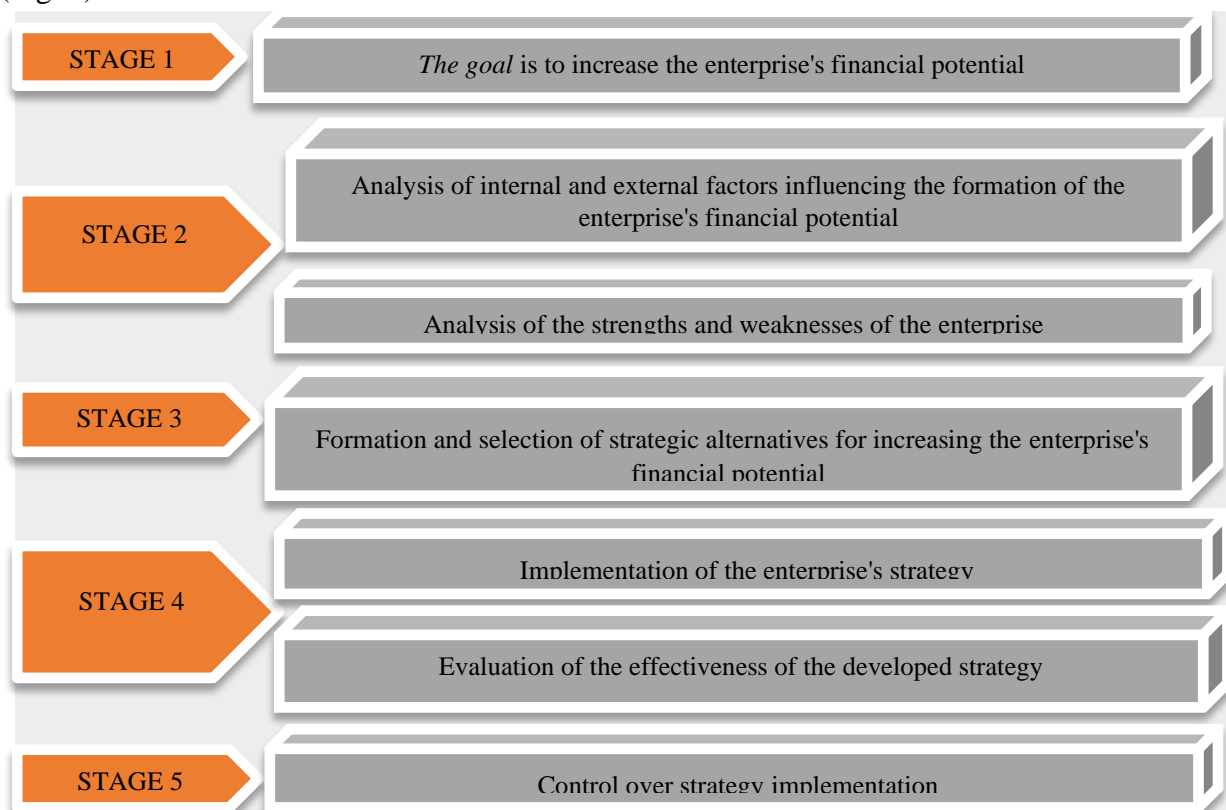


Figure 1 – Main stages of strategy for increasing the enterprise's financial potential

At the stage of formation of strategic alternatives, first of all, basic financial strategies should be considered, the main ones relevant to the subject of our research, namely: the strategy for the formation of financial resources, the structural financial strategy and the strategy for ensuring financial security.

*The strategy for the formation of financial resources* is aimed at the formation of optimal amounts of potential financial resources, as well as optimization of their composition and structure, which, in turn, makes it possible to form the necessary amount of assets of the enterprise to ensure its effective functioning.

*Structural financial strategy* provides for such main areas as optimization of the structure of capital and assets, optimization of the structure of the distribution of financial performance potential, as well as optimization of financial management structure.

*The strategy for ensuring financial security* is aimed at the formation of strategic goals and strategic program of measures to ensure the financial security of the enterprise. This strategy has the following main directions: development of well-thought-out targeted actions for effective use of the enterprise's financial potential; ensuring a timely and adequate response to unforeseen developments.

At the same time, it should be taken into account that "the financial strategy does not exist independently, it is closely intertwined with other functional strategies, aimed at achieving the mission and the continuous development and improvement of the activity of the business entity, deepening cooperation and establishing close inter-industry ties. The types of financial strategy are indicators of its multifaceted activity, reveal far-sighted plans of the enterprise regarding financing, changes in financial policy, provide information about the stability and development of the industry, the need for subsidies" (*Bruslynovska and Matviychuk, 2018*). Therefore, along with basic financial strategies, it is necessary to consider functional strategies related to increasing the enterprise's financial potential.

The classification of functional strategies is given in Table 1.

Table 1 – Strategic alternatives for increasing the enterprise's financial potential

Approach	Functional strategies
<i>By directions of using the enterprise's financial potential</i>	The strategy of diversification of the enterprise's financial potential
	Strategy of concentration of the enterprise's financial potential
	Strategy of integration of the enterprise's financial potential
<i>By components of the enterprise's financial potential</i>	The strategy of forming and increasing the efficiency of using the potential of financial resources
	The strategy of ensuring the growth of the potential of the financial performance of the enterprise
	The strategy of ensuring the growth of the enterprise's financial stability potential
	Strategy for optimizing the enterprise's cash flow
	Strategy for increasing the potential of the enterprise's innovation and investment support
<i>By stage of the life cycle of the enterprise</i>	Strategy of intensive growth of the enterprise's financial potential
	The strategy of limited growth of the enterprise's financial potential
	The strategy of reducing the enterprise's financial potential

A brief description of the above functional strategies.

*The strategy of diversification of the enterprise's financial potential* - involves the use of the enterprise's financial potential for other types of activities and/or penetration into new areas of activity, expansion of the product range, development of new types of production, etc.

*The strategy of concentration of the enterprise's financial potential* aims to direct the enterprise's financial potential to more fully meet the needs of the already selected target segment. According to this strategy, the enterprise does not seek to cover the entire market, but focuses more on the needs of one segment or group of customers.

*The strategy for the integration of the enterprise's financial potential* provides for the unification of the financial potential of business entities to achieve common goals.

*The strategy of forming and increasing the efficiency of the use of the potential of financial resources* is aimed at the formation of appropriate mechanisms and the application of tools for the effective use of financial resources to increase the competitiveness of the enterprise.

*The strategy of ensuring the growth of the potential of the enterprise's financial performance* involves directing all efforts to increase the volume of profits and efficiency of operations.

*The strategy for ensuring the growth of the enterprise's financial stability potential* is aimed at creating the necessary conditions to ensure an increase in the enterprise's financial stability indicators.

*The strategy of optimizing the enterprise's cash flow* is aimed at increasing the efficiency of cash flow management and their optimization in order to increase profitability and strengthen the enterprise's financial condition.

*The strategy of increasing the potential of the enterprise's innovation-investment support* provides for the activation of the enterprise's innovation-investment activity, which, in turn, is designed to ensure the transition to an innovative growth model.

*The strategy of intensive growth of the enterprise's financial potential* aims at the dynamic growth of all/key indicators of the enterprise's financial potential by intensifying efforts in the direction of conquering the market and increasing the enterprise's financial potential.

*The strategy of limited growth of the enterprise's financial potential* involves the formation of activity goals "from what has been achieved". This strategy is usually used by enterprises with reliable and sufficient levels of profits.

*The strategy of reducing the enterprise's financial potential* is used in cases where the enterprise's financial situation worsens, there is an economic downturn, and there is a threat of bankruptcy. This strategy provides several options for the development of events, the main of which are reorganization/liquidation of the enterprise, reorganization/liquidation of some divisions of the enterprise ("cutting off excess"), reduction and/or reorientation (diversification) of the enterprise's activities.

**Conclusions.** The choice of strategic alternatives is difficult, but necessary and effective way of increasing the enterprise's financial potential. At the same time, each enterprise must take into account the specifics of its activity, the influence of a combination of factors, etc. A successful choice and combination of strategies for increasing financial potential leads to the minimization of risks, the growth of activity efficiency, the improvement of financial stability and the provision of competitive positions of the enterprise.

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