

Directions for increasing the efficiency of the company's cash flow management

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Abstract. The problem of managing the enterprise's cash flows is relevant, since the successful management of these resources is the key to the financial security and stability of any business entity. The purpose of the study was to identify universal recommendations for improving the enterprise's cash flow management by generalizing the theoretical aspects of cash flow management and analysing the cash flows of PJSC "Odesa Cognac Factory". The following methods were used in the study: systematization and generalization (theoretical aspects were studied and existing views of scientists on the essence and management of cash flows were summarized), factor analysis (key financial factors influencing the process of enterprise cash flow management were identified), coefficient analysis (analysis of the efficiency of enterprise cash flow management was carried out). Using the example of the operating enterprise PJSC "Odesa Cognac Factory", the dynamics of changes in the key components of cash flow management is analysed and the existing gaps in their management are identified. The carried out analysis allowed identifying possible directions for improving the efficiency of cash flow management of the enterprise and to provide certain recommendations, as a result of implementation of which the enterprise will have a positive impact on its further activities, namely: focusing on optimization of available cash flows and their balancing; studying the regularity of their movement in the enterprise by calculating the liquidity and solvency indicators; considering the possibility of introducing the use of budgeting and financial management in the enterprise as additional tools for managing cash flows; creation of an independent department for controlling the movement of available cash flows; use of reliable and timely accounting information on cash flows when making certain management decisions due to the increased use of modern information technologies. The practical value of the study is

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the universal nature of the recommendations provided for the implementation of measures to improve the efficiency of cash flow management, since these recommendations can also be used by other similar enterprises

Keywords: influencing factors; cash; income and expenses; balance; synchronism; recommendations

Introduction

Modern companies ensure an appropriate level of solvency by balancing the amount of available cash inflows and outflows, synchronizing them in the course of their development, and cash flow management is a crucial component of their financial policy, which involves the constant participation of all key parts of the management system. Changes in the dynamics of the company's cash flows result in certain decisions regarding its operations. It is impossible to overestimate the importance and significance of cash flow management, as the stable state of an enterprise is affected not only by its quality and efficiency, but also by its ability to further develop and financial security. Effective cash flow management can help a company achieve a better bottom line and become more profitable. This determines the relevance of the issue of effective cash flow management, which includes ensuring appropriate financial balance, and the need to develop and provide recommendations for improving the efficiency of enterprise cash flow management.

In today's environment, Ukrainian and global companies face the need to improve the efficiency of cash flow management, which has directly prompted a significant number of experts and scholars to continue researching significant problems related to cash flow. Thus, among the modern researchers of this issue, it is worth noting O.O. Oliynyk (2021), who devoted his work to defining the essence of cash and financial flows as economic categories, and their distinction when applied in theory and practice in relation to certain phases of the process of expanded reproduction in the system of modern financial management of enterprises.

Theoretical aspects are also addressed by G.S. Melnychuk (2020), A.V. Buryak & I.V. Demyanenko (2019), who reviewed the methods and systematized the coefficients used in the analysis of enterprise cash flows. Issues related to cash flow planning are paid attention to in the works of V.V. Skryl & K.Yu. Stupenko (2018), O.I. Dorosh & I.V. Plish (2021), in particular, the latter noted that the formation of cash flows should be based on the use of a number of tools, which must include a payment calendar, budget and cash flow plans, identify the features of planning the company's cash flows and build a clear sequence of this process. T.G. Shchepina & A.D. Titarenko (2021), as well as I. Spilnyk & O. Zagorodna (2017) and O.V. Krylova (2019). T.O. Mulyk (2022) paid attention to the relevance of improving the efficiency of enterprise cash flow management, which, in her opinion, is due to the contradiction between the growing needs of economic resources and their limited availability.

I.V. Piskuleva & M.I. Mavrina (2022) consider models of cash balance management, reveal the main issues of the

relationship between the efficiency of their management and maintaining the required optimal level of liquidity. Substantiation of the parameters for optimizing the enterprise's cash flows was carried out by G. Azarenkova *et al.* (2022). V.V. Malikov (2020) devoted his work to practical recommendations for managing the cash flows of an enterprise, emphasizing that when using these recommendations in practical conditions, it becomes possible not only to reduce time costs but also to build a realistic cash flow management system. The author believes that the main tool for accounting for cash flows for their proper management is the Information Statement on Cash Flows.

The purpose of this study is to analyse the state of management of its cash flows and identify areas for possible improvement of efficiency of cash flow management, which may be effective for other companies, based on generalization of theoretical and methodological aspects of cash flow management and on the example of a real operating enterprise – PJSC Odesa Cognac Factory. To achieve this goal, the following tasks were set: to systematize the existing views on cash flow and determine the importance of cash flow management as a component of a company's financial activities; to identify the key factors that influence the process of managing the company's cash flows; to analyse the current state of cash flow management at PJSC "Odesa Cognac Factory" and, using the example of this enterprise, to identify universal possible ways to improve the efficiency of cash flow management of enterprises.

Materials and Methods

The methodological basis of this study in considering the theoretical aspects of enterprise cash flow management are the methods of systematization and generalization of the existing views of scientists on the essence and management of enterprise cash flows, which allowed allocating the main components that characterize the concept of "cash flow" and comprehensively considering its essence, using the method of analysis of existing scientific developments. When considering the process of enterprise cash flow management as one of the important components of the overall system of management of financial activity of enterprise, the article uses factor analysis, which allowed identifying key financial factors of influence on the process of enterprise cash flow management and importance of their balance. Using the graphical method, the article builds a graph of balance (synchronization) of cash flows and analyses the efficiency of management of its cash flows on the example of a real enterprise. Thus, the construction of a graph of the balance (synchrony) of cash flows of PJSC "Odesa Cognac Factory" for the period 2019-2022 showed

the existing unevenness of receipts and expenditures of its cash flows for the analysed period, which is due to the seasonal nature of the company's activities.

The ratio analysis was carried out by calculating the key indicators that characterize the quality of cash flow management, namely the calculation of the following ratios: cash flow liquidity, cash flow efficiency, net cash flow sufficiency, net cash flow profitability, return on cash received, return on cash spent, and accounts receivable turnover. The analysis of the cash flow efficiency of PJSC "Odesa Cognac Factory" for 2019-2022 was carried out using the following formulas:

Indicator	Calculation formula
Cash flow liquidity ratio	$Cflr = \frac{CF+}{CF-}$
Cash flow efficiency ratio	$Cfer = \frac{NCF}{CF-}$
Net cash flow adequacy ratio	$Ncfer = \frac{NCF+}{O+\Delta Res+D}$
Net cash flow rate of return	$Ncfr = \frac{NP}{NCF}$
Rate of return on cash received	$Ncfr = \frac{NP}{NCF}$
Rate of return on money spent	$Rrms = \frac{NP}{CF-}$
Accounts receivable turnover ratio	$Artr = \frac{NI}{Rs}$

where (CF+) – positive cash flow; (CF-) – negative cash flow; NCF – net cash flow; O – the amount needed to repay obligations; Δ – increase in reserves; D – the amount of dividends paid to shareholders; NP – net profit; NI – net income from the sale of products; Rs is the average value of receivables for the analysed period.

The assessment of the volume and structure of cash flows of PJSC "Odesa Cognac Factory" was carried out for 2019-2022 on the basis of the company's financial statements (Financial statements of PJSC "Odesa Cognac Factory" for 2019-2022), which made it possible to assess the state of cash flow management of this company and identify universal possible ways of increasing the efficiency of cash flow management that can be used by other enterprises.

Results and Discussion

To ensure the profitability of the company, management manages available cash flows. Financial assets are the

basis of all areas of the company's operations, regulating the cash flow process at all stages, increasing liquidity, solvency and ensuring the economic stability of the company. Capacity and liquidity undoubtedly depend on the ability to control cash flows in a timely manner and in accordance with the needs. All enterprises need to implement a holistic concept of planning, controlling, and modelling cash flow management. O.I. Dorosh & I.V. Plish (2021) formulated a general definition of cash flow and noted that "the cash flow of an enterprise is the receipts and payments, that is, the continuous movement of funds in the enterprise in the process of financial, investment and operating activities; it is the most liquid asset".

In turn, cash flow management is one of the most important segments in the financial work of an enterprise, and not only current but also future performance and further future development of any enterprise depend on the efficiency of its organization. To achieve the desired result of the company's activities, it is important to monitor its financial condition in a timely manner and respond quickly to negative indicators. Information on the financial condition of the company should be an integral part of its cash flow management, and the process of cash flow management should be carried out within the framework of the economic and financial policy of the company, and be a key tool for achieving the main goal of the company's activities – increasing annual profit to increase the welfare of capital owners by increasing the market value of the company.

Business operations of an enterprise are accompanied by cash flow, which provides an estimate of income, expenses, movement of financial sources and assets. The process of capital flows occurs in time and space in the course of economic activity. The level of economic efficiency depends on the availability of cash resources, integrity, and timeliness of the production and sales process. The cash flow of an enterprise is characterized by total income and expenses secured by cash receipts and payments, as well as by the corresponding positive and negative changes. Based on the existing definitions of scientists and the above descriptions, the main components that characterize the concept of "cash flow" can be identified (Fig. 1).

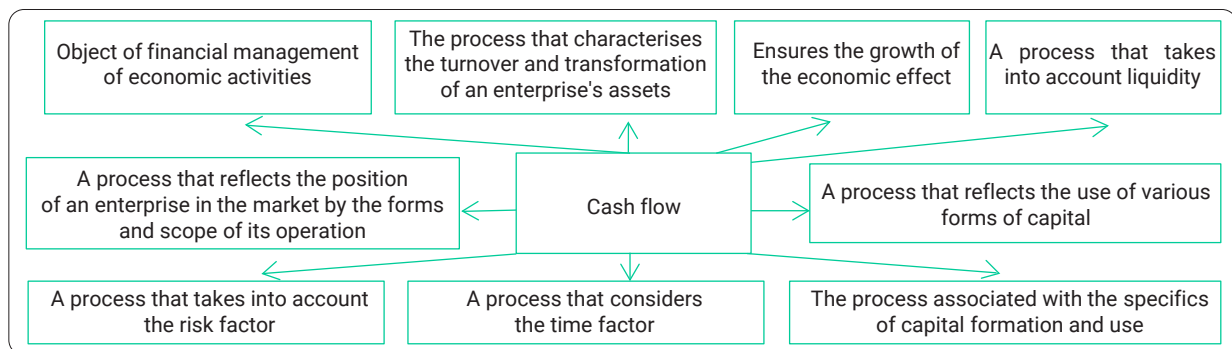


Figure 1. Basic characteristics of the concept of "cash flow" of the enterprise

Source: developed by authors based on research O.V. Krylova (2019), T.O. Mulyk (2022), G.S. Melnychuk (2020)

In any case, cash flow refers to the actual amount of cash receipts and payments generated in the course of the economic system, distributed in space and time, in terms of economic and production, organizational and economic, and internal economic relations. Enterprise cash flow management is an important component of the overall system of management of all financial activities of the enterprise,

which allows solving various financial management tasks and is a key process towards achieving the main goal of the enterprise. Effective management of the enterprise's cash flows is a key factor in increasing its capital, i.e. the profitability of the enterprise directly interacts with the cash flow management system, which should be implemented at the enterprise through certain stages (Fig. 2).

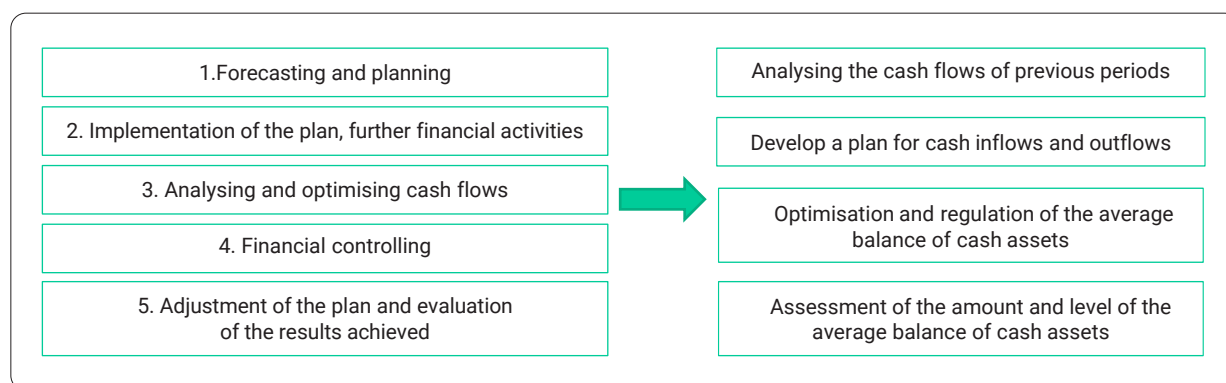


Figure 2. Stages of enterprise cash flow management

Source: Developed by authors based on research A.V. Buryak & I.V. Demyanenko (2019), O.I. Dorosh & I.V. Plish (2021), O. Guseva *et al.* (2021)

It should be noted that the first stage involves planning cash flows by their various types based on the results of the previous period's cash flows. This planning is predictive in nature due to the uncertainty of several of its initial prerequisites and is carried out through various planned calculations of certain indicators for different possible development scenarios (realistic, optimistic, pessimistic). The purpose of the second stage is to ensure complete and reliable accounting of the company's cash flow statements. This phase of management is aimed at implementing its principles of information probability. In the process of implementing this phase of cash flow management, coordination of functions and tasks of the accounting and financial services of the enterprise is ensured. The main purpose of the third stage is to analyse the determination of capital adequacy, capital efficiency, and the balance of positive and negative cash flows of the enterprise in terms of quantity and time.

Cash flow analysis is carried out for the enterprise as a whole, for individual structural units (responsibility centres), and by the main type of its economic activity. Optimization is one of the most important components of cash flow management and is aimed at improving efficiency in future periods. The most important tasks that are solved at this stage of the cash flow management process are: timely identification and implementation of reserves to reduce the company's need to use external sources of financing; ensuring a more complete balance of positive and negative cash flows in terms of time and volume (Krylova, 2019).

The fourth and fifth stages are the results of fulfilling the set targets, forming funds and spending them

in the established direction, analysing the formation of cash flow over time, calculating liquidity and cash flow efficiency. These indicators are tracked in the process of monitoring the current financial performance of the company. The stable and efficient operation of modern enterprises is hampered by many problems, including the national economy, which is generally in crisis, insufficient supply of raw materials for processing enterprises, parity relations between raw material producers, fierce competition, lack of proper support from the state, poor quality of finished products, etc. There are also problems associated with inefficient cash flow management. It is the efficiency of cash flow management that determines the further and ultimate development of the business and the results of its financial and economic activities. In particular, a high-quality organization of the company's financial and economic control system will increase efficiency, optimize the use of resources, and thus maximize the profit of PJSC Odesa Cognac Factory.

The process of cash flow management is consistent and includes: setting certain tasks and their subsequent implementation, preliminary study and comprehensive analysis of the company's available cash flows, namely, determining the level of their balance, sufficiency, and efficiency of use. An important step in analysing cash flows is to assess their balance, i.e. the synchronization of incoming and outgoing cash flows, as well as to study the dynamics of the net cash flow indicator. The dynamics of cash flows of PJSC "Odesa Cognac Factory" is shown in Figure 3.

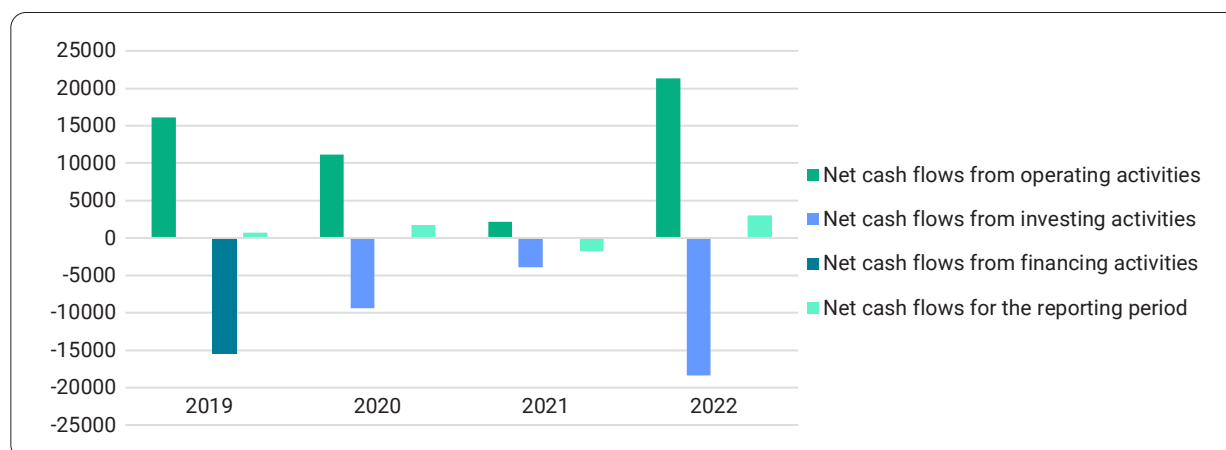


Figure 3. Dynamics of cash flows of PJSC "Odesa Brandy Plant" by types of activity for the period 2019-2022, thousand UAH

Source: compiled and calculated by the authors based on financial statements of PJSC "Odesa Cognac Plant" for 2019-2022 (n.d.)

As can be seen from Figure 3, the amount of the company's cash flows for all types of activities, according to the data for 2019-2022, tended to decrease until 2022. In 2022, there was a slight positive net cash flow. However, it is worth noting that, given the production needs, PJSC Odesa Cognac Factory, despite the instability of the total net cash flow, has fairly stable net cash flow from operating activities. For example, in 2022, net cash flow from investing activities amounted to UAH (-18 367) thousand, which indicates that the company is actively investing at the expense of loans received and proceeds from operating activities. In 2022, only operating activities demonstrated the ability to generate positive cash flow: net cash flow from operating activities amounted to UAH 2 994 thousand.

Negative cash flow from investing activities is a natural state for the company, and as of 2020 and 2021, the value of the indicator was UAH (-9403) thousand and UAH (-3946) thousand, respectively. An important quantitative indicator of economic activity is the result of the assessment of cash flows generated by operating activities. The absolute value of operating cash flow is an important indicator for calculating the net cash flow of an economic entity and most financial indicators and ratios used in cash flow management. A risk is a situation when operating activities consistently consume more funds than they generate. Table 1 provides a detailed analysis of the company's income and expenses related to operating activities.

Table 1. Dynamics and structure of the company's positive cash flow from the operational activities of PJSC "Odesa Cognac Plant", thousand UAH

Indexes	2020		2021		2022		Dynamics	
	sum	share, %	sum	share, %	sum	share, %	2021/2020 thousand UAH	2022/2021 thousand UAH
Proceeds from: Sales of products (goods, works, services)	843 961	99.9	917 567	99.4	1 559 526	99.9	73 606	641 959
Return of advances	353	0	4 444	0.5	714	0.055	4 091	(3 730)
Other income	952	0.1	490	0.1	661	0.045	462	171
Total income	845 266	100.0	922 501	100.0	1 560 901	100.0	78 159	638 400

Source: compiled and calculated by the authors based on the financial statements of PJSC "Odesa Cognac Plant" for 2020-2022 (n.d.)

According to the calculations, there have been certain changes in cash receipts from the main activity, as in the last year and the reporting period, a significant share of cash income from operating activities is income from the sale of products (goods, works, services). The absolute amount of cash flow from such revenues increased in

2022 compared to 2021 by UAH 641 959 000, or by 69.9%, which indicates a sufficiently high quality of positive cash flow from operating activities. Also, its share in the total income increased by 0.5%. Table 2 examines the dynamics of the volume and structure of expenditures for the needs of operational activities.

Table 2. Dynamics and structure of the enterprise's cash flow from operating activities of PJSC "Odesa Cognac Factory"

Indexes	2020		2021		2022		Dynamics	
	Amount, thousand UAH	share, %	Amount, thousand UAH	share, %	Amount, thousand UAH	share, %	2021/2020 thousand UAH	2022/2021 thousand UAH
Spending on:								
Payment of goods (works, services)	457 606	54.9	497 120	54.0	555 671	36.1	39 514	58 551
Salary	21 100	2.5	18 854	2.0	25 830	1.7	(2 246)	6 976
Deductions for social events	5 478	0.7	4 960	0.5	6 785	0.4	(518)	1 825
Obligations for taxes and fees	296 021	35.5	326 398	35.6	547 432	35.6	30.377	221 034
Expenses for payment of advances	52 436	6.3	71 782	7.8	402 664	26.1	19 346	330 882
Other expenses	1 491	0.1	1 238	0.1	1 158	0.1	(253)	(80)
Total costs	834 132	100.0	920 352	100.0	1 539 540	100.0	86 220	619 188

Source: compiled and calculated by the authors based on the financial statements of PJSC "Odesa Cognac Plant" for 2020-2022 (n.d.)

As can be seen from Table 2, the analysed company's operating expenses in 2022 increased by UAH 619 188 thousand, which may indicate an increase in the size of this activity. There is an increase in all items of expenses, except for the item "Other expenses". The highest growth rate was achieved due to "advance" expenses. Structurally, consumer operating cash flow in 2021 and 2022 consisted mainly of payments for goods, works and services, increasing by UAH 58 551 thousand. It accounted for more than 36.1% of the total cash flow from operating activities. Also, there was an increase in capital expenditures for "Labour remuneration" by UAH 6 976 thousand, their share decreased

by 0.03%. "Tax liabilities" shows the same trend, having increased by UAH 221 034 thousand in 2022, or an increase of 67.7%. Therefore, it can be assumed that the company is restricting and controlling unreasonable expenditures on "non-emergency" needs.

The study of the factors influencing the change in the company's cash flow is part of the process of developing a cash flow management policy and will allow assessing the available internal reserves and possible external directions of the company's cash flow formation. The main factors influencing the change in the enterprise's cash flow can be divided into external and internal (Table 3).

Table 3. Financial factors influencing the company's cash flows

External factors	Internal factors
Financial policy	Financial strategy of the enterprise
The state of the country's financial system	Importance and effectiveness of investment policy
Tax policy of the state	Attracting investors
Credit policy	Depreciation policy of the enterprise
Practice of settlement operations	Duration of the financial cycle
System of targeted financing and obtaining loans	System of settlements with counterparties
	Solvency and provision of financial resources of the enterprise
	Adequate level of management of production stocks and receivables

Source: developed by the authors based on research by M.I. Iorgachova (2018)

The lack of funds for the formation and management of available cash flows, considering all external and internal factors of influence, is a key task for the financial management of any enterprise. The quality of the respective cash turnover at the enterprise is determined not only by the existing composition of cash flows, but also by the indicator of rhythmicity and synchronization of cash

inflows and outflows. The study of this aspect of the enterprise's activity is presented in Figure 4.

The obtained results of the calculations indicate the existing unevenness of cash flows inflows and outflows for the analysed period, which is due to the seasonal nature of the company's activities. PJSC "Odesa Cognac Factory" has problems with the consistency of incoming and outgoing

cash flows, as evidenced by the presence of a temporary cash deficit in 2021 and temporarily free cash balances in 2020 and 2022. Both situations have a negative impact on the company, since the presence of a temporarily free cash flow means that the company's available resources are not used, which lose their value over time under the influence of inflation and other factors, and the temporary shortage

of cash resources as a result of the non-synchronous formation of cash flows poses a risk to the company's solvency. The threat of loss of solvency by an enterprise leads to the need to increase attention to the effectiveness of cash flow management, as well as the feasibility and importance of developing and implementing special measures to normalize cash flows.

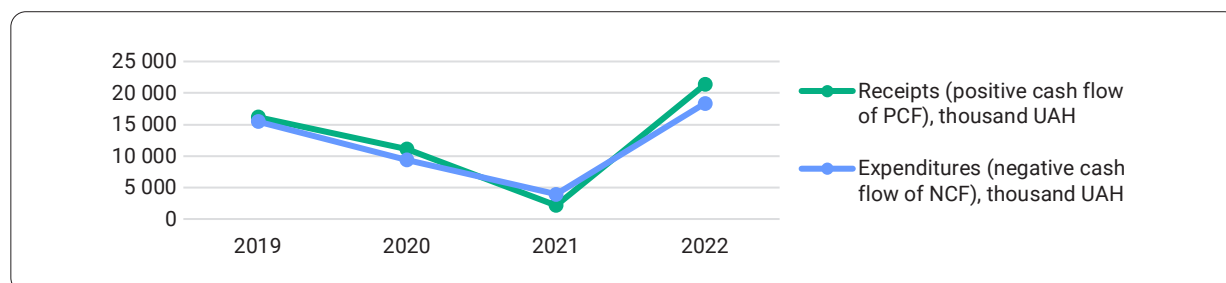


Figure 4. The schedule of balance (synchronicity) of cash flows of PJSC "Odesa Cognac Plant" for the period 2019-2022, thousand UAH

Source: compiled by the authors based on the financial statements of PJSC "Odesa Cognac Plant" for 2019-2022 (n.d.)

Thus, the analysis of the balance and synchronization of cash flow management of PJSC "Odesa Cognac Factory" showed the presence of some problems at the enterprise that require further solution: the main share in the structure of revenues is operating activities (for the last three years — 100%); the average quality of the generated cash flow of PJSC "Odesa Cognac Factory", the practical absence of cash flows from financial activities; during 2019-2022, there was an unevenness of receipts and expenditures of cash assets; for the last four years, the company has not been able to pay for the necessary measures.

Thus, the analysis of the cash flows of PJSC "Odesa Cognac Factory" showed the need for the enterprise to strive to increase the amount of incoming cash flows from operating activities, since their decrease has a negative impact on the enterprise's activities: a decrease in the volume of activities, an increase in unprofitability, deterioration of financial indicators such as liquidity and solvency, late payments of the enterprise both for wages and with suppliers, a decrease in the profitability of both the total and equity capital of the enterprise. Let analyse the efficiency of using available cash flows by calculating relative indicators and factor analysis (Table 4).

Table 4. Analysis of cash flow efficiency of PJSC "Odesa Cognac Plant" for 2019-2022

Indicator	Years			
	2019	2020	2021	2022
Cash flow liquidity ratio	1.0	1.0	0.9	1.16
Cash flow efficiency ratio	0.2	0.3	(0.2)	0.16
Net cash flow adequacy ratio	0.1	0.2	(1.0)	0.003
Net cash flow rate of return	(43.8)	5.2	(2.6)	(14.9)
Rate of return on cash received	(1.7)	3.1	2.5	(2.1)
Rate of return on money spent	2.1	4.7	(2.6)	2.4
Accounts receivable turnover ratio	1.3	1.7	0.9	1.9

Source: compiled and calculated on the basis of financial statements of PJSC "Odesa Cognac Factory" for 2019-2022 (n.d.)

Factor analysis of the activity of PJSC "Odesa Cognac Factory" allows determining the causes and consequences of the impact of certain coefficients on the main indicator – cash flow efficiency, thereby exploring the strengths and weaknesses of the enterprise in carrying out operating, investment, financial activities, and the process of accumulation and use of financial resources to ensure their effective

circulation (Vasylchak *et al.*, 2023). As shown by the calculations in Table 4, the indicator "cash flow efficiency ratio" of the enterprise "Odesa Cognac Factory" for the last four analysed years has an unacceptable value, as well as the indicators of net cash flow sufficiency and net cash flow profitability.

Based on the above calculations, it is possible to identify the necessary measures to improve the cash flow

management of PJSC "Odesa Cognac Factory". The management should regularly analyse competitors in the domestic and foreign markets in order to increase the competitiveness of the enterprise and the quality of its products, since an increase in product sales and expansion of the product range affects the stimulation of revenues from external sources of financing, and increase the efficiency of cash flows. To pay attention to optimizing the company's cash flows and balancing the amount of positive and negative cash flows, which will include measures to improve the quality of cash flow management at the strategic (long-term) and operational (short-term) levels. The company should reduce the amount of accounts payable and receivable. An increase in accounts receivable has a negative impact on the financial condition of the company. Therefore, managers should be interested in reducing the maturity of payments. Business entities should comply with the terms of receivables repayment in accordance with the terms of the contract and, if possible, by reducing the maturity of receivables, using partial early repayment or other means of influencing the debtor.

To make reasonable investments and use current assets to eliminate excess inventories, which can be achieved by forming the optimal amount of the company's inventory in accordance with the needs of the company's activities. This will enable the company to optimize its cash flows and increase its liquidity. To study cash flow patterns and calculate such indicators as liquidity, business activity, financial stability and solvency based on the results obtained, to identify problems and deviations in cash flow management in a timely manner. To determine the need for funds at the planning stage of the upcoming period, establish a system of sources of funds for the expected amount and ensure that borrowing costs are minimized. In the event of a crisis, to introduce a cash outflow saving regime, reduce production costs, modernize production, increase labour productivity, and motivate employees.

To analyse the factors that may affect cash flow against the backdrop of domestic economic conditions, uncertainty, and risks at the micro and macro levels. The company should analyse and take into account internal factors that control cash flows. Such methods include leasing, use of accelerated depreciation, accelerated collection of receivables, and synchronization of cash inflows and outflows. In addition, the development of financial models and cash flow forecasting of business entities allows for an effective response to emergencies related to strategic decision-making. Financial modelling is especially important when the availability and capacity of external financing is reduced and the risk of liquidity loss increases with a significant and disproportionate increase in receivables and payables. Financial modelling for cash flow management helps to: model the cash flows of planned activities to forecast and assess the future financial condition of the enterprise; show where funds are generated and spent; ensure consistent analytical work, create favourable conditions for operational management and make appropriate informed decisions. It

should be borne in mind that the model looks different for each enterprise, as it is influenced by the details of the financial and economic activities of a particular enterprise.

To consider the possibility of using budgeting as an element of enterprise cash flow management. The main purpose of introducing cash budgeting at an enterprise should be to determine its deficit or surplus in a timely manner. At present, most business entities do not sufficiently use modern forecasting methods, which is a negative aspect, since information support must be effective to improve the efficient movement of cash flows. One of such effective elements of strategic accounting is the budgeting process, which consists of the following main components: budgeting methods (financial planning tools: types and formats of budgets, targets and standard systems); financial structure of the company (structural department or enterprise for which the budget is prepared); budget regulations and budget control mechanisms (procedures for budgeting, submission, approval); distribution of functions among management bodies (between functional services and structural units) during the period of preparing budget; internal regulatory documents (regulations, working instructions); automation of financial calculations (which involves not only the formation of financial forecasts but also the creation of so-called continuous management accounting).

Budgeting is characterized by the fact that the choice of the budgeting system, budget forms and procedure is not established by law, but is carried out individually for each enterprise, taking into account the specific circumstances of its activities, organizational and financial structure, goals, and objectives of the budget system, completeness, functionality, degree of automation of existing processes and the amount of funds allocated for the implementation of the system. This means that each business will have different budget requirements and sizes. Practice has shown that the weakest link is often the budget execution procedures, actions, and processes aimed at achieving the targets approved in the budget during the budget period. The lack of interconnection between budgeting and management accounting systems is also a problem. The ability of the existing management accounting systems to provide the data required for planned actual analysis was not considered when formulating certain budget conditions. Organizational mistakes include: incorrect allocation of financial responsibility centres, lack of incentives related to budget indicators, inconsistent automation of budget systems, human resources and psychological problems in implementing budget systems (Melnichuk, 2020).

It is also important to improve the internal financial control system to prevent inefficient use of financial resources. Since PJSC Odesa Cognac Factory has a large production volume and sells its own products in the domestic and foreign markets, it is better for the company's management to create an independent control department that will monitor the implementation of the budget of available cash flows through the development and implementation of certain internal reporting at this enterprise – the Cash Flow

Statement. This will allow timely detection of discrepancies between actual and planned indicators, as well as information on each of the areas of cash receipts and expenditures regarding the percentage of their plan implementation. The basis of cash flow management is the availability of reliable and timely accounting information generated on the basis of accounting, management and financial accounting. This information is very diverse: cash flows in the company's accounts and cash desks, accounts receivable and payable, tax budgets, loan disbursement and repayment plans, interest payments, future procurement budgets, etc. The same information comes from different sources, so its collection and systematization must be approached with great care, as delays and errors in the provision of information can have serious consequences for the enterprise (Melnik, 2017).

Some managers adhere to old and traditional methods of cash flow management, and therefore there is an average level of application of modern information technologies in the processes of cash flow management, which also affects the quality and timeliness of obtaining the necessary information on the state of the enterprise's cash flows. Due to the crisis situation, many enterprises do not always manage to adhere to the cash flow plan and comply with the proportions of cash distribution for their activities (Buryak & Demyanenko, 2019). To stay ahead of competitors and have a profitable business, the company's management needs to make informed management decisions, which is almost impossible without an effective cash flow management system.

Cash flow management at modern enterprises is one of the key components of financial management and business success. Research in this area is of great importance for enterprises, as it allows them to develop effective strategies and tools for cash flow management that help to increase financial stability and competitiveness. Ukrainian and foreign scholars have made a significant contribution to this area of research. One of the important contributions to the study of cash flow management is the work of C.B. Shubina & M.Yu. Avakyan (2014), who examined in detail the directions of improvement of cash flow management systems at Ukrainian enterprises. They identified the main shortcomings and proposed optimization of the cash flow management system as one of the key elements of assessing the financial condition of an enterprise. O. Guseva and colleagues (2021) developed a model of competitive advantage based on maximizing net discounted cash flow. They focused on complementary cash flow management, which involves a balanced distribution of the company's cash flows, which contributes to the achievement of competitive advantage. I. Khoma and O. Kostiuk-Pukaliak (2019) devoted their work to the study of new methods of analysing cash flows at enterprises and assessing the efficiency of enterprises, not limited to profit, but using the concept of free cash flow. This is suitable for a more accurate analysis of the financial condition and investment attractiveness of enterprises. Scholars such as L.O. Shkvarchuk & R.A. Slav'yuk (2017) and Z. Fakhroni *et al.* (2018) also expressed the importance of cash flow in assessing the

investment attractiveness of enterprises. They emphasized that free cash flow is a key indicator for determining the ability of an enterprise to attract investment. N. Poliukhovych *et al.* (2022) identified maximizing the amount of consolidated cash flow from operating and financing activities as one of the conditions for enterprise development. This emphasizes the importance of increasing cash flow for the stable operation and development of enterprises. Studies that focus on the importance of cash flow management in certain countries are also of great importance. H. Beladi *et al.* (2021), M. Kamel Al Zobi & O. Hel Al-Dhaimesh (2021), A. Rahman & R. Bahadur Sharma (2020), T. Alshammari (2020), H. Dang Ngoc *et al.* (2020), T. Klietnik *et al.* (2020), study the peculiarities of cash flow management in different countries and develop recommendations for enterprises operating in these market conditions. In summary, research in the field of cash flow management is extremely important for the development of enterprises and the stability of their financial activities. Scholars from both Ukraine and other countries are actively contributing to the improvement of cash flow management practices and the development of new methods for analysing and assessing the financial attractiveness of enterprises.

Many scientists and economists study the impact of cash flows on the activities of an enterprise, but there is a significant lack of separate comprehensive studies on the management of enterprise cash flows that could expand the boundaries of conventional analysis, could formulate appropriate approaches to ensuring their management, could offer specific ways and effective measures to improve the efficiency of enterprise cash flow management. It is important to note that inefficient cash flow management can occur even if a company is officially profitable. This is related to the problem of profitable but illiquid enterprises that may be on the verge of bankruptcy. The above measures can become effective recommendations for improving the efficiency of cash flow management not only for the analysed enterprise PJSC Odesa Cognac Factory, but also for similar enterprises that seek to improve the efficiency of their cash flow management, as they are universal in nature.

Conclusions

An appropriate assessment of the efficiency of managing the available cash flows of a particular enterprise becomes the initial information base for making further informed management decisions, i.e. forecasting cash flows for the future period. Therefore, the analysis of cash flow efficiency, which reflects the reasons for changes in the liquidity and financial stability of the enterprise, should be carried out in the overall financial analysis and should become a key component of this analysis of the enterprise's activities. Valid, complete, and reliable information on cash flows should contribute to improving the quality of management decisions, which will directly affect the future financial position of the company.

To ensure effective management of the overall cash flow and financial activities of an enterprise, the system of

calculating the cash flow indicator should be used as an indicator to measure financial and payment stability, and cash flow planning and management should be used as integral components of the process of managing the overall activities of an enterprise to achieve financial stability and solvency. In order to successfully solve the problem of inefficient cash flow management, which takes place at the enterprise of PJSC "Odesa Cognac Factory", as evidenced by the analysis, in particular: unacceptable values of cash flow efficiency ratios (0.16), net cash flow sufficiency (0.003) and net cash flow profitability (-14.9) over the past four years, as well as imbalance of cash flows, it is necessary to implement certain measures regarding the system of accounting, analysis, planning, and control of cash flows. Planning and optimization of economic activity of the entire enterprise, especially its cash flows, will significantly increase the efficiency of the enterprise.

The scientific novelty of this study is that the analysis of cash flow management on the example of the enterprise PJSC "Odesa Cognac Factory" provided an opportunity to identify the key areas that need to be addressed by the

management of companies to improve cash flow management in modern conditions, since the areas discussed in the article are universal and can be used as recommendations to improve the efficiency of cash flow management of many companies, which will positively affect their future activities. Studying the effectiveness of cash flow management remains an urgent need for enterprise management due to the important role they play in ensuring its effective functioning, and the main role of cash flow management is to ensure their balance by type, amount, time interval and other essential characteristics. Further research on the relationship between the quality of enterprise cash flow management and its value, which in turn is closely related to the level of investment attractiveness of the enterprise, may become promising areas within this issue.

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Conflict of Interest

None.

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Напрями підвищення ефективності управління грошовими потоками підприємства

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Анотація. Проблема управління грошовими потоками підприємства є актуальною, оскільки вдале управління цими ресурсами є запорукою фінансової безпеки та стабільності будь-якого суб'єкта господарювання. Метою дослідження було виявлення універсальних рекомендацій щодо покращення управління грошовими потоками підприємства завдяки узагальненню теоретичних аспектів управління грошовими потоками та проведенні аналізу щодо стану грошових потоків ПрАТ «Одеський кон'ячний завод». При проведенні дослідження були використані методи: систематизації та узагальнення (досліджено теоретичні аспекти та узагальнено існуючі погляди науковців щодо сутності та управління грошовими потоками), факторний аналіз (виявлено ключові фінансові чинники впливу на процес управління грошовими потоками підприємства), коефіцієнтний аналіз (проведено аналіз ефективності управління грошовими потоками підприємства. На прикладі діючого підприємства ПрАТ «Одеський кон'ячний завод» проаналізовано динаміку змін ключових складових управління грошовими потоками та виявлені наявні прогалини щодо управління ними. Проведений аналіз дозволив виявити можливі напрями щодо підвищення ефективності управління грошовими потоками підприємства та надати певні рекомендації, у результаті впровадження яких підприємство матиме позитивний вплив на здійснення подальшої своєї діяльності, а саме: зосередження уваги на оптимізації наявних грошових потоків та їх збалансуванні; вивчення закономірності їх руху на підприємстві завдяки розрахунку показників ліквідності та платоспроможності; розгляд можливості запровадження використання на підприємстві бюджетування та фінансового моделювання, як додаткових інструментів управління грошовими потоками; створення на підприємстві незалежного відділу контролю за рухом наявних грошових потоків; використання достовірної та своєчасної облікової інформації щодо руху грошових потоків при прийнятті певних управлінських рішень завдяки підвищенню рівня застосування сучасних інформаційних технологій. Практичною цінністю дослідження є універсальний характер наданих рекомендацій щодо впровадження заходів з підвищення ефективності управління грошовими потоками, оскільки дані рекомендації можуть бути використані також іншими аналогічними підприємствами

Ключові слова: чинники впливу; грошові кошти; надходження та витрати; збалансованість; синхронність; рекомендації
