

UDC 338.435  
jel classification - E64

## **ENTERPRISE REVENUE MANAGEMENT UNDER MODERN CONDITIONS**

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*Стаття отримана редакцією 14.11.2016 р.*

**Introduction.** Under the present-day conditions, the national economy is demonstrating acute fluctuations in terms of organizing and foundation of new enterprises in various branches and fields. This process primarily depends on the country's stability, mechanisms of encouragement and promotion of the set up enterprise's «new» activity. A very large number of enterprises, when starting and planning their further activities, should figure out the ways of obtaining satisfactory future financial and economic results.

Great rush is being generated by our national enterprises' inability of entering new marketing outlets and realizing their entrepreneurial abilities, namely ready-made products in the foreign markets. At the moment, the former large prospective enterprises' exit is being observed in this country in various branches of the economy. Since their activity does not permit presenting competitive products to the external markets, there is a necessity of the macroeconomic level standardization aimed at raising the demand. However, the existing technologies used at manufacturing do not give such an opportunity, hence the enterprises merely have no possibility of funding themselves on their own to improve their engineering and technological bases that would provide gaining high revenues and their increase in future. Therefore, the issue of the revenues management under the present-day conditions is acquiring ever more topicality, as the purpose of any enterprise foundation is making profit, which is directly depending upon the gained revenues amount.

Gaining revenues is the main motivating factor in terms of entrepreneurship. The branch characterized by high incomes remains attractive for new enterprises formation and, thus, enhances the competition. Therefore, to perform successful activity, an enterprise itself should create such conditions of the external and internal environment in terms of the revenues management, that would more efficiently influence its activity and prevent its bankruptcy in future.

**Latest sources of studies and publications review.** The founders of the research studies devoted to the term «revenue» and its connection with such concepts as «profit» and «economic activity» are considered to be the following scholars: . Smith, K. Marx, J. Mill, J. Hicks, V. Pareto, L. Walras, F. Knight and others. The academic achievements of these scientists are included into the «gold reserves» of the economic theory postulates. That means that the very concept and the essence of the income were drawing much attention in the times when the market economy had not gained the modern scope.

Analyzing the category of «income», researchers pay much attention to studying basic aspects of formation, distribution, use and management of revenues at the level of separate economic entities, both at the macro- and micro-levels. Due to the market economy instability, studies of the «income» category are acquiring ever more popularity among the present-day researchers, such as: I.O. Blank, N.M. Bondar, F.F. Butynets, Ye.V. Mnykh, L.G. Medvid, V.O. Ozeran, V.I. Blonska, V.P. Gruzinov, L.G. Melnyk, V.P. Nikolayev, T.G. Kaminska, N.M. Shmygal and others. However, up to the present moment, there isn't still unambiguous definition that would reliably define the «income» category in its various economically proved aspects.

**Problem setting.** The main assignment of the present study is revealing the basic factors influencing the revenue management at the enterprise.

**Basic material and results.** Under the modern economic conditions the system of managing revenues, gained by the enterprise, includes the processes of their formation, distribution and usage. The directly important role in the revenues management is played by their further targeting control. That means, that distribution and usage of the income are secondary activities, and the income's formation is the primary task of any enterprise.

In the course of the study performed, the main modern approaches to the interpretation of the «income» economic category have been presented (Table 1).

**Table 1**

**Interpretation of the economic category of «income»**

No.	Author	Concept of the “income’s” economic essence
1	2	3
1	NP(S)VBO1 «General requirements to accounting reports» [2]	Income is the increase of economic benefits in the form of revenue assets or reducing of obligations, thus causing increase of the owner’s capital resources (not including the capital’s increase due to the shareholders’ capital contribution) during the reporting period.
2	International Accounting Standard (IAS) MSBO 18 «Income» [1]	Income is a bulk acquisition of economic benefits during the reporting period that takes place in the course of the economic entity’s routine activity, when the owner’s capital is growing as a result of this acquisition, but not due to the capital shareholders’ contributions.
3	Butynets F.F. [5]	As an economic category, income is a flow of money assets and other acquisitions gained from sales of products, goods, works and services during a certain period
4	Ponomaryov Yu.V., Sidun V.A. [10]	The enterprise’s income is revenue from the sale of products, services or works performed excluding value added tax and excise duty.
5	Volkov O. [13]	The enterprise’s income is a growth of the money gain over their expenditures on the means consumed in the production process, gained by the enterprise from the newly created value realization.
6	Voznyuk G., Zagorodnyuk A. [7]	Income is: 1) the difference between the revenue from sales of products, works and services on the one hand, and the value of material expenses on manufacturing and sales of these products. Material expenses include the cost of materials, items, structures, fuels and energy consumed, as well as allowance for depreciation, social insurance costs and other payments; 2) monetary or material values gained from the production, commerce, agency business and other activity.
7	Gruzinov V.P. [6]	The enterprise’s income consists of revenue from sales of products (works, services), fixed assets (excessive) and other assets of the enterprise as well as of acquisitions from the non-sale operations.
8	Prodius Yu.I. [9]	Income is revenue from sales of products (works, services) less material expenditures. It is a money form of the enterprise’s net product, i.e. it covers salaries and profit.
9	Blonska V.I. [4]	The enterprise’s income means acquisitions received due to its economic activity during a certain time period in the form of particular economic benefits gained due to the use of borrowings under the conditions of the acceptable entrepreneurial risks.
10	Bila O.G. [3]	Money revenue from sales of products (goods, works, services) is the general income from the enterprise’s primary activity, its contribution into the gross domestic product of the country.
11	Sokolov O. [11]	The concept of the private economic income means certain expenditures necessary to its gaining. Income is a reward or payment for a certain economic activity or a service performed. The private economic income should be understood as the only acquisitions that occur on the basis of the price formation process. That means that the income in terms of the tax policy includes all the acquisitions emerging on the basis of the price formation process excluding revenue from the assets sale.
12	Kaminska T.G. [8]	The company’s income is considered to be increase of economic benefits during the reporting time period due to the assets acquisition and/or the increase of their costs and/or reduction of obligations causing the company’s capital increase, excluding the shareholders’ contributions.
13	Shmygol N.M. [12]	The enterprise’s income is the increase of economic benefits due to the assets acquisitions and/or liquidation of obligations that leads to the increase of the company’s capital, excluding the shareholders’ (assets owners) contributions, obtained due to use of borrowings in the economic activity and to the competitive advantages under the conditions of the acceptable entrepreneurial risks.

Based upon the analysis of the major interpretations of the «enterprise's income» category in the research publications, it has been revealed that they are generally based on the two principal approaches determining the content in the broad and in the narrow sense. In its turn, being broadly understood, this content covers the economic and the accounting approach to its definition.

The basis of the economic approach to the «income» concept definition is the term «revenue», i.e. the sales volume of products (works, services) manufactured by the enterprise. Sometimes this term is identified with the notion «income of the enterprise», where the latter contains such peculiar features of its own as the rent received, royalty, share dividends and the interest from other companies' securities investment portfolio, etc. Therefore, it is evident that the notion «income of the enterprise» as a sum of revenue from the products and assets sales as well as from the non-sale operations performed.

It is particularly in the present-day crisis conditions that the acute nature is being acquired by the issue of the enterprises' revenues strategic formation that will enable the enterprise not only to successfully perform its economic activity, but to use the opportunities arising in the external environment to the fullest extent in the economic activity process.

In our opinion, it seems reasonable to consider the enterprise's income not only as a source of funding the enterprise's development, but also as a source of reproduction on both the simple and the large scale, as well as the basis of the provident fund creation. It does not provide the production development, but determines its ability to perform the economic activity in future. Besides, the amount of the revenues received and the relative earnings yield indicator are both considered to be one of the investment attraction indicators for the potential partners in the market.

The enterprise's policy and strategy in the field of revenues formation should be strictly determined and be implemented within the frame of the general strategy of the enterprise.

The world practice has set seven rules of the revenue management which are acquiring ever more topicality to be used in the present-day competitive market environment (Table 2).

The presented principles should be the ground of the revenue management strategy and of its separate component, which is the revenues formation strategy.

When considering the enterprise as a complicated integral system, it has been revealed that it cannot help creating special conditions for the revenues formation, first of all, due to its pricing policy, marketing strategy and manufacture technologies' features. Thus, two groups of factors influencing the enterprise's income formation are displayed: internal and external (Fig. 1).

**Table 2**

**Seven basic rules of the revenue management**

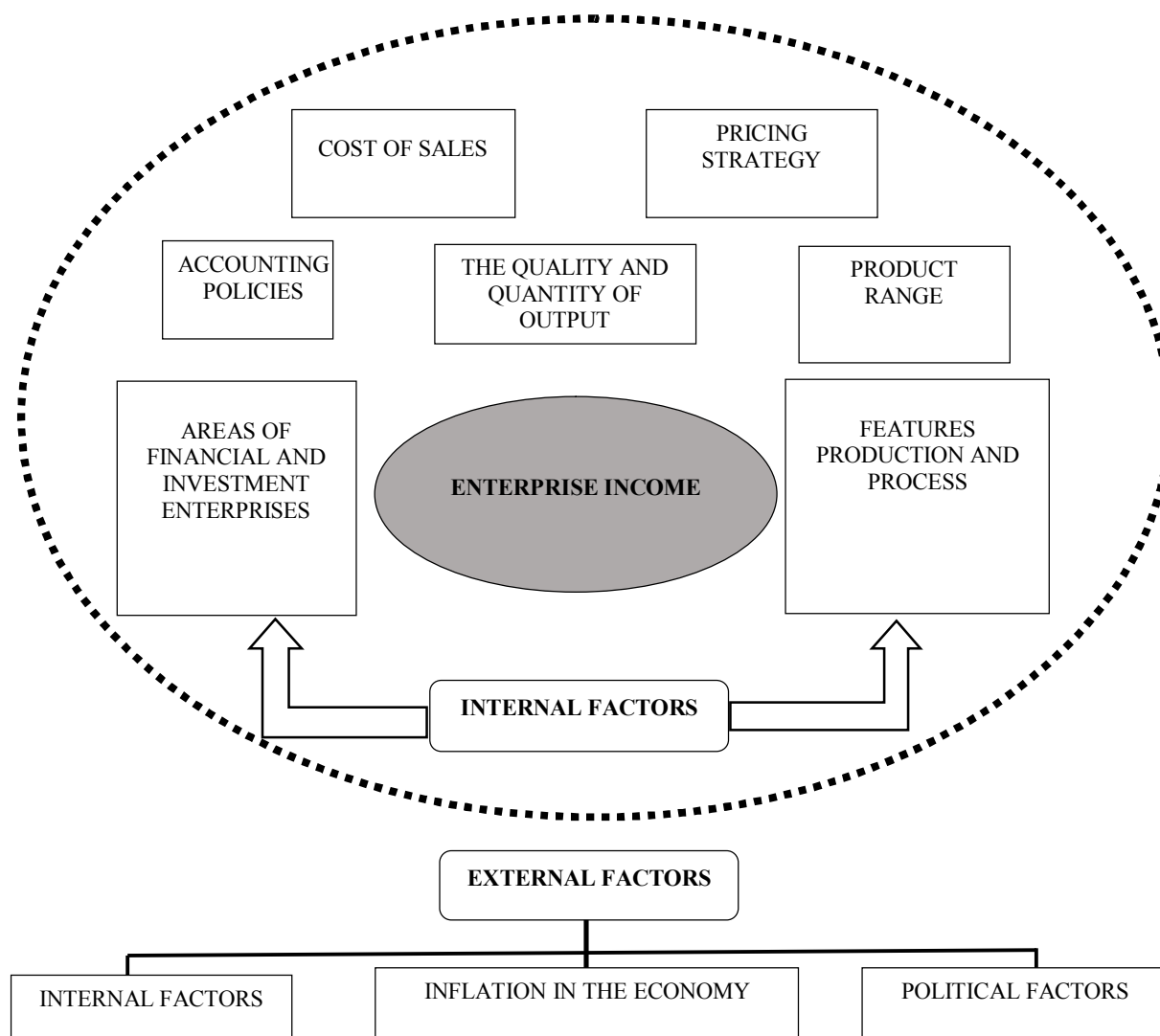
No.	Essence of the Rule
First rule	When balancing the supply and demand it is necessary to concentrate not on the expenses but on the price.
Second rule	While setting a price it is necessary to take into account not only the expenditures incurred, but also the market demands: setting the price of a product, the enterprise should take account of how much the customer of a certain market segment is really ready to pay for it.
Third rule	Sales should be effected not throughout the whole market, but in its separate segments.
Fourth rule	The owner should save his products and services for the most valued customers.
Fifth rule	Taking a decision, one should base upon the exhaustive and reliable information, but not on the experience or forecasts.
Sixth rule	One should determine the consumptive cycle of every product and optimize the terms of introducing it into the various market segments and to set its prices in the above segments respectively.
Seventh rule	Permanent monitoring of opportunities for increasing the enterprise's income.

As to the external factors, special attention is paid to the inflation processes in the economic factors structure, and the role of the average purchasing capacity, market competition situation and the branch's specific features is insufficiently disclosed. The degree of capital market development is not considered absolutely.

Other scholars refer the volume of realized products, works and services to the internal factors, and their mean sell prices are referred to the external factors.

The important issue in the enterprise's revenues management is their division as to the nature of taxing: the revenues which are subject to taxing, and the revenues which are not to be taxed. Strictly

structured revenues permit correct understanding of their economic content, determining their composition and structure, assessing the time changes tendency and taking the best management decisions.



**Fig. 1. External and internal factors' influence on the enterprise's income formation**

Division of the enterprise's revenues management into that of the direct links and the consumer feedback is also topical. The feedback enterprise's revenues management lies in the comparison of the actually obtained earning yield indicators and the products sale for a certain time period with the planned indicators. At such type of management, the decisions are taken post factum concerning certain correction operations; actually, the feedback management is a sort of the look-back analysis. The direct links management lies in the assessment of the expected indicators of sales and earning power compared to the planned ones, the correction operations are performed before the moment of the actual revenues acquisition, i.e. it is a sort of the prospective analysis.

To successfully develop and implement the income formation strategy, the enterprise should perform both management with the direct links and the feedback management. Under the current conditions, when the role of strategic enterprise management is ever growing, special attention should be paid to the enterprise's revenue formation that will permit the comprehensive assessment of the enterprise's market position and the opportunities of revenues increase that had not been realized, systemic management of the revenue formation process in different fields and market segments, timely use of the economic motivation mechanisms, etc. Let us consider the stages of the enterprise's economic activity revenues management (Fig. 2).

Analysis of the constructed algorithm helps understand that most frequently basic stages of the revenues management occur in the form when the beginning of the next stage is impossible without

implementing a number of other ones. Thus, the economic activity revenues analysis cannot be performed without the previous formation of the accounting and statistical reports, production process arrangement and the enterprise's activity monitoring, detailed analysis of the results obtained during the previous analogous period, studying the main reasons of negative results and determining the possible ways of coping with the situation.

The process of managing the enterprise's income formation is a primary task in the general system of the enterprise management. In the management process, special attention is paid to revealing the reasons of reducing the money receipts dynamics, features of the products' competitiveness improvement trends, studies of the earning power raising factors and analysis of the development possibilities, which is the basic essence of the enterprise's revenues formation management. Thus, setting the economically grounded and reasonable management policy of the enterprise's revenues formation plays the chief part in the achievement of efficient results in future.

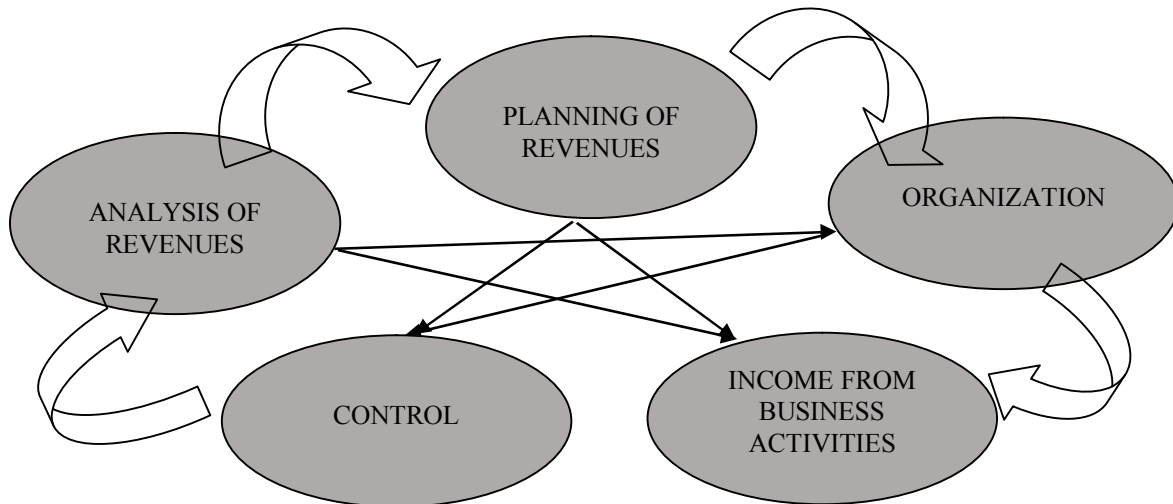


Fig. 2. Diagram of the stages correlation in the economic activity revenues management

At any business development stage, entrepreneurs are interested in raising the enterprise's earning power, because it is the income that is the ultimate objective of one's own business. To raise the enterprise's operation efficiency, it is very important to search for the revenues increase reserves (Fig. 3).

Having performed the respective analysis, we should underline that to provide the earning power growth, it is necessary to search for untapped opportunities of its raising, i.e. search for the income growth reserves. Reserves are revealed at the stage of planning, direct manufacturing and the products sales. Defining the earning power growth reserves is based on the scientifically grounded methodology for developing measures on their mobilizing.

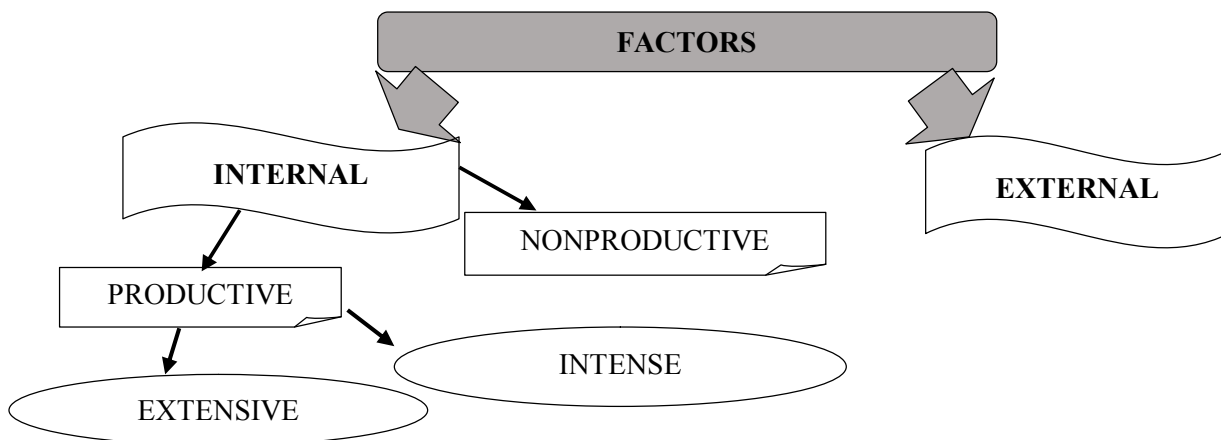


Fig. 3. Factors influencing the enterprise's income value

Revenues growth reserves can be obtained in the following cases: 1) due to raising the output amount and the products sales; 2) due to reduction of the manufacture and products sales expenditures; 3) due to

implementation of the scientific and technological process achievements; 4) due to improving the quality of products to be sold.

**Conclusions.** In the course of the study performed it has been revealed that the efficiency of the obtained finance results of the enterprise's activity is characterized by the income value, since the higher the earning power indicators are the more efficient is the enterprise, the higher its financial stability is. As a result of the above analysis, it was determined that the efficiency of the enterprise's revenues management heavily depends on the obtained results reliability after the performed economic analysis of the economic entity's earning power indicators. The obtained methodology permits forming the most exhaustive information aimed to develop grounded management decisions and measures to raise financial results and, consequently, the company's operation efficiency. It has been determined that one of the main fields of raising the enterprise's earning power is the detailed comparative analysis of its expenditures and revenues. There is also a number of factors which, irrespective of the industry branch, influence the enterprise activity's ultimate result. They are: manufacture diversification, its specialization and co-operation, focusing at the market target segments and positioning only the products which are mostly in demand.

Thus, the analysis of the earning power is one of the basic fields of searching ways of raising the enterprise functioning efficiency. Its timely performing, reliability of the obtained results and timely development of measures aimed at the income indicators growth contribute a lot to the successful development of the enterprise in the long term.

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УДК 338.435

**Ксенія Чичуліна**, кандидат технічних наук, доцент. **Альона Знайко**. Полтавський національний технічний університет імені Юрія Кондратюка. **Управління доходами підприємства в сучасних умовах господарювання.** У статті проаналізовано основні напрямки з управління доходами підприємства в сучасних умовах господарювання. Висвітлено основні підходи стосовно визначення сутності категорії дохід, які базуються загалом на двох принципових підходах. Представлені умови, що впливають на формування доходів та запропоновано заходи стосовно їх підвищення. Виявлена необхідність розгляду доходу не лише як джерело фінансування розвитку підприємства, а і як джерело простого і розширеного відтворення та створення фонду накопичення на підприємстві. Виділено сім основних правил управління доходами, які набувають все більшої актуальності для застосування в сучасних конкурентних умовах ринку. Викладені принципи були покладені в основу стратегії управління доходами та її окремої складової – стратегії формування доходів. Виявлена необхідність для успішної розробки та реалізації стратегії формування доходів підприємством, застосування управління як з прямим, так і зворотнім зв'язком.

**Ключові слова:** дохід, управління доходами, підприємство, виручка від реалізації, економічна вигода.

UDC 338.435

**Kseniya Chichulina**, PhD. **Alyona Znaiko**. Poltava National Technical Yuri Kondratyuk University. **Enterprise revenue management under modern conditions.** The article analyzes the main areas of revenue management businesses in the current economic conditions. The basic approaches to defining the essence of the category of income. Presented conditions affecting income generation and proposed measures to improve them.

**Keywords:** Revenue, revenue management, enterprise sales revenue, economic benefit.

УДК 338.435

**Ксения Чичулина**, кандидат технических наук, доцент. **Алена Знайко**. Полтавский национальный технический университет имени Юрия Кондратюка. **Управление доходами предприятия в современных условиях хозяйствования.** В статье проанализированы основные направления по управлению доходами предприятиями в современных условиях хозяйствования. Очерчены основные подходы к определению сущности категории доход. Представлены условия, влияющие на формирование доходов и предложены мероприятия, направленные на их рост.

**Ключевые слова:** доход, управление доходами, предприятие, выручка от реализации, экономические выгоды.