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**METHODOLOGY FOR MONITORING THE FINANCIAL CONDITION
OF ENTERPRISES IN THE TOURISM INDUSTRY**

The article presents results of assessment of the financial state of tourism enterprises. It has been determined and substantiated that the number of indicators used in the standard methods of financial analysis creates methodological difficulties in their systematic consideration for tourism enterprises. The criteria for the basic comprehensive methodology for monitoring the financial condition of tourism enterprises are allocated and rated; the calculations take into account the efficiency and complexity, lack of excessive labour intensity and clear interpretation of indicators and their values. Attention is focused on an important aspect of the life of tourism enterprises, which concerns the peculiarities of taking into account the seasonality factor in the organisation of the planning process of a tourism company. When determining the list of indicators for monitoring and developing a ranking system, information on the real status of tourism enterprises and the investment attractiveness of the studied economic entities is taken into account. The proposed method of monitoring the financial condition of enterprises in the tourism industry is the most acceptable for budgeting, since it allows you to clearly and quickly assess the dynamics of the financial position of an economic entity both at different levels of business activity and under changing conditions of the internal and external environment, and gives a comprehensive description of the state and prospects for the development of the industry as a whole. The author's own methodology for monitoring the financial condition of tourism enterprises proposed in the study can be universal in its basis for assessing the financial condition of hospitality industry facilities.

Keywords: *hospitality industry; investment attractiveness; management; development; tourism enterprises; monitoring; financial condition; financial analysis; financial monitoring; financial management.*

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**МЕТОДИКА МОНІТОРИНГУ ФІНАНСОВОГО СТАНУ
ТУРИСТИЧНИХ ПІДПРИЄМСТВ**

В статті представлено результати оцінки фінансового стану підприємств індустрії туризму. Визначено та обгрунтовано, що кількість показників, яка використовуються у стандартних методиках фінансового аналізу, створює методичні труднощі їх системного розгляду для туристичних підприємств. Виокремлено та рейтингово критерії для базисної комплексної методики моніторингу фінансового стану туристичних підприємств; при розрахунках враховано оперативність і комплексність, відсутність надмірної трудомісткості та чітка інтерпретація показників і їхніх значень. Акцентовано увагу на важливому моменті життєдіяльності туристичних підприємств, це стосується особливостей урахування чинника сезонності під час організації планового процесу туристичної компанії. Під час визначення переліку показників для моніторингу та розроблення системи ранжування враховано інформацію про реальний стан туристичних підприємства та інвестиційну привабливість досліджуваних об'єктів господарювання. Запропонована методика моніторингу фінансового стану підприємств туристичної галузі є найбільш прийнятною для бюджетування, оскільки дозволяє чітко та оперативно оцінити динаміку фінансового стану суб'єкта господарювання як на різних рівнях господарської

діяльності, так і в умовах зміни внутрішнього і зовнішнього середовища, дає комплексну характеристику стану та перспектив розвитку галузі в цілому. Запропонована в дослідженні авторська методика моніторингу фінансового стану туристичних підприємств може бути універсальною за своєю основою для оцінки фінансового стану об'єктів індустрії гостинності.

***Ключові слова:** індустрія гостинності; інвестиційна привабливість; управління; розвиток; туристичні підприємства; моніторинг; фінансовий стан; фінансовий аналіз; фінансовий моніторинг; фінансовий менеджмент.*

Formulation of the problem. Budgeting of the financial and economic activity of an economic entity allows maximizing the economic well-being of the enterprise by ensuring a higher level of return on invested capital. At the same time, it is always important for the economic entity, its creditors and investors to know whether the growth of capital profitability is stable, whether the higher level of return on invested capital corresponds to a less significant volatility of the said indicator than in the past. In this regard, there is a need to assess the effectiveness of the budgeting system based on an analysis of the financial condition of the enterprise.

Analysis of recent publications on this problem. Financial analysis is used to evaluate economic processes and economic relations, to identify the strengths and weaknesses of an enterprise and to make effective management decisions [2; 4–6; 8; 10]. In the theory of financial management, depending on the methods used, the following main systems of financial analysis carried out at an enterprise are distinguished: horizontal analysis; vertical analysis; comparative analysis; coefficient analysis; integral analysis.

With the help of financial coefficient analysis, the strengths and weaknesses of a business, imbalances in the capital structure (assets) of an enterprise, risk levels when investing in a business are established, and data can be obtained for comparison with competitors. In the theory of financial management, it is customary to operate with 300–350 financial coefficients.

In practice, in the overwhelming majority of cases, for effective decision-making, it is possible to limit oneself to a total number of financial coefficients not exceeding 5–7 [2]. It is this number (having selected the most important of the 300 theoretically possible) of financial coefficients that it is advisable to use as target indicators of a financial plan, both for an individual business and for the company as a whole. A large number of indicators used in financial analysis creates methodological difficulties in their systematic consideration. It is also worth noting the difficulties arising with the comparability of the results obtained and their objectivity, which is associated with the variety of financial analysis methods, when the indicators have the same name, but are calculated differently, or the same indicators are called differently. An equally important issue in conducting financial analysis is the question of choosing the calculation period. In published foreign and domestic literature, when assessing the financial condition of enterprises, two extremes are most often considered. Or the analysis is carried out at two points: at the beginning and end of the calculation period, in the overwhelming majority of cases, lasting one year, or for a period of 17 (UNIDO) to 50 years (Pro Invest Consulting). It is known that even in a stable market economy, when the inflation rate is about 2–3% per year, prices for goods, services, raw materials, materials and the stock market value of shares of enterprises and firms are subject to the influence of numerous random factors.

Unresolved parts of the research problem. Therefore, the assessment of the financial condition only at two points (at the beginning and end of the calculation period) with a high degree of probability can lead to recommendations, the implementation of which will lead to a deterioration in the financial condition of the company in the subsequent period. On the other hand, the justification of the development forecast for 10 or more years can be too expensive not only for one company, but also for the state as a whole and will not allow obtaining sufficiently reliable

recommendations. Evidence of this situation is the usual in world practice adjustment, and sometimes revision of long-term programs based on the current results of their implementation.

The purpose of the article is a development of a methodology for monitoring the financial condition of enterprises in the tourism industry

Presentation of the main results of the study. In our opinion, instability of tax legislation, war conditions, difficult to predict inflation rates and changes in the price structure, forecasts for the activities of tourism industry enterprises even for 2–3 years are very conditional. For developed countries with a stable market economy, it is possible to prepare a fairly reliable company development program for a period of no more than 5–7 years. But the high degree of dependence on changes in the market situation, determined by the large number and diversity of participants in the tourism market and its strong dependence on political and climatic factors, leads to the need for constant monitoring of the financial condition of tourism industry enterprises. Since the budget should ensure constant control over the financial condition of the enterprise, it is necessary to develop an effective system for monitoring the financial condition of the enterprise to provide management with the necessary information to control the implementation of management decisions, develop measures for operational and strategic adjustment of the enterprise's activities. The introduction of budgeting allows solving the problem of accounting and control of production processes and the activities of the enterprise as a whole. In combination with a well-established management accounting system, it will be possible to increase the validity of decisions taken, improve the information structure, and ensure the timeliness of obtaining accounting and reporting indicators.

Lack of information and its poor quality significantly worsen the ability to effectively manage the activities of an enterprise. In modern economic conditions, this can lead to significant losses, loss of competitiveness of services provided, delays in sales, untimely settlements and payments, a decrease in working capital, and a decrease in demand.

At the same time, such types of accounting as statistical, financial and managerial, generate information on the financial and economic activities of an economic entity in different ways, which is dictated most often by internal and external needs.

An important principle for ensuring the effectiveness of the consequences of management decisions is the ability to assess the correctness of actions and sufficient competence of both decision makers and their executors. The degree of debugging of the mechanism of interrelations and interactions of production processes depends on the objectivity and reliability of the assessment results. In this case, the established standards and reports on deviations of actually achieved indicators from these standards play an important role in assessing the consequences of the management decisions taken.

Standards are the basis for assessing the fulfillment of planned tasks. The process of implementing control and management functions involves corrective measures to ensure that actual results match planned ones in the future, which makes it possible to optimize costs.

In our opinion, the main requirements for developing a methodology for monitoring the financial condition of an enterprise are: efficiency and complexity, the absence of excessive labor intensity and a clear interpretation of indicators and their values. When determining the list of indicators and developing a ranking system, it is also necessary to take into account that information about the actual state of a given enterprise or group of enterprises is the subject of attention of a wide range of participants in market relations interested in its functioning. Therefore, the completed study proposes monitoring the financial condition of enterprises in the tourism industry. To obtain more information, an expanded or in-depth analysis of the financial condition of the enterprise is carried out.

Monitoring the financial condition is an activity to observe the level of balance of individual structural elements of assets and capital of the enterprise, as well as the level of efficiency of their

use. The main objective of monitoring is to obtain a small number of key parameters that provide an objective and accurate picture of the financial condition of the enterprise, its financial results, changes in the structure of assets and liabilities, in settlements with debtors and creditors. To form a list of monitoring indicators, as well as to develop a ranking system, the completed study identifies those aspects of the economic activity of enterprises that are most important for owners, investors, and management bodies. In our opinion, the following aspects of the activity of an enterprise in the tourism industry should be identified for the development of monitoring indicators: efficiency of activity, level of financial risk, long-term and short-term prospects for solvency, business activity. In the future, as budgeting in the company is established and developed, and methodological and software support is built up, the number of such coefficients (used as target indicators) can be increased.

Profitability indicators are used to assess the efficiency of activities. The return on equity (ROE) ratio is calculated as the ratio of net profit to equity. Equity is usually understood as the sum of share capital and reserves formed from the company's profit.

One of the main areas of monitoring is the level of financial risk. With the same return on equity, the level of financial risk is lower for an enterprise with a higher level of equity. Since the indicators of the long-term financial stability of an enterprise characterize the capital structure, the main coefficient of this area of financial analysis in economic literature and practice is considered to be the share of equity in the balance sheet currency of the enterprise (shareholders equity/total assets), or the autonomy-independence coefficient. There are no strict standards for the ratio of equity and borrowed capital, as, incidentally, there are no strict standards for financial ratios in general.

Nevertheless, analysts are widely of the opinion that the share of equity should be quite large – at least 50%. It is believed that investors, and especially creditors, are more willing to invest in an enterprise with a high share of equity capital, since it is more likely to be able to pay off debts using its own funds.

In addition, companies with a high share of borrowed funds, as a rule, must make significant interest payments, and accordingly, there will be fewer funds remaining to ensure dividend payments and create reserves. Setting the critical level at 50% is the result of the following reasoning: if at a certain point creditors present all debts for collection, the enterprise will be able to sell half of its property formed at the expense of its own sources, even if the second half of the property turns out to be illiquid for some reason. However, the conventionality of any "absolute" norm for the autonomy ratio is obvious, since a highly profitable enterprise or an enterprise with a high turnover of working capital can afford a relatively high level of borrowed capital. The presence of problems with the financial stability of an enterprise may be indicated by its use of short-term borrowed funds as a source of financing long-term investments. An obligatory direction of monitoring the financial condition of the enterprise is the assessment of solvency, i.e. the availability of funds at the enterprise sufficient to pay off debts on all short-term obligations and at the same time the uninterrupted implementation of the process of rendering services. In our opinion, to assess solvency, the ratio of own working capital and the duration of the accounts payable turnover should be used. To ensure solvency in the long term, it is necessary that own and long-term borrowed capital be greater than the amount of non-current assets or their ratio be greater than one. The indicator of the duration of the accounts payable turnover can be considered as an indicator of solvency in the short term, since in accordance with the current legislation [2], if the obligations to creditors are not fulfilled, a bankruptcy case may be initiated.

Given the specifics of the tourism industry, it is proposed to use the net working capital turnover duration indicator to assess business activity, which characterizes the presence or absence of the enterprise's own working capital. Based on the analysis of this indicator, a conclusion can be

made about the effectiveness of the working capital management policy. With rational management of the enterprise's working capital, the net working capital turnover duration is positive, but close to zero. This means that the structure of accounts receivable and accounts payable is balanced, and the amount of stocks is determined by the technological features of the provision of services. An increase in the indicator under consideration indicates that significant financial resources are frozen in working capital. A negative, but close to zero, value of the turnover duration indicates the riskiness of the enterprise's policy, which builds its activities on the use of free loans from service providers. Significant negative values indicate that the enterprise does not have its own working capital and has problems with financial stability

The average weighted assessment is calculated for the enterprise in accordance with the established period of development of the payment calendar, which will allow obtaining objective information on the financial condition of the enterprise and taking timely measures to adjust budgets.

Implementation of monitoring of the financial condition of enterprises in the tourism industry will allow prompt control over the implementation of the enterprise budget. Control can be carried out upon the fact of performing any operation, since it will prevent ineffective decisions even before the implementation stage. The proposed monitoring indicators can be used as control indicators, for example, the lower limit on the return on equity, when drawing up a budget for the planning period. These criteria allow you to control the strategic projects of the enterprise.

The methodology for monitoring the financial condition of enterprises in the tourism industry proposed by the author can be used not only to monitor the financial condition of one enterprise, but also to assess the financial condition of many objects.

Based on the average weighted assessment, it is proposed to rank enterprises into 4 groups presented in Table 1. The following system of distribution of enterprises is proposed.

Table 1

Assessment of the financial condition of enterprises in the tourism industry

Group 1 40–33	Group 2 32–25	Group 3 24–18	Group 4 Under 18
The enterprise has high profitability, it is financially stable. Its solvency is beyond doubt. The quality of financial and production management is high. The enterprise has excellent chances for further development.	The enterprise has a satisfactory level of profitability. It is generally solvent and financially stable, although some indicators are below the recommended values. However, this enterprise is not sufficiently resistant to fluctuations in market demand for products and other market factors. Working with the enterprise requires a balanced approach.	The enterprise is financially unstable, low profitability of maintaining solvency at an acceptable level. As a rule, such an enterprise has overdue debt. is on the verge of losing financial stability. To bring the enterprise out of crisis, significant changes in financial and economic activities should be made. Investments enterprise are associated with increased risk.	The company is in a deep financial crisis. The size of accounts payable is large, it is unable to pay off its obligations. The financial stability of the company is almost completely lost. The value of the return on equity indicator does not allow us to hope for improvement. The degree of the crisis of the company is so deep that the probability of improving the situation even in the event of a radical change in financial and economic activity is low.

Table 2

Results of monitoring the financial condition of enterprises in the tourism industry

№	Return on equity ratio	Autonomy ratio (financial independence)	Ratio of provision with own working assets	Accounts payable turnover period	Duration of turnover of net 1 operating working capital	Weighted average rating	Group
1.	0,09	0,44	0,02	34	12	30	2
2.	0,01	0,76	0,08	28	9	34	1
3.	-0,02	0,53	-0,01	51	-7	22	3
4.	0,04	0,37	-0,01	37	-10	26	2
5.	0,07	0,65	0,10	33	7	36	1
6.	0,07	0,52	0,04	22	10	34	1
7.	0,02	0,38	-0,02	16	-12	22	3
8.	-0,03	0,56	-0,04	26	-15	22	3
9.	0,1	0,62	0,03	45	18	36	1
10.	0,05	0,25	0,00	62	14	30	2
11.	0,03	0,41	0,01	21	11	30	2
12.	0,12	0,69	0,70	38	21	36	1
13.	0,02	0,8	0,62	14	4	34	1
14.	0,04	0,24	-0,05	17	-15	24	3
15.	0,01	0,69	0,38	23	18	34	1
16.	0,01	0,58	0,12	18	9	32	2
17.	0,08	0,20	0,04	30	14	32	2
18.	0,11	0,36	-0,03	18	-8	26	2

Research conclusions and perspectives Based on the conducted monitoring of the financial condition of enterprises in the tourism industry of the Zakarpattia region, it can be concluded (Tables 1 and 2) that the overwhelming majority of the surveyed enterprises belong to group 2, that is, they are not sufficiently resistant to fluctuations in market demand. In general, they are solvent and financially stable.

The absence of enterprises belonging to group 4 – crisis, is not evidence of a stable financial condition, but an indicator that when financial problems arise, the owners prefer to close the enterprise and register a new company.

Thus, the proposed method of monitoring the financial condition of enterprises in the tourism industry is the most acceptable for budgeting, since it allows you to clearly and quickly assess the dynamics of the financial position of an economic entity both at different levels of business activity and under changing conditions of the internal and external environment, and gives a comprehensive description of the state and prospects for the development of the industry as a whole.

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