



Assessment of Potential Companies Based on Performance and Financial Component under Conditions of New Economic Growth Model

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ABSTRACT

In the article there are presented the features of the components that make up the economic capacity of the organization, improve the ability to deepen the analysis of their impact on the effectiveness of and prospects for stable development of the business entity in the new paradigm of economic development. Also, it the authors have developed the technique of evaluating the economic potential of the entertainment, through the application of the component approach and integrated rating. The complex analysis of the economic potential of "Istochnik" based on the proposed method of scoring production and financial potential of the company.

Keywords: Economic Potential, Financial Strength, System, Production, Finance, Numerical Score, A Technique

JEL Classification: O18

1. INTRODUCTION

Currently, the business environment of economic entities' functioning is characterized by the high dynamism and high level of competition, as well as the presence of the difficult-to-predict risks; which is the logical consequence of the systematic political-economic crisis. In our view, the latter should be evaluated not as a random period in the development of the global and national economy, but as a natural process, demanding from each market's subject the establishment of the qualified strategic management system, which includes the organization of systematic monitoring of its economic-development.

These circumstances may require the development of new methods and procedures for analyzing the economic potential of

the organization, allowing not only to diagnose its current state, but also to identify opportunities to build and enhance the effects of the use of available material, labor and financial resources. Consideration of the specific solution requires a weighty argument from the standpoint of the integral evaluation dynamics of such effectiveness in the implementation of the planned events. Therefore, management personnel should refer not to abstract concepts, but to the most informative indicators and indicators able to assess the level of economic potential and its dynamics.

2. LITERATURE REVIEW

Looking for the organization effectiveness comprehensive evaluation indexes there was developed the concept of economic value added (EVA). The authors of this method are the American

economists (Stewart, 1991) who in his writings has described the main features of its application. They have identified several indicators of value added: EVA; shareholders value added; market value added.

The most frequently used is the indicator of EVA, it is defined as operating profit after taxes minus the cost of capital employed. Costing source - is the financial statements, which is pre-adjusted.

EVA key feature is that the correction of initial balance sheet reflects the actual uses of capital raised and eliminate the effects of imperfect accounting standards.

At the present stage of development of the value added concept is being promoted into the management practices of many Russian companies using the appropriate software.

Like all models, EVA concept has certain disadvantages. In particular, this method makes the absolute focus on the financial side of the company, ignoring non-financial parameters and activities characteristics.

In the analysis of the economic potential of the enterprise with the use of both financial and non-financial performance, the balanced scorecard (BSC) has been critical. This methodology was developed by the evaluation of Kaplan and Norton (1992).

The point of the BSC is that at a time when the basis for the success of industrial companies are investing in long-term capabilities and customer relationships, the traditional financial indicators and evaluation criteria do not provide sufficient information to make management decisions aimed at creating a the cost by investing in customer satisfaction. The same goes for relationships with suppliers, intellectual capacity, production, technology and in-novation projects.

The BSC complements financial parameters of the system that had already been used with the perspectives' evaluation system. The goals that are set as a result of building a BSC, depend on the company's development strategy, the company's vision for the future of its management and owners.

Specific indicators, their calculation methods and values are formed on the basis of these objectives. The company's activity is seen in four areas: (1) Finance; (2) relationship with customers; (3) internal business processes; (4) training and staff development.

Use of this system is carried out in two main planes. On the one hand, an assessment of how the organization is working on creating the value for current and future customers. On the other hand, the assessment of actions to be taken in order to increase internal capacity and increase investment in human resources, business processes and procedures in order to improve its operations in the future.

Objectives and indicators that characterize their achievement, emerged during the process of transformation of the hierarchical mission in the main goals, objectives, and, as a consequence, the

specific financial and non-financial parameters. One of the main tasks of the implementation of the BSC is the transformation of the company's mission, which is formulated by the owners and senior management of the said business, in the figures, to achieve that which involves all employees. One of the important principles of MSP is the information availability and openness. Employees must be aware of the common goals of the company and have a good understanding of the nature and value (including financial consequences) of those indicators for which they are responsible.

BSC means that the interests of various groups and users of information must be satisfied. In particular, there should be a balance between reporting data to users such as shareholders and customers, and information on the state and changes in business processes, implementation and use of innovation, training and development for the management of workers' organizations. At time intervals of the BSC is constructed in such a way as to reflect the results as past performance and estimates of future growth.

The concept of the economic potential of the enterprise in the construction techniques and the specific capacities of analysis and forecasting models can use the achievements and benefits of the BSC. Its specific indicators can be developed in the framework of the MTP, allowing to characterize a particular building component.

Thus, the analysis of the economic potential of the enterprise involves the use of different research methods, specific methods and analysis concepts, processing and forecasting the economic information.

3. RESULTS AND DISCUSSIONS

The critical analysis of the approaches created in science concerning essence of economic potential, allowed us to offer the following definition to concept of an economic entity's economic potential. It is the integrated characteristic of the organization's ability to produce the material and non-material benefits and to satisfy public requirements, caused by the existing resources, conditions and technology of their use (Kaziyeva and Kaziyev, 2011).

Economic potential should be considered as system in which the following main characteristics are inherent: Integrity, complexity, interchangeability and interaction of elements, opportunity to perception and development, adaptability and power. These system characteristics are interconnected and interdependent, improvement of only one of them will not surely lead to increase in economic capacity of the organization in general (Kaziyeva and Atalikov, 2015).

Sources of acquiring the initial information for the analysis and measurement of the economic analysis can be divided into two big groups: External and internal. From them it is possible to receive various types of data.

Therefore, from external sources we get the macroeconomic information, data on the external competitive environment. It includes the macroeconomic status data: Growth rates of gross domestic product, a rate of inflation, a refinancing rate, investment

activity in a section of regions and branches, changes in volumes of retail trade, industrial production, a condition of the financial and commodity markets, demographic data, other information. Sources of such information are the state statistical supervision authorities, tax authorities, the branch ministries and departments. In addition, information on a condition of macroeconomic can be found in analytical reports of the specialized organizations (rating and analytical agencies).

The basis of internal information is the registration data. Measurement of economic potential assumes use of all these types of the account: Accounting (financial), statistical, operative and administrative. For measurement and the analysis of economic potential, one can use the data taken from system of the account at different stages.

The analysis of enterprise’s economic capacity assumes the use of various research methods, specific techniques and concepts of the analysis, processing and forecasting of economic information. The factorial analysis, a value added assessment, system of the balanced (interconnected) indicators are the most important.

From the results of the resources` essence research, nature of their interrelations and extent of influence on economic potential the following two components in its structure are allocated:

- Production potential (potential output of goods, potential opportunities of fixed assets, potential opportunities of use of raw materials and materials, potential opportunities of use of intellectual potential).
- Financial potential (potential indicators of profitability, liquidity, solvency, financial stability, investment opportunities) (Fomin, 2014).

Effective realization of the general (cumulative) potential depends on a condition of both each of its parts, and their interaction. Balance of cumulative potential parts is the main condition of its full realization as lag of one of them acts as a limiting factor for others. It is necessary to investigate everyone to a component of economic potential as the difficult category having own structure.

The size of production potential predetermines competitiveness of the organization in the target market, characterizes the current and perspective ability to project, make and market goods and services, on the price and other qualities in a complex more attractive to consumers, than goods of competitors (Novoselov and Novoselova, 2015; Osadchy and Akhmetshin, 2015).

In the technique offered by us there are technological, material and the labor components of the organization’s production potential. These components are estimated in three aspects: Movement, current state and efficiency of use. The system of the most informative basic indicators by means of which the analysis of these enterprise production capacity components is carried out (Tables 1 and 2) is defined.

By expert way, threshold values of indicators for an assessment of enterprise’s production capacity (Table 3) are established.

A certain assessment mark is appropriated to each value of an indicator, which got to an interval. The greatest point has to correspond to the most favorable value, the smallest point - to the most critical. Level and range of mark estimates is also determined in the expert way: Level A coefficients - 12 points; Level B coefficients - 8 points; Level C coefficients - 4 points.

In order to determine the final level of production and financial potential of each of its components, depending on regional or industry sector organizations are assigned weights.

In accordance with the proposed method was evaluated the productive capacity of “Istochnik,” located at the address: Prokhladnensky highway, Nalchik, Kabardino-Balkaria, Russia. The principal activities of JSC “Istochnik” is the production of drinking water, mineral water, soft drinks and trade of own products. The production area of the plant is 2204 m² and consists of warehouses, bottling lines for mineral and sweet water, glass lines, blending and packaging plants, motor area, the administrative apparatus. The daily production averages 12,000 bottles. The design capacity - 84,000 bottles a day.

The results of the investigated companies productive capacity evaluation level are presented in Table 4.

In 2013 and 2014 assessment of the productive capacity of “Istochnik” was 72 points (Level B), which was provided by relatively high rates on labor component (due to factors timing and ratio of the reception and disposal of the staff), and the material component (due to indicators of quality of supply turnover and material costs). Also during the period under review there was a fairly high rate of return on assets. However, there are problems with using the fund of working hours, traffic indicators and the technical condition of the main assets of the organization, as well as the efficient use of material resources.

Table 1: The offered system of estimated indicators at determination of level of production capacity of the organization

| Direction of the analysis | Indicators of an assessment of components of production potential | | |
|---|---|---|--|
| | Technological | Material | Labour |
| Movement of components production potential | Ratio of fixed assets updating and leaving coefficients | Coefficient of deliveries quality | Ratio of a workers reception coefficient turnover and of a workers` leaving coefficient turnover |
| Current state of production potential | Coefficient of fixed assets depreciation | Coefficient of material stocks turnover | Specific weight of working hours losses |
| Use efficiency of the production potential components | Capital productivity | Material effectiveness | Advancing coefficient |

The financial capacity of the organization - A relationship that arise about achieving the best possible financial results, provided:

- Whether the organization’s own capital sufficient to meet the conditions of liquidity and financial stability.
- The possibility of attracting the organization of capital in the amount necessary for the effective implementation of investment projects.
- Return on invested capital in the company.
- An efficient financial management system of the enterprise, ensuring the transparency of the current and future financial condition (Taranova et al., 2015, Alikaeva et al., 2015; Novoselova et al., 2015; Zaviyalova et al., 2014).

In order to assess the financial capacity of the organization in its structure identified two components characterizing the financial condition and the market activity (i.e., the effectiveness of activities). Determined system of the most informative indicators by which the analysis of the data constituting financial capacity (Table 5).

The expertized threshold values of indicators for an assessment of the enterprise financial capacity (Table 6) are established.

Each value of the index, have fallen into the interval is assigned a numerical score: Coefficients of A Level - 9 points; The coefficients of the level - 6 points; the coefficients of the P - 3 points (Mullakhmetov et al., 2015).

Table 2: Technology of production capacity level diagnostic indicators calculation of the company

| Indicator | Symbol | Calculation procedure |
|--|---------------|---|
| Ratio of fixed assets updating and leaving coefficients | $K_{ufa/lfa}$ | $K_{ufa/lfa} = K_{ufa} : K_{lfa}$ Where K_{ufa} - The coefficient of updating of fixed assets defined as The ratio of cost arrived for the analyzed period of fixed assets time to their cost for the end of the analyzed time period; K_{lfa} - The coefficient of leaving of fixed assets defined as The ratio of cost left for the analyzed period of time of fixed assets to their cost for the beginning of the analyzed time period |
| Coefficient of fixed assets depreciation | K_{fad} | The ratio of size of the saved-up depreciation of fixed assets to their initial cost for the analyzed time period |
| Capital productivity | CP | The ratio of cost of the made production (goods, services, works) to the size of balance cost of fixed assets for the analyzed time period |
| Coefficient of deliveries quality | K_{dq} | The ratio of quantity qualitatively executed for the analyzed period of time of contracts for supply of materials, accessories, semi-finished products, fuel, energy, etc., for production needs to total of the executed contracts of this category |
| Coefficient of material stocks` turnover | C_{mst} | The relation consumed for the analyzed period of time of material resources to the cost of material stocks |
| Material effectiveness | ME | The ratio of cost of the made production (goods, services, works) to the size of the performed material inputs for the analyzed time period |
| Ratio of a workers reception coefficient turnover and of a workers` leaving coefficient turnover | $K_{wrt/wlt}$ | $K_{wrt/wlt} = K_{wrt} : K_{wlt}$ Where K_{wrt} - The coefficient of a workers` reception turnover defined as The ratio of all accepted workers` number for the analyzed time period to the average number of workers for the same period; K_{wlt} - The coefficient of workers` leaving turnover defined as The ratio of all left workers in the analyzed time period to the average number of workers for the same period |
| Specific weight of working hours losses | SW_{losses} | The ratio of working hours losses to nominal fund of working hours of workers expressed as a percentage |
| Advancing coefficient | K_{ad} | The ratio of workers` labor productivity change index to an index of their salary change for the analyzed time period |

Table 3: Scale determine the level of the organization`s production capacity components

| Indicator | Symbol | Indicator level assessment | | |
|--|---------------|----------------------------|----------------|---------------|
| | | High level (A) | Mean level (B) | Low level (C) |
| Assessment of a production potential technological component | | | | |
| Ratio of fixed assets updating and leaving coefficients | $K_{ufa/lfa}$ | 1 | 0.5-1 | <0.5 |
| Coefficient of fixed assets depreciation | K_{fad} | <0.5 | 0.5-0.7 | 0.7 |
| Capital productivity | CP | >1 | 1 | <1 |
| Assessment of a material component of production potential | | | | |
| Coefficient of deliveries` quality | K_{dq} | 1 | 0.85-0.99 | >0.85 |
| Coefficient of turnover of material stocks | C_{mst} | 0.9-1 | 0.7-0.9 | 0.7 |
| Material effectiveness | ME | >1.5 | 1-1.5 | <1 |
| Assessment of a production potential`s labor component | | | | |
| Ratio of a workers reception coefficient turnover and of a workers` leaving coefficient turnover | $K_{wrt/wlt}$ | 1 | 0.5-1 | <0.5 |
| Specific weight of working hours losses | SW_{losses} | <8 | 8-15 | >15 |
| Advancing coefficient | K_{ad} | >1 | 1 | <1.5 |

In order to determine the final level of the financial capacity of each of its components, depending on regional or industry sector organization assigned weights.

The results of evaluation of the level of financial potential of “Istochnik” Lena-represented in Table 7.

Evaluation of financial performance of the enterprise under study showed that the highest values were observed in

only one indicator - return on equity (36% in 2013 and 48% in 2014). Improved profitability of the value of sales gross profit - 8% (Level V) to 22% (Grade A), as well as maneuverability equity ratio - with 7.84 to 28.96 (Level A). Rose absolute liquidity ratio - from 0.01 (Level C) to 3.51 (Grade A). Unsatisfactory (Level C) are for 2013-2014 coefficients of financial autonomy, the ratio of debt and equity, return on assets, working capital turnover, turnover of accounts receivable and accounts payable.

Table 4: Analysis of components and production capacity of company of JSC Istochnik

| Indicator | Indicator level assessment for 2013 | Indicator level assessment for 2014 | Mark assessment for 2013 | Mark assessment for 2014 | The weight coefficient | Total mark assessment for 2013 | Total mark assessment for 2014 |
|--|-------------------------------------|-------------------------------------|--------------------------|--------------------------|------------------------|--------------------------------|--------------------------------|
| Assessment of a technological component, including | | | | | 1 | 24 | 20 |
| $K_{ufa/lfa}$ | 0.46 | 0.60 | B | C | - | 8 | 4 |
| K_{fad} | 0.53 | 0.68 | B | B | - | 8 | 8 |
| CP | 2.08 | 4.04 | B | B | - | 8 | 8 |
| Assessment of a material component, including | | | | | 1.2* | 24 | 24 |
| K_{dq} | 0.71 | 0.89 | B | B | - | 8 | 8 |
| C_{mst} | 0.70 | 0.75 | B | B | - | 8 | 8 |
| ME | 0.77 | 0.97 | C | C | - | 4 | 4 |
| Assessment of a labor component, including | | | | | 1 | 24 | 28 |
| $K_{wrt/lfa}$ | 0.98 | 0.84 | B | B | - | 8 | 8 |
| SW_{losses} | 0.17 | 0.15 | C | B | - | 4 | 8 |
| K_{ad} | 1.23 | 2.01 | A | A | - | 12 | 12 |
| Score | | | X | X | X | 72 | 72 |

*For JSC Istochnik the weight coefficient 1,2 is appropriated to a material component of production potential as it has the special importance for the organization with material-intensive production

Table 5: The offered system of estimated indicators at determination of level of the organization’s financial capacity

| Indicator | Symbol | Calculating methos |
|---|-----------|--|
| Assessment of a company’s financial condition | | |
| Coefficient of a financial autonomy | K_{aut} | The ratio of organization’s own capital size to the cumulative capital for the analyzed time period |
| Coefficient of a loan and own capital ratio | $K_{z/c}$ | The ratio of organization loan capital size to the size of its own capital for the analyzed time period |
| Equity mobility ratio | K_{man} | The ratio of organization’s own current assets to the size of its own capital for the analyzed time period |
| Coefficient of the current liquidity | K_{cl} | The ratio of organization’s current assets to the size of its short-term obligations for the analyzed time period |
| Quick asses ratio | K_{bl} | The ratio of organization’s highly liquid current assets to the size of its short-term obligations for the analyzed time period |
| Absolute liquidity index | K_{al} | The ratio of absolutely liquid current assets of the organization to the size of its short-term obligations for the analyzed time period |
| Assessment of company’s market activity | | |
| Profitability of sales on gross profit | P_p | The ratio of the organization’s gross profit size to the revenue sum for the analyzed time period |
| Return on assets | P_a | The ratio of the organization’s net profit size to the average cost of total assets for the analyzed time period |
| Return on equity | P_{ck} | The ratio of organization’s net profit size to average cost of equity for the analyzed time period |
| Turnover of current assets | T_{oa} | The ratio of the average for the analyzed period of time the value of current assets to average daily sales |
| Turnover of receivables | T_{dz} | The ratio of the average value of short-term receivables multiplied by the length of the analyzed period (in days) to revenue |
| Turnover of accounts payable in days | T_{kz} | The ratio of the average value of the accounts payable multiplied by the length of the analyzed period (in days) to sales |

Evaluation of the financial capacity of the organization in 2013 amounted to 59.4 points (Level B), in 2014 it increased to 66 points (Level B) that largely due to relatively high-margin activities and the availability of internal funds. Financial stability LLC “Istochnik” is low, due to the high financial risks caused by inadequate capital structure.

Since each component of the economic potential (industrial, financial) evaluated individually developed single integral index, which “reduced” estimates obtained components together. In line with the scale of proposed table layout for an integrated assessment of the level of economic development. This form allows you to trace the dynamics of the integral index of the economic potential of the organization and its components - industrial and financial potential (Fomin, Starovoytov, 2012). One can extend the layout to include an assessment of the economic potential, such as the parent company and its controlled companies (Table 8).

According to the offered model, the integrated assessment of economic capacity of JSC Istochnik (Table 9 and Figure 1) was carried out.

We offer the following description of each level of economic development.

Level A - Indicates a very good state of industrial and finance organizations. Activities profitability and financial condition is stable in both the short and long term. Companies in this group are generally classified as reliable borrowers and counterparties.

Level B - Indicates normal (satisfactory) state industrial and finance businesses. The bulk of the indicators of financial and economic activity fit into the regulatory levels. The profitability of these organizations are generally satisfactory, but can be very dependent on market fluctuations. Having given rating organization may

Table 6: Scale of determination of level of organization’s financial capacity components

| Indicator | Symbol | Indicator level assessment | | |
|---|-----------|----------------------------|----------------|---------------|
| | | High level (A) | Mean level (B) | Low level (C) |
| Assessment of the company’s financial condition | | | | |
| Coefficient of a financial autonomy | K_{aut} | >0.7 | 0.5-0.7 | <0.5 |
| Coefficient of a loan and own capital ratio | $K_{l/o}$ | 0.45-0.85 | 0-0.45 | <0 |
| Equity mobility ratio | K_{em} | >0.31 | 0.16-0.3 | <0.15 |
| Coefficient of the current liquidity | K_{cl} | 2-2.5 | 1-2 | <1 or >3 |
| Quick asses ratio | K_{qa} | 0.8-1 | 0.5-0.8 | <0.5 or >2 |
| Absolute liquidity index | K_{al} | >0.1 | 0.05-0.1 | <0.05 |
| Assessment of company’s market activity | | | | |
| Profitability of sales on gross profit | P_s | >0.1 | 0.08-0.1 | <0.08 |
| Return on assets | P_a | >0.09 | 0.07-0.09 | <0.07 |
| Return on equity | P_e | >0.22 | 0.17-0.22 | <0.17 |
| Turnover of current assets | T_{ca} | <99 days | 99-136 days | >136 days |
| Turnover of receivables | T_r | <46 days | 46-63 days | >63 days |
| Turnover of accounts payable in days | T_{ap} | <62 days | 62-89 days | >89 days |

Table 7: Results of an assessment of level of indicators and components of financial capacity of JSC Istochnik

| Indicator | Indicator level assessment for | Indicator level assessment for | Mark assessment for 2013 | Mark assessment for 2014 | The weight coefficient | Total mark assessment for 2013 | Total mark assessment for 2014 |
|---|--------------------------------|--------------------------------|--------------------------|--------------------------|------------------------|--------------------------------|--------------------------------|
| | 2013 | 2014 | | | | | |
| Assessment of the company’s financial condition | | | | | 1 | 27 | 30 |
| K_{aut} | 0.05 | 0.03 | C | C | - | 3 | 3 |
| $K_{l/o}$ | 19.52 | 35.91 | C | C | - | 3 | 3 |
| K_{em} | 7.84 | 28.96 | A | A | - | 9 | 9 |
| K_{cl} | 1.95 | 5.95 | B | C | - | 6 | 3 |
| K_{qa} | 0.12 | 4.39 | C | C | - | 3 | 3 |
| K_{al} | 0.01 | 3.51 | C | A | - | 3 | 9 |
| Assessment of the company’s market activity | | | | | 1.2* | 32.4 | 36 |
| P_s | 0.08 | 0.22 | B | A | - | 6 | 9 |
| P_a | 0.015 | 0.016 | C | C | - | 3 | 3 |
| P_e | 0.36 | 0.48 | A | A | - | 9 | 9 |
| T_{ca} | 702.48 | 937.3 | C | C | - | 3 | 3 |
| T_r | 79.96 | 119.03 | C | C | - | 3 | 3 |
| T_{ap} | 117.94 | 68.15 | C | C | - | 3 | 3 |
| Score | | | X | X | - | 59.4 | 66 |

*For JSC Istochnik the weight coefficient 1,2 is appropriated to a component of market capacity of the organization as it has the special importance

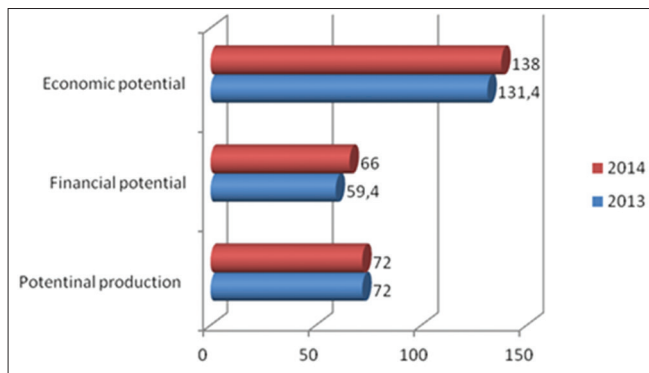
Table 8: The model for an assessment of economic capacity of the organization

| Potential | Standard rating scale (score) | Period 1 | | Period N | | Dynamics (trend): Positive (↑) and negative (↓) |
|------------|---|----------|-----------------|----------|-----------------|---|
| | | Score | Level (A, B, C) | Score | Level (A, B, C) | |
| Industrial | A: 90-115.2 B: 65-89.6 C: 38.4-64 | | | | | |
| Financial | A: 92.5-118.8 B: 67-92.4 C: 39.6-66 | | | | | |
| Economic | A: 183-234 B: 131-182 C: 78-130 | | | | | |

Table 9: Integrated assessment of economic capacity of JSC Istochnik

| Potential | Standard rating scale (score) | 2013 Years | | 2014 Years | | Dynamics (trend): Positive (↑) and negative (↓) |
|------------|---|------------|-----------------|------------|-----------------|---|
| | | Score | Level (A, B, C) | Score | Level (A, B, C) | |
| Industrial | A: 90-115.2 B: 65-89.6 C: 38.4-64 | 72 | B | 72 | B | Without changes |
| Financial | A: 92.5-118.8 B: 67-92.4 C: 39.6-66 | 59,4 | C | 66 | C | ↑ |
| Economic | A: 183-234 B: 131-182 C: 78-130 | 131,4 | B | 138 | B | ↓ |

Figure 1: An assessment of economic potential and its components of JSC Istochnik for 2013-2014



be regarded as a counterparty in a relationship, which requires a cautious approach to risk management. An organization may apply for credit, but the decision depends largely on the analysis of additional factors (neutral creditworthiness). Working with this group of organizations requires a balanced approach.

Level C - Indicates the poor condition of production and financial capacity of the organization. Most indicators of financial and economic activities do not fit into standard values. Companies in this group of financial instability, and their activities are, as a rule, is unprofitable investments in these organizations are associated with increased risk. The reasons for such a state can be both objective (resource mobilization for the implementation of large-scale projects, major transactions, the overall decline or a crisis in the economy or industry, etc.), and be the result of inefficient management. To receive credit such organizations are eligible only if reliable guarantees a refund, do not depend on the

financial condition and results of activities of the organization in the future (poor credit worthiness).

4. CONCLUSIONS

In accordance with the proposed in the article method of the economic potential of the organization assess conducted a comprehensive analysis of financial and economic activity of LLC “Istochnik” for the 2013-2014. During the period under review, the economic potential of the investigated companies has increased, but the quality has not improved (Level B). This indicates normal (satisfactory) state industrial and finance businesses, where the bulk of the indicators of financial and economic activity fit into the regulatory levels.

The practical significance of the research results is the possibility of using the proposed method of integrated assessment of economic potential in activities of organizations engaged in the production of foods and beverages, in order to enhance the validity of management decisions.

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