

JEL Classification G 30

FEATURES AND CONDITIONS OF OPTIMIZATION THE ENTERPRISES'S FINANCIAL STATE IN THE TERMS OF WAR

NAZARKEVYCH Ihor

*Doctor of Economic Sciences, Associate Professor,
Professor of the Department of Financial Management,
Ivan Franko National University of Lviv
ORCID ID: <https://orcid.org/0000-0001-5856-531X>*

DRAGOMYRETSKA Anastasiia

*Student of Magister's degree,
Ivan Franko National University of Lviv*

RUNTS Yevhen Viktorovych

*Student of Magister's degree,
Ivan Franko National University of Lviv*

Abstract. *The article examines key factors affecting the operation of Ukrainian businesses in times of war. It provides a comprehensive overview of the peculiarities and strategies for optimizing the financial state of enterprises in wartime conditions. Practical measures for managing the financial condition are proposed, which are an important aspect of ensuring successful business operations in modern realities.*

Keywords: *financial condition, optimization of financial condition.*

The modern specificity of conducting business in Ukraine entails adaptation to operating in conditions of constant instability. Uncertainty complicates the process of economic activity planning. Despite instability, the financial condition of a business is influenced by a number of other factors: loss of capital and markets, disruption of logistic chains, decrease in investment activity, labor market complications, reduced purchasing power, and inflation rate growth.

In such conditions, all business entities should devote as much attention as possible to financial planning and risk management. Enterprises need to urgently analyze their financial capabilities, determine priority areas of activity, reduce costs, and rationalize business processes. In terms of finance, it is

important to ensure effective management of financial flows and control over cash movement.

Components of financial management should be adjusted for increased risks. In the field of asset management, the focus should be on optimizing the structure of retained assets. Profit management should involve maximizing profits by reducing non-operating expenses. Cash flow management is crucial, as it should ensure an adequate amount of funds to continue entrepreneurial activities despite possible liquidity crises. One of the most important components of financial management in wartime realities is risk management. Financial risk management involves avoiding risks and creating reserves to mitigate their impact in case of realization.

In addition to traditional methods of managing financial condition, business

entities can take additional measures and utilize alternative sources of funding in the form of government assistance. Thanks to the 5-7-9% program, SMEs and individual entrepreneurs have the opportunity to obtain loans or open credit lines for working capital replenishment or investment purposes at 5, 7, and 9% interest rates with full or partial compensation of interest expenses by the state to financial institutions. The state continues to support businesses through a grant system, allowing individual entrepreneurs or legal entities to receive funds for business development. The YeRobota program includes grants for 'Own Business', 'Garden', 'Greenhouse',

'Processing Enterprise', and 'Grants for Veterans and Their Families'. The Office for Entrepreneurship and Export Development has launched a series of initiatives to help business entities maintain the level of generated cash flows during wartime: 'The Supply Chain Resilience platform' (the platform was created to overcome supply chain disruptions caused by Russia's open military), 'Ukrainian Food Platform' (the first Ukrainian marketplace oriented towards selling prepared food to foreign markets), 'Do Business With Ukrainians' (the platform seeks and offers international customers verified Ukrainian companies and assists domestic entrepreneurs with knowledge, connections, training, and mentoring).

References

1. Sayko, V. V., Buhas, N. V. (2023). Analiz finansovoyi stiykosti pidpryyemstva v umovakh voyennoho stanu. [Analysis of the financial stability of the enterprise in the conditions of martial law]. *Dominanty sotsialno-ekonomichnoho rozvytku Ukrayiny u novykh realiyakh : Vseukrayinska naukovo-praktychna konferentsiya molodykh uchenykh ta studentiv - All-Ukrainian scientific and practical conference of young scientists and students: Dominants of social and economic development of Ukraine in new realities*. (pp. 182-184). Kyivskyi natsionalnyi universytet tekhnolohiy ta dizaynu [in Ukrainian].
2. Varnaliy, Z. S., Bondarenko, S. M. (2023). Finansova bezpeka pidpryyemstv Ukrayiny v umovakh viyny ta povoyennoho vidnovlennya. [Financial security of Ukrainian enterprises in the conditions of war and post-war recovery]. *Ekonomichnyy visnyk universytetu - Economic Bulletin of the University*, 56, 106-113 [in Ukrainian].
3. Ukraine Refugee Situation. Operational Data Portal. Retrieved from: <https://data.unhcr.org/en/situations/ukraine> [in Ukrainian].
4. Number of civilian casualties in Ukraine during Russia's invasion verified by OHCHR from February 24, 2022 to February 15. Statista. Retrieved from: <https://www.statista.com/statistics/1293492/ukraine-war-casualties/> [in Ukrainian].
5. Treker ekonomiky Ukrayiny pid chas viyny [Ukraine war economy tracker]. *Tsentr ekonomichnoyi stratehiyi - Centre for economic strategy*. Retrieved from: <https://ces.org.ua/en/tracker-economy-during-the-war/> [in Ukrainian].
6. Yak zminyuvavsya riven bidnosti v Ukrayini [How the level of poverty in Ukraine changed]. *Slovo i Dilo - Word and Deed*. Retrieved from: <https://www.slovoidilo.ua/2023/05/04/infografika/ekonomika/yak-zminyuvavsya-riven-bidnosti-ukrayini> [in Ukrainian].
7. Dynamika zminy indeksu tsin vyrobnykiv promyslovoyi produktsiyi (ITsV) [Dynamics of changes in the index of prices of manufacturers of industrial products (ICV)].

Rail.insider. Retrieved from: <https://www.railinsider.com.ua/dynamika-zminy-indeksu-czin-vyrobnykiv-promyslovoyi-produkczii-iczv/> [in Ukrainian].

8. Zakharova, N. Yu. (2023). Osoblyvosti upravlinnya finansovoyu bezpekoyu pidpryyemstva v umovakh voyennoho stanu [Peculiarities of managing the financial security of the enterprise in the conditions of martial law]. *Aktualni problemy menedzhmentu: teoretychni i praktychni aspekty : materialy shostoyi mizhnar. nauk.–prakt. konf. - Actual problems of management: theoretical and practical aspects: materials of the sixth international science and practice conf.* (pp. 247-247). Odesa [in Ukrainian].

9. Dudchuk O., Mezhuieva M. Vplyv viiny na osnovni pokaznyky diialnosti pidpryyemstv Ukrainy. chy varto ochikuvaty masovoho bankrutstva? XV International scientific and practical conference «Innovative Development: Synthesis of Scientific Approaches in Various Fields of Research» (March 20-22, 2023) Tallinn, Estonia. International Scientific Unity, 2023. 173 p., (pp. 51-55).

10. Tomchuk, O. V., Trehubov, O. S., Andronik, O. L. (2023). Finansovi aspekty upravlinnya platospromozhnistyu maloho ta serednoho biznesu v umovakh viiny [Financial aspects of managing the solvency of small and medium-sized businesses in wartime conditions]. *Ekonomika i suspilstvo-Economy and society*, 50. Retrieved from: https://scholar.googleusercontent.com/scholar?q=cache:LN82JU1ITwwJ:scholar.google.com/+%D1%84%D1%96%D0%BD%D0%B0%D0%BD%D1%81%D0%BE%D0%B2%D1%96+%D0%B0%D1%81%D0%BF%D0%B5%D0%BA%D1%82%D0%B8+%D1%83%D0%BF%D1%80%D0%B0%D0%B2%D0%BB%D1%96%D0%BD%D0%BD%D1%8F+%D0%BF%D0%BB%D0%B0%D1%82%D0%BE%D1%81%D0%BF%D1%80%D0%BE%D0%BC%D0%BE%D0%B6%D0%BD%D1%96%D1%81%D1%82%D1%8E&hl=uk&as_sdt=0,5 [in Ukrainian].

11. Marketpleys finansovykh mozhlyvostey dlya biznesu [Marketplace of financial opportunities for business]. *Diia Biznes – Diia Business*. Retrieved from: <https://business.diia.gov.ua/marketplace/5-7-9-program#marketplace> [in Ukrainian].

12. YeRobota [IsWork]. *Diia*. Retrieved from: <https://diia.gov.ua/services/categories/biznesu/yerobota> [in Ukrainian].

13. Eksport v umovakh viiny [Export in conditions of war]. *Diia Biznes – Diia Business*. Retrieved from: https://export.gov.ua/business_during_war [in Ukrainian].