IMPROVEMENT OF FUNDAMENTAL VALUE MANAGEMENT SYSTEM OF INDUSTRIAL ENTERPRISES IN THE CONDITIONS OF PANDEMICS

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IMPROVEMENT OF FUNDAMENTAL VALUE MANAGEMENT SYSTEM OF INDUSTRIAL ENTERPRISES IN THE CONDITIONS OF PANDEMICS

Abstract. The article examines the relationship between effective management decisions in the process of value management of industrial enterprises in the country in a pandemic. In addition, scientific proposals and practical recommendations for improving the system of fundamental value management of industrial enterprises have been formed, studying the theoretical and methodological aspects of decision-making on the processes associated with attracting additional investment through joint ventures and market activity.

Keywords: crisis process, investment project, investment activity, investment efficiency, value management system, fundamental value, market value, business value management.

Introduction

Over the past period, the country's economy has created a modern high-tech market system for managing enterprises specializing in large and small businesses. The introduction of a financial management system that reflects the modern market relations in the activities of industrial enterprises leads to an increase in the fundamental value of industrial enterprises in different market conditions. Today, the fact that industrial enterprises have a significant amount of assets ensures that the enterprise successfully competes in foreign markets and effectively meets consumer
demand in the domestic market. This process creates the factors that serve to form the possibility of rationalizing cash flows in making management decisions that have an optimal impact on the value management of industrial enterprises. This, in turn, can lead to an increase in the level of risk of operational and financial decisions in many industrial enterprises. Therefore, it is expedient to focus on improving the system of fundamental value management of the enterprise to increase the value of industrial enterprises, attract additional investment and other purposes.

The crisis processes that are shaking the economy in the world community under the name of "Coronavirus pandemic" reflect its negative impact on the economy of many industrial enterprises around the world. As a result, there is a growing need for systematic support, improvement of financial, organizational and economic mechanisms of industrial enterprises in the world. In his Address to the Oliy Majlis on December 29, 2020, President of the Republic of Uzbekistan Sh.M.Mirziyoev commented on the measures taken in the country's economy: “The state has taken comprehensive measures worth 82 trillion soums to mitigate and eliminate the consequences of the pandemic. In particular, the Anti-Crisis Fund has been established, more than 16 trillion soums have been allocated from the budget for measures to combat the coronavirus, support the population and businesses. In addition, state-owned enterprises and more than 500,000 businesses and about 8 million citizens received practical assistance in tax benefits, loan extensions and financial support totaling 66 trillion soums.”[1]

The above facts show the urgency of scientific and theoretical study of the system of fundamental value management of industrial enterprises under the influence of changing factors that lead to a decrease in investment activity, ensuring the timely implementation of economic agreements and investment projects in a pandemic.

**Review of literature**

A number of research projects aimed at gradually increasing the fundamental value of industrial enterprises through investment, innovative development of enterprises and valuation of assets have a special place in the research of foreign economists E. Streltsova, A. Borodin, I. Yakovenko, T. Sokira, K. Bizkhanova. [2]. In the research of V.Dake, H.Chunyan, the process of determining the value of shares to the fundamental value of industrial enterprises and the modeling of pricing for financial assets is of paramount importance [3]. K.R. McConnell, S.L. Bruelar explore the separation of key factors and the dependence of value change on the tasks that value factors must perform [4]. The results of research conducted by K.A. Korennaya, O.V. Loginovsky, A.A. Maksimov show the need to take into account the profitability of the enterprise and the cost of the investor and potential risks in value factors [5]. In the research of Z.Ivanova it is recommended to take into account market factors in the value assessment of enterprises for management purposes [6]. Through his research, R.G. Coase seeks to study the impact of factors such as time, risk, market conditions, level of competition, and model on the value of industrial
enterprises [7]. P.M. Kachalov studies the components and economic characteristics of the assessed enterprise as a key factor of fundamental value [8]. Dj.Brennan, Dj.Bukenen study the impact of market reforms on enterprise value [9]. A.Damodaran based his research on the fact that the value of the enterprise changes under the influence of not only management factors, but also a number of other factors, including external factors [10]. Economists such as R. Kaplan and J. Norton argue that value-based valuation of an enterprise and its components should also take into account factors such as risks, demand, and its solvency in managing the value of an enterprise [11].

AV Vohobov, AT Ibragimov, NF Ishankulov, economists of our country, study the level of control in the enterprise, current and future business constraints as a key factor in shaping the value of the enterprise [12]. HS Asatullaev, BO Tursunov, AA Mamanazarov in their research note that the financial stability of the enterprise and the level of investment activity is a factor in increasing its fundamental value and competitiveness [13]. N.Abdurahmanova's research examines the relationship between economic growth factors and investment attractiveness as an important factor in increasing the market value of the enterprise.

The above research studies the material factors influencing the improvement of the fundamental value management system of enterprises, and aspects related to the role of intangible factors in this regard have not been studied as a separate object of study.

**RESEARCH METHODOLOGY**

Methods such as logical abstraction, statistical analysis, systematic analysis, induction and deduction, comparative analysis are widely used in scientific research.

**ANALYSIS AND RESULTS**

Fundamental value management of the enterprise means a modern management system that includes all the economic and management measures that serve to maximize the market value of the enterprise by constantly increasing all the indicators and existing assets that give a comprehensive assessment of the enterprise. In analyzing the conceptual aspects of enterprise value management, a number of advantages of fundamental value over market value can be highlighted (Figure 1).

When calculating the total (fundamental) value of enterprises, only a one-sided approach to it and market value is considered. In fact, in addition to market value, it is advisable to take into account intangible value indicators that add value to the value of the enterprise. In this regard, it is expedient to assess and manage the fundamental value of enterprises, to carry out reforms at the micro and macro levels of the country's economy and to make decisions on them.

In our opinion, the fundamental value of the enterprise is the sum of tangible and intangible assets, which is a comprehensive assessment of the enterprise, a complex measure of all economic indicators and management measures, reflecting the market value of the enterprise and the results of effective management. In other words, it is the expected selling price - the amount that the buyer is willing to pay for
the entire enterprise in a given situation, and the seller is willing to accept for the object.

A goal-oriented process of achieving a steady positive flow of free cash that exceeds the risk required during the forecast period

Management of the fundamental value of the enterprise is:

A concept aimed at realizing the potential opportunities for economic benefits for business owners

Purpose

Maximizing enterprise value

Determining evaluation indicators and efficiency target standards for all structural elements of the enterprise

Achieving goals tasks on

Implement measures by managers to ensure the most efficient and rapid growth of enterprise value

Identify the key factors that shape value

Figure 1. Fundamental value management of the enterprise
Source: Formed based on research results.

Also, the management method based on the elements that characterize this fundamental value is defined as the main areas of influence on improving the efficiency of management processes in the enterprise (Figure 2). According to this method, the fundamental value of an enterprise consists of its market value and the value of intangible indicators. We know that the market value of an enterprise includes a set of indicators that have a material value, such as fixed and production assets, real estate and movable property, cash, inventories, securities, receivables. Accordingly, intangible indicators are formed based on the specific characteristics of enterprises.
There are numerous and varied classification factors that influence value formation in the literature devoted to enterprise value assessment. It can be seen that value factors can be formed on the basis of value determination (assessment), analysis of enterprise activities, enterprise value management.

To calculate the value of intangible indicators of the enterprise, by monitoring a particular enterprise and evaluating it on a 100-point scale, its coefficients of development are determined and the fundamental value of the enterprise is determined:

\[
\text{Fundamental value of the enterprise} = \text{KBQ} + \sum_{k=1}^{n} \frac{\alpha_k}{\max(\theta_k) - \min(\theta_k)}
\]

where, KBQ is the market value of the enterprise; 
\[
\alpha_k = \frac{\min(\theta_k)}{\max(\theta_k) - \min(\theta_k)}
\]

Here, \(\max(\theta_k)\) and \(\min(\theta_k)\) s are the maximum and minimum levels of the values of intangible indicators of the power grid enterprise, which is the object of research, for a certain period.
Today, Uzbekenergo JSC is a complex organization that includes design, construction, installation, repair and operation organizations and consists of a natural vertical integrated monopoly. Uzbekenergo JSC includes 49 enterprises, including 36 joint-stock companies, 6 unitary enterprises and 7 limited liability companies. Vertical integration is an obstacle to further increase the efficiency of the energy system, as the presence of connections within the firm excludes the possibility of developing competitive relationships, while the ability of companies entering the vertical system to search for resources to increase efficiency is objectively limited. The non-transparency of the management system of enterprises in the sector and the inefficient use of labor resources reduce work efficiency and effectiveness, leading to an increase in non-manufacturing costs. The presence of unprofitable divisions and directions of activity reduces the company's image in the market and leads to a decrease in the level of capitalization.

Table 1 shows the retrospective indicators of the structure of the balance sheet of JSC "Elektrqishloqqurilish". During the period under review (2015–2020), all assets and liabilities of the enterprise amounted to 27.0 billion soums. 49.4 billion soums soums or 1.8 times, while long-term assets themselves increased by 3.2 times.

<table>
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<tr>
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<tbody>
<tr>
<td>Assets</td>
<td>27,0</td>
<td>33,4</td>
<td>38,5</td>
<td>39,6</td>
<td>45,2</td>
<td>49,4</td>
</tr>
<tr>
<td>Long-term assets</td>
<td>3,8</td>
<td>6,7</td>
<td>9,7</td>
<td>8,6</td>
<td>10,3</td>
<td>12,3</td>
</tr>
<tr>
<td>Current assets</td>
<td>23,2</td>
<td>26,7</td>
<td>28,8</td>
<td>30,9</td>
<td>34,8</td>
<td>37,1</td>
</tr>
<tr>
<td>Liabilities</td>
<td>27,0</td>
<td>33,4</td>
<td>38,5</td>
<td>39,6</td>
<td>45,2</td>
<td>49,4</td>
</tr>
<tr>
<td>Sources of own funds</td>
<td>15,2</td>
<td>20,9</td>
<td>28,3</td>
<td>31,3</td>
<td>33,4</td>
<td>39,8</td>
</tr>
<tr>
<td>Liabilities</td>
<td>11,8</td>
<td>12,5</td>
<td>10,2</td>
<td>8,2</td>
<td>11,8</td>
<td>9,6</td>
</tr>
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During 2015-2020, the coefficient of profitability of sales of JSC "Elektrqishloqqurilish" compared to 2016, the level of profitability of sales decreased by 2.2%. This suggests that the organization in question is making the transition to new and promising product technologies that require large investments, so profitability may decline temporarily. However, if the strategy is chosen correctly, the costs incurred will be recovered in the future, and in this case, the decline in profitability during the reporting period does not mean that the efficiency of the enterprise is low.
CONCLUSIONS AND RECOMMENDATIONS

The value of the enterprise can be used as a criterion for managing the enterprise in order to increase the income of owners (shareholders), to attract additional investment. One of the factors negatively affecting the effective management of enterprises in Uzbekistan is the unpreparedness of management to make strategic and operational-tactical management decisions based on the concept of value and the lack of awareness of the creation of value and criteria and management tools that affect its growth. A company that first adopts value management techniques will have additional advantages and the ability to operate successfully compared to other competing businesses.

In terms of a systemic approach, the study of the concept of enterprise fundamental value management is defined as a defined structure and a regulated set of hierarchical methods, ways, technologies, interrelated and external environment-related approaches.

In our opinion, in the context of the economic pantheism, the main material goal of domestic enterprises is to coordinate the management of business value, in which it is expedient to perform the following tasks:

- continuous increase of value indicators, which allow to measure the results of the strategic efficiency of the enterprise and, accordingly, the growth of value;
- constant monitoring of the results of key activities to reduce costs or increase productivity in ensuring the efficiency of operational activities in the enterprise;
- directing variable cash flows relative to investment projects to ensure the effectiveness of the investment project implemented by the enterprise;
- search for new sources of financing of the enterprise, free purchase of shares of other enterprises and working capital management, etc.

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