

УДК 658.15

D. Yu. LYASHKO, PhD in Economics, Associate Professor,
Alfred Nobel University, Dnipropetrovsk

COMPONENTS OF THE INCREASING REVENUE STRATEGY IN THE SYSTEM OF ENTERPRISE VALUE MANAGEMENT

The article deals with the problem of determining the components of increasing revenue strategy in the system of enterprise value. The methodological approaches to forming technologies for implementing the strategy of increasing revenues in the present market conditions are considered in the article. Technologies for implementing the strategy of increasing revenues and content of these technologies are given.

Key words: strategy, enterprise, revenue, value of enterprise, technologies, business processes.

Value of an enterprise in the modern market conditions is formed by the components one of which is revenue of an enterprise received as a result of its business activity. Enterprise value management uses managerial influence on the valuable components. In these conditions, research of the content of the increasing revenue strategy of an enterprise in the system of enterprise value management is urgent.

Critical analysis of real theoretical and practical research of national and foreign scientists gives a possibility to determine the ways for solving problems of enterprise valuation management in real conditions. Problems of assessment and management of business and enterprise valuation have found its reflection in scientific works of foreign and national scientists such as V.V. Bochorov [1], S.V. Valdaytsev [2], T.V. Momot [5], Sh. Pratt [7], P. Rees Richard [9], V.N. Sokolov [11], Ch. Frank [13] and V.A. Shcherbakov [14].

The scientists touched upon the problems of determining approaches to assess value of enterprises and a way of valuation management of these companies.

However, the results which were got don't show enough content of the components of enterprise and business valuation as well as managerial influence on enterprise and business value of an enterprise in the present market conditions.

The goal of this work is to determine the content of the strategies and technologies of enterprise value management in the present market conditions. The author tries to determine the content of the strategy of increasing enterprise revenue in the present market conditions taking into consideration alternative ways of using an enterprise by its owners and potential acquirers.

Enterprise value, in the present market conditions, uses such components as revenue, operating profit, indicators of assets utilization efficiency, and expectations (Fig. 1). Knowledge about the content of each main component of enterprise value gives a possibility to apply appropriate strategies and technologies which, within an appropriate organizational and economic mechanism, gives a possibility of making effective management of enterprise value and its business valuation.

Components and factors of influence on enterprise value were shown in Fig. 2. The content and internal components of the strategy of increasing enterprise revenue in the system of enterprise value management will be formed according to the components and factors of revenue accumulation.

The technology of implementation of the increasing revenue strategy will be directed in the following ways:

1. Marketing and Sales.

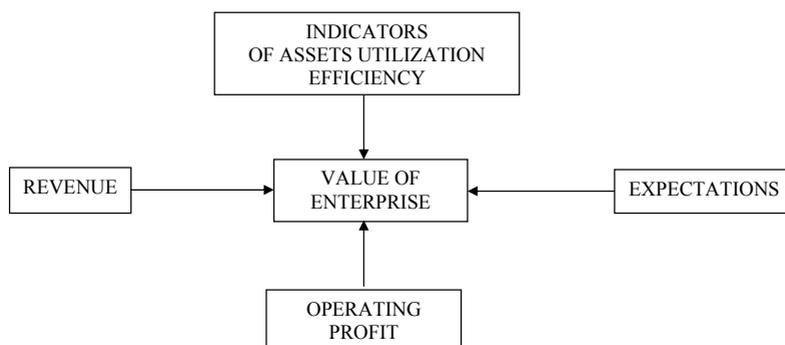


Fig. 1. Components of enterprise value and its business valuation

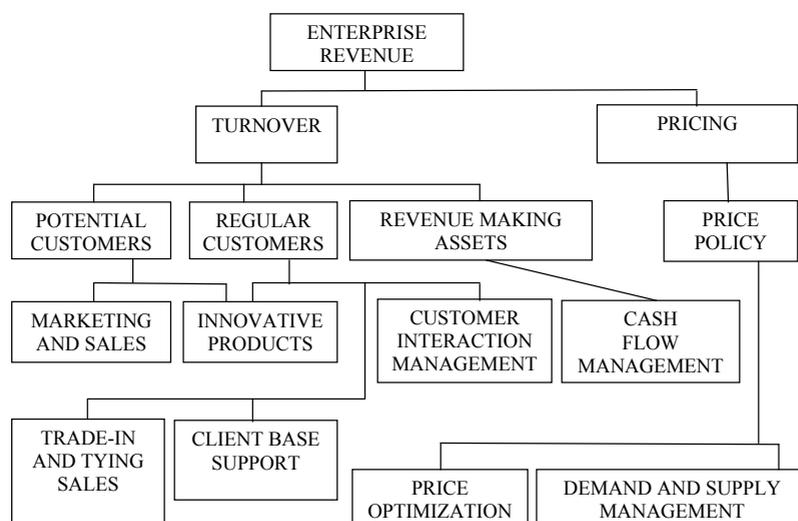


Fig. 2. Components and factors of forming enterprise revenue

2. Innovative Products and Services.
3. Customer Interaction Management.
4. Trade-in and Tying Sales.
5. Client Base Support.
6. Cash Flow Management.
7. Demand and Supply Management.
8. Price Optimization.

Marketing and Sales Technology gives a possibility to implement the strategy of increasing enterprise revenue with the help of using marketing and selling techniques. The content of this technology supposes the following sequence of actions: increasing attention to high profit and prospective clients as well as to high profit goods and services; increasing attention to highly effective distribution channels and promotion; developing new regional

markets; developing new segments on the present markets; expansion of advertising and distribution channels.

Innovative Products and Services Technology gives a possibility to achieve increasing enterprise revenue to use innovations in the goods and services which an enterprise offers to the market. The author's approach to the content of this technology includes the following actions: widening a range of the proposed goods and services; increasing attention to R&D, introduction of new and developing innovative products; increasing attention to design which gives a possibility to make flexible configuration and adjustment; improving the base and strategy of forming portfolio of goods and services; increasing attention to the cycle of

product launch to the market and to time of delivering a product in commercial amounts; increasing quantity and quality of new goods and services which are launched.

Technology of Customer Interaction Management. First of all, this technology has the goals to decrease time of fulfillment of customer orders and to increase revenue using a more thorough approach to satisfaction of consumer needs. This technology includes client base optimization; increasing attention to widening the client base and developing interaction with clients; improvement of the strategy of customer services management; and increasing attention to satisfying needs of customers.

Technology of Trade-in and Tying Sales. The technology of trade-in and tying sales is one of the elements of implementation of the increasing enterprise revenue strategy in the system of enterprise value management and this technology supposes to increase enterprise value due to using and increasing a range of goods and services which enforce customers to make trade-in and buy tying goods and services. The offered technology supposes the following list of actions including detection of possibilities to increase trade-in and tying sales; implementation of preliminary advertising campaigns which are directed at trade-in and tying sales; improvement of models and methods of trade-in and tying sales; increasing efficiency of business processes of trade-in and tying sales.

Technology of Client Base Support. The technology of client base support gives a possibility to an enterprise to save its previous sales volume to retain the number of its customers. In addition, the proposed technology supposes, on the one hand, setting appropriate priorities for clients to increase sales and, on the other hand, creating difficulties for switching the clients to competitors. The content of the offered technology includes the following components: increasing attention to client base support; setting barriers which make it difficult for the customers to switch to competitors; changing priorities and strategies of customer retention.

Technology of Cash Flow Management. First of all, the technology of cash flow management is directed at increasing cash flow of an enterprise. It will give the enterprise necessary current assets and will promote increasing enterprise value. This technology supposes increasing enterprise revenue due to the use of efficient cash flow management. Accordingly, this technology supposes such activities as focusing on getting revenue from using the enterprise's assets; increase of attention to protection of intellectual property; increase of attention to redistribution of the invested capital and reinvestment.

Technology of Demand and Supply Management. Efficient management of demand and supply gives a possibility to make considerable influence on the enterprise revenue which is, accordingly, an influential factor of the enterprise value. Use of the offered technology needs the following actions: takeovers of the competing enterprises; providing an extended range of goods and services; increase of attention to customers with low price sensitivity; increase of attention to developing new types of goods; increase of attention to supply process management.

Technology of Price Optimization. Price optimization is always a very weighty factor of influencing enterprise revenue, therefore the proposed technology is very important to increase enterprise value. The technology of price optimization supposes to make the following actions including optimization of a range of goods and services taking into account priority change alternatives; increase of attention to differentiated pricing with different client segments; increase of attention to price efficiency and price optimization; transformation of free services into the paid ones; increasing efficiency of advertising campaigns.

The technologies which were offered by the author are the main elements of implementing the strategy of increasing enterprise revenue in the system of enterprise value management. Actions which have been shown in the technologies are implemented

within the enterprise's current business processes. These are the following business processes:

1. Conducting and managing business.
2. Management of mutual relations and interactions with customers.
3. Personnel management.
4. Development and production management.
5. Management of information technologies.
6. Management of administrative and support services.

Business processes are conducted within the enterprise's activity and have strong interrelations and interdependence between them. Therefore, the proposed technologies are used within the strategy of increasing enterprise revenue in the system of enterprise value management. The coordinating function and the management one of this strategy are given to the appropriate components of the organizational and economic mechanism of enterprise value management.

The ways which are offered by the author give a possibility to make influence on enterprise value at the present market conditions.

The main goal of this research is to determine the content of the technologies which are components of the strategy of increasing enterprise revenue in the system of enterprise value management.

Implementation of the strategy of increasing enterprise revenue is possible only at the expense of integrated utilization of the technologies which have been offered that gives a possibility to make the most efficient influence on the enterprise value and business valuation.

At the present market conditions the enterprise is permanently influenced by internal and external factors. In this situation developing the appropriate strategies, policies, and techniques of strategy implementation which will be applied within the organizational and economic mechanism of enterprise value management at the present market conditions and filling this mechanism with the appropriate components

are the main directions of this research which is topical and prospective.

References

1. Bocharov V.V. Management of business value: Textbook / V.V. Bocharov, I.N. Samonova, V.A. Makarova. – SPb.: SPbSUEF Press, 2009. – 124 p.
2. Valdaytsev S.V. Business assessment and management of enterprise value / S.V. Valdaytsev. – M.: UNITY-DANA, 2001. – 720 p.
3. Gohan Patrick A. Mergers, takeovers and restructuring of companies / Gohan Patrick A.; trans. from eng. – M.: Alpina Business Books, 2004. – 1342 p.
3. Liashenko V.P. Investment activity of a joint stock company / V.P. Liashenko. – M.: «Publishing House «New Century»», 2001. – 120 p.
4. Merzlikina G.S. of economic wealth of an enterprise: Monography / G.S. Merzlikina, L.S. Shahovskaya. – Volgograd: VolSTU, 1998. – 265 p.
5. Momot T. Assessment of business value: modern technologies / T. Momot. – H.: Factor, 2007. – 224 p.
6. Assessment of enterprise (business) value / Under edit. of N.A. Abdulayeva, N.A. Kolayko. – M.: Press «EKMOS», 2000. – 202 p.
7. Pratt Sh. Assessment of business: analysis and of private companies: trans. from. eng. / Sh. Pratt. – M.: RO, 1994. – 200 p.
8. Revutskiy L.D. Enterprise potential and enterprise value / L.D. Revutskiy. – M.: Perspective, 1997. – 124 p.
9. Rees Richard P. Fundamentals of business / Rees Richard P. // Financial Paper: News bulletin. – 1994. – № 43. – P. 32.
10. Rees Richard P. Fundamentals of business / Rees Richard P. // Financial Paper: News bulletin. – 1994. – № 36. – P. 30.
11. Sokolov V.N. Methods of enterprise / V.N. Sokolov. – SPb.: SPbSIEA, 1998. – 144 p.
12. Fredman D. Analysis and of income earning real estate / D. Freedman, N. Ordway. – M.: Delo ltd. – 1995. – 462 p.

13. Frank Ch. Assessment of companies in cases of mergers and acquisitions / Frank Ch. Evans, David M. Bishop. – М.: Alpina Publisher. – 2004. – 331 p.
14. Shcherbakov V.A. Assessment of enterprise (business) value / V.A. Shcherbakov, N.A. Shcherbakova – М.: Omega – L. – 2006. – 288 p.

Статтю присвячено проблемі визначення складових стратегії зростання доходів підприємства в системі управління вартістю підприємства. У статті розглядаються методологічні підходи до формування технологій реалізації стратегії зростання доходів підприємства в сучасних ринкових умовах. Запропоновано технології реалізації стратегії зростання доходів та зміст цих технологій.

Ключові слова: *стратегія, підприємство, доход, вартість підприємства, технології, бізнес-процеси.*

Статья посвящена проблеме определения составляющих стратегии роста доходов предприятия в системе управления стоимостью предприятия. В статье рассматриваются методологические подходы к формированию технологий реализации стратегии роста доходов предприятия в современных рыночных условиях. Предложены технологии реализации стратегии роста доходов и содержание этих технологий.

Ключевые слова: *стратегия, предприятие, доход, стоимость предприятия, технологии, бизнес-процессы.*

Надійшло до редакції 21.01.2013.