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Mechanism of the Enterprise Investment Resources Formation.

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ABSTRACT

Features of the mechanism of the enterprise investment resources formation functioning as an economic system are defined; the logic-economic model of the mechanism of investment resources formation functioning is constructed; motivational, transformational, executive (realizing) blocks and the block of the mechanism feedback are allocated; the principles of creation, functions and tasks of the mechanism are designated.

Keywords: investment resources; mechanism of investment resources formation; model; blocks of the mechanism

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INTRODUCTION

A priority for creation of resources delivery channels at the enterprise is creation of the investment mechanisms, which consider peculiarities of making investments into resources. Investments are the most important objective and necessary conditions of the economic development because intensification of the investment processes is a basic factor for solving problems in economic reconstruction, modernization of its production potential. Theoretical approaches to the definition of investment policy essence are highlighted in the works of Blank I.A. [1], Kruppy A.V. [2], Makarova V.I. and Yavkina M.G. [3], Melnikova B.I. [4], Skidanova Yu.V. [5], Yakovleva E.V. [6]. However the analysis of economic literature and managing practice showed that nowadays among numerous questions connected with investment, the mechanism of the enterprise investment resources formation, which should consider features of modern investment processes in Russia, is developed insufficiently. Therefore research and development of the effective organizational and economic mechanism is actual.

MAIN PART

In most cases investing means long-term investments because of its technological orientation. Time is required for arranging production, developing new products and technology. Time is especially necessary not only for solution of these economic tasks, but also for generating the cash flow, sufficient for getting return on investment, i.e. receiving of an equivalent of the earlier invested sums and profit rate by investors. Therefore regulation of this process is carried out by means of various institutes functioning, and resource ensuring of the enterprise activity depends, ultimately, on implementation of special organizational and economic mechanisms, including the mechanism of the enterprise investment resources formation. Investment resources, in our opinion, can be attributed to the enterprise potential resources because the investment resources are being gradually transformed into the fixed and working capital, manpower, information, technology, etc. The aim of the investigation – the results of which are reflected in the article – is to create such a model of the mechanism of the enterprise investment resources formation, the realization of which would provide effective course of resource providing process. We consider that while creating the mechanism of the enterprise investment resources formation it is necessary to consider features of this mechanism taken as an economic system:

- Integrity. All parts of the mechanism of the enterprise investment resources formation are interconnected, perform certain functions and are subordinated to the common goal which should be achieved by the economic system;
- Complexity. Changes made in one part of the mechanism cause changes in other parts. Existence of return connection between the elements is typical for the economic system. Thus properties of the system are not an ordinary sum of its elements properties. Existence of interrelations between the system elements causes emergence of new properties due to the law of emergence;
- Dynamism and development continuity;
- Interchangeability of elements. Sources of the enterprise investment resources formation can serve as an example;
- Constant influence of external factors which has a probabilistic character. The mechanism of the enterprise investment resources formation is an open system which is in continuous interaction with other systems and can't function without regard for interrelations with the environment. This economic system is a subsystem of a more general economic system of the highest level [7].

Processes of the enterprise investment resources formation can proceed effectively only in the market environment and interrelations between the elements have to change in the course of functioning, i.e. they should be flexible. Otherwise the organization has no a chance to adapt for changes of the external market environment. Interaction of system elements is reached by their communication adjustment, which guarantees their joint coordinated functioning. It should be noted the mechanism of the enterprise investment resources formation is the mechanism which has been built in the economic system of the enterprise, but at the same time, it goes beyond its limits. In this regard we consider it is expedient to develop a logic-economic model which can be used for the verbal description of the structure and elements interrelations of the investment resources formation mechanism. The arrangement of the enterprise investment resources

formation includes the following main stages: assessment of possible forms of resources investment formation and choice of a specific form; determination of the financing organizations; definition of sources of the enterprise investment resources formation.

The main stages of the enterprise investment resources formation are presented in table 1.

While doing the research and forming contacts between elements of the system, which is the mechanism of the enterprise investment resources formation, we will use the standard concepts «entrance» and «exit». Through an entrance (entrances) the element is exposed to outside influence, and by means of an exit (or exits) an element impact on the environment is carried out. Entrances and exits of the economic system, as a rule, can be rather accurately defined. Contacts between the elements are realized by combining some elements' exits with entrances of the others'.

Table 1. Stages of process of the enterprise investment resources formation

Stage	Maintenance of a Stage
Definition of requirement for the total amount of investment resources in the predicted period	<ul style="list-style-type: none"> • Definition of the general requirement in fixed and current capital, manpower, information, technology and other economic resources; • Assessment of predicted structure of the enterprise economic resources; • Comparison of predicted requirement with the actually existed ones
	Determination of necessary financial resources for the objects of future investments (the cost of reconstruction, construction, modernization, acquisition of new objects, investments in development of human resources)
	Definition of requirement for investment resources in time context in the predicted period with allocation of the capital reserve aggregate
Study of possible sources of investment resources formation	Internal, borrowed, obtained
Definition of investment methods	Full self-financing, a credit method, leasing, mixed investment
Optimization of sources' structure of investment resources formation	Calculation of the price of internal and borrowed capital and financial stability
	Calculation of the expected profit and profitability.
Formation of effective management economic criteria of the process of the enterprise investment resources formation	Assessment due to: <ul style="list-style-type: none"> • the nature of realized interests and character of the solved tasks; • functioning level; • the way of purpose implementation; • the mechanism structure elements.

For getting a complete idea of the economic system's behavior nature, in particular, the mechanism of the enterprise investment resources formation, it is necessary to know not only the elements' condition, but both condition and nature of their interrelations as well as condition of entrances and exits. The main task of creation of the enterprise' mechanism of investment resources formation consists in increasing of management efficiency of the considered process by ensuring interconnected functioning of all the divisions involved in this process. Therefore revealing of the considered mechanism essence should be done from the management point of view. Management activity of the enterprise mechanism of investment resources formation is an organizing and backbone one; it provides integrity, goal-setting and development of investment resources formation processes. Management subjects of the enterprise investment resources formation processes are elements of its organizational structure (heads, performers, organizational administrative structures). Management objects can be seen, on the one hand, as a set of different activities aiming at the enterprise investment resources formation, and on the other hand as corresponding production departments. Management of the investment resources formation process includes standard management functions and is carried out according to the enterprise investment strategy, which is a component of the resource providing strategy, and creates conditions for realization of the following main objectives:

- Ensuring of high rate economic development of the enterprise by means of an effective formation of its investment resources;
- Maximization of income gained on investment activity as a whole and as a result of it – further growth of social effect of the enterprise functioning;
- Minimization of investment activity risks;
- Ensuring of financial stability and solvency of the enterprise in the course of investment activity and in the long-term prospect.

Maintenance of the enterprise investment resources formation reveals through realization of the following functions:

Mechanism of investment resources formation is mainly an economic-organizing mechanism as it ensures organizational and economic conditions for implementation of the expanded reproduction process. Only under such circumstances investments can be formed. The mechanism of investment resources formation has to provide conditions for income convergence into the capital and be doing so to obtain additional income for further development. It is the mechanism that creates preconditions for new capital creation, not necessarily connected with the one existed earlier. Finally advanced and continuous activity development is ensured by mastering of tools and reproduction structure, expansion of activity scales.

It is the mechanism of feedback by means of which the purposeful behavior of the system is provided under the changing external and internal conditions. It causes continuous adaptation to the changing competitive environment, demand, prices, etc.

The main function of the considered mechanism is transformation of savings and attracted monetary and other assets into of the enterprise's investment resources. On this basis at the subsequent stages of the reproduction process it becomes possible to renew and develop the enterprise organizational, technical and scientific capacity, accumulate finance for the subsequent development and expansion of activity of scales, as well as economic growth ensuring.

Thus, the organizational and economic mechanism of the enterprise mechanism of investment resources formation is to provide solution of the following tasks:

- To estimate the enterprise requirement in internal capital, current capital and manpower in the predicted period basing on internal and external conditions of its activities;
- To balance requirements with the enterprise own sources of supply;
- To prove optimum sources structure of the enterprise mechanism of investment resources formation, basing on the price of internal and borrowed capital;
- To accumulate investment purposes resources for ensuring expanded reproduction;
- To provide formation and optimization of the material and cost structure of the fixed and current capital;
- To make an active impact with the purpose to increase efficiency of the investment means usage;
- To provide enterprise financial stability in long-term prospect.

A general logic-economic model of the organizational and economic mechanism of the enterprise investment resources formation functioning is provided in figure 1. A system and reproduction approach is synthesized in this model. Such a model, in our opinion, gives a rather complete idea of the both elements interrelation nature of the mechanism of the enterprise investment resources formation and the factors nature, which influences the efficiency of their process formation. The mechanism of the enterprise investment resources formation can be provided in the form of a three-part set: motivational, transformational and executive. The mechanism of the enterprise investment resources formation can be activated along with the operating mechanisms of income acquisition and cost recovery. Transition to a new cycle of production requires activation of the mechanism for transforming income into capital. It can be implemented either as a mechanism for preserving income (the mechanism of depreciation, the cost recovery mechanism) in case of simple type of reproduction, or as an accumulating mechanism. A mechanism of cost recovery and

depreciation starts working as soon as there appears demand in goods and services, which are provided by the enterprises. At this moment profit should be generated and a possibility of accumulating can arise.

Instruments of stimulation for changing prices as a result of internal and external impacts represent the motivational block of the mechanism of the enterprise investment resources formation, which transfers an action impulse to the actor. This block transfers motivation by means of activating the mechanism of investment resources formation so that the enterprise could transit from simple reproduction to its expanded type. The motivational block represents a specific «engine» for transferring impulses to an economic entity.

Thus, apparently from this model, the initial impulse to the entity's mechanism of investment resources formation is set by necessity and demand for this type of products (type of activity) of the enterprise or by their changing. If it is so, the entity should react by means of products quality improvement, assortment updating, cost reduction, expansion of activities scales, development of new types of goods and services. It is exactly necessity that induces motivation, and it is the mechanism of the enterprise investment resources formation that «carries out» an impulse from a requirement to production.

One part of the motivational block is entered directly in the economic mechanism of the enterprise, and the other part is beyond its framework and is an element of market and state regulation systems. In the process of reducing the entity's dependence on the environment at the expense of cumulative potential, internal environment, internal driving forces, internal regulators and internal organization have the more increasing influence and impact on the effectiveness of the enterprise investment resources formation processes.

Thus, setting an impulse to an action, motivational tools determine basic functions of the mechanism – accumulation of the entity's investment resources and optimization of their structure for the purpose of providing conditions to satisfy requirements and get income. Transmission of the impulse to the executive (implementing) block is performed through the transformational block which represents a set of economic regulators and tools. On receiving an impulse for performing an action the managing system makes an impact on the actors by means of formation of economic interests.

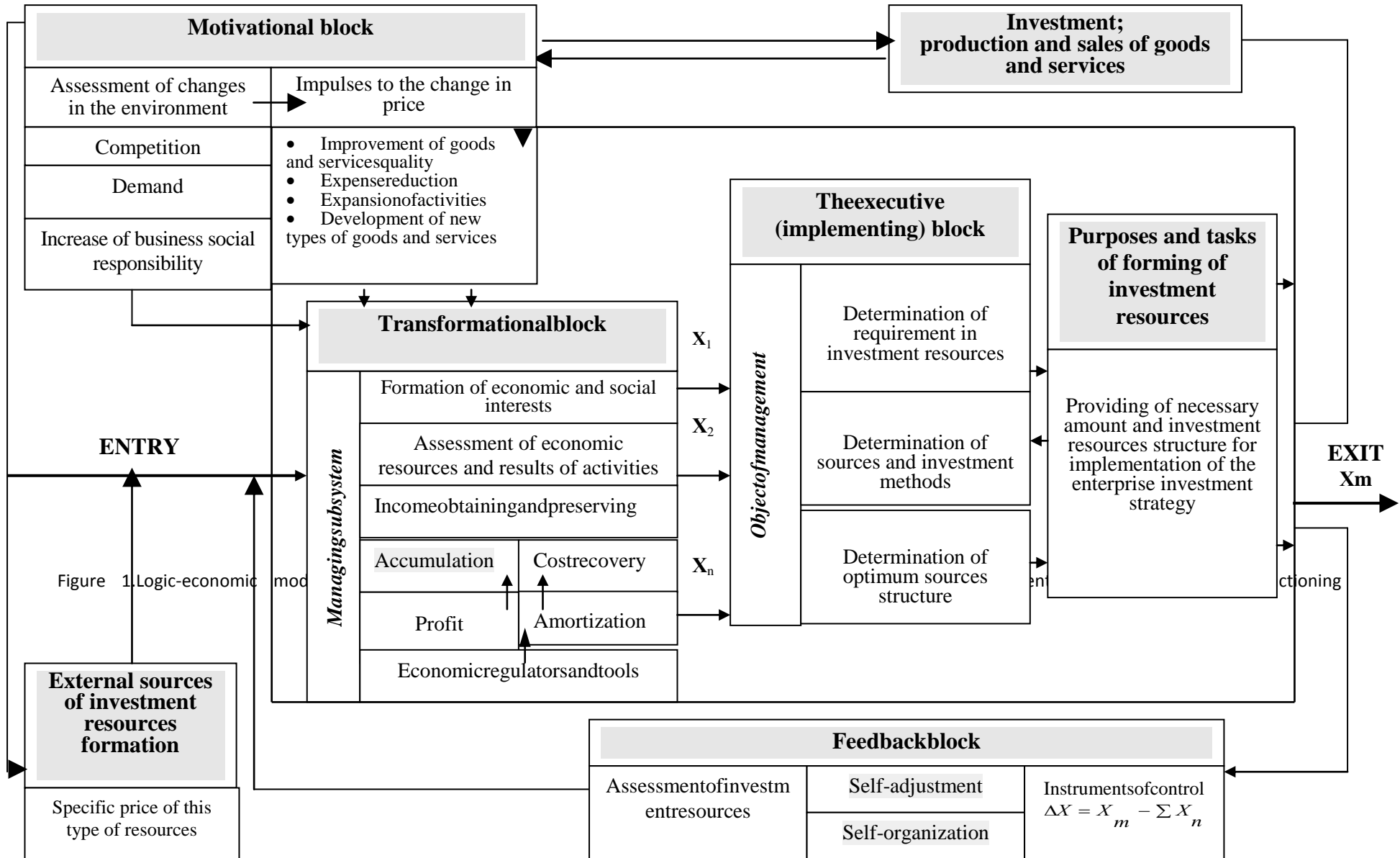
Within executive bodies of the managing system we can make demand prediction within the total amount of investment resources, study the enterprise possibilities for investment resources formation at the expense of various sources, determine investment methods, establish structure of sources of the enterprise investment resources formation. In the structure of mechanism of the enterprise investment resources formation it is also important to provide the block of assessment tools, which allow exercising control and making timely operational decisions on elimination of arising disproportions.

CONCLUSION

The carried-out analysis of existing models and methods of the investment resources formation process revealed the main directions of its enhancement in modern conditions of the developing investment market. The necessity to develop the organizational and economic mechanism of the enterprise investment resources formation is grounded as one of the major directions. Studying of the theory and practice of the structuring of the enterprise investment resources formation processes, research of the existing economic mechanisms which manage these processes allowed to develop a model of the mechanism of the enterprise investment resources formation, to determine its structure, basic functions and terms of implementation.

RESUME

The mechanism of the enterprise investment resources formation represents the mechanism built into the enterprise economic system, but at the same time, it is spread beyond its limits. The structure of the economic-organizing mechanism of the enterprise investment resources formation is of block-type and includes motivational, transformational, and executive and the feedback blocks. That gives high degree of flexibility, adaptability and stability to the whole mechanism. This mechanism is based on demand and supply models, mechanisms of market pricing and the competition and allows the entity to adapt in modern conditions. Under the influence of competitive and pricing mechanisms the mechanism of the enterprise investment resources formation stimulates decrease in investment costs.



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