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Methodical approach to assessing the effectiveness of business development in the system of market relations.

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ABSTRACT

The paper presents the theoretical and methodological issues of improving the efficiency of entrepreneurship development, as well as recommendations for improving the efficiency of economic entities in terms of innovation-oriented reproduction. The indicators of the level of business activity and the necessary proportions of growth are disclosed. The principles of functioning characteristic of economically developed regions, supplemented by the proposed characteristics are substantiated. Particular attention is paid to the development of a complex of organizational and economic measures for their management, taking into account regional peculiarities.

Keywords: business sector, efficiency, regional system, organizational and economic mechanism

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INTRODUCTION

The business sector as a form of realization of initiative and activity, intensive innovative development cannot function effectively in the market space without including it in the general system of world economic relations. Along with positive development trends, such as an increase in the production of goods (works, services), the formation of a competitive environment, there are factors constraining the process of its effective formation. In modern conditions, this is caused by general economic instability, the imperfection of the tax system and the legislative framework, which requires special consideration of the situation. The solution of tasks related to the functioning of this sector plays an important role, since its effective development is of great political and socio-economic importance.

Numerous works are devoted to the analysis of the nature and economic content, organizational-legal forms and stages of the evolution of entrepreneurship, including L. Blyakhman, A. Vilensky, V. Generalov, I. Grishin, N. Ivanova, L. Kolesnikova, M. Lychagina, V Rubé, Yu. Savchenko, G. Slezinger, Yu. Taranukhi, and others. Important theoretical propositions about the nature and specifics of small businesses are contained in the works of L. Abalkin, M. Best, P. Drucker, M. Castells, K. Marx, A Marshall, G. Mintzberg, E. Toffler, B. Harrison, J. Schumpeter and others.

At the regional level, the scientific development of the following authors is devoted to the problems of innovative development of entrepreneurship in modern conditions: P.V. Akinina, Yu.G. Binatov, A.V. Gladilina, Č.B. Ionova, L.I. Kardanova, V.V. Kuznetsova, V.N. Ovchinnikova, L.I. Ushvitsky, D.V. Chumachkova et al. Assessing the contribution of scientists, the results obtained by them, at the same time, we have to state that in the conditions of rapidly developing relations and financial instability, the proposed approaches require clarification and expansion in the subject matter of the research.

MATERIAL AND METHODS

On the basis of studying the features of the functioning of the business sector of foreign countries, we substantiated the principles (Figure 1) of operation characteristic of economically developed regions, supplemented by such characteristics as: infrastructural, multi-channel, functionality.
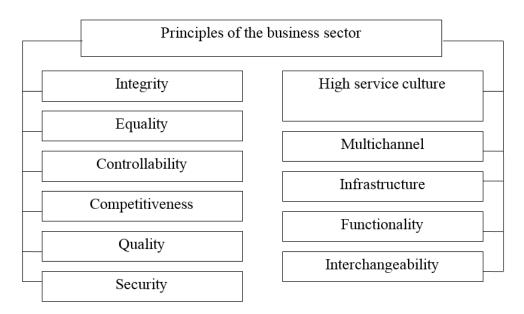

Figure 1: Principles of functioning the consumer market in the region

Evaluation of the result of doing business on the basis of the proposed system of indicators involves the use of appropriate tools for a deeper study of individual indicators. The main methods of definition can be the following (Table 1).

Table 1: Indicators the level of business activity and the necessary growth proportions

Expenses	Result		The relationship of these indicators with profitability	The necessary proportions of growth for effective activity
	Profit (P)	Turn over (T)		
The number of sales staff for the n-th period, H(n)	Profit per employe $\dfrac{P(n)}{H(n)}$	Labor Productivity $\dfrac{T(n)}{H(n)}$	$\dfrac{P(n)}{T(n)} = \dfrac{P(n)}{T(n)} \div \dfrac{H(n)}{T(n)}$	$\Delta \dfrac{P(n)}{H(n)} \succ \Delta \dfrac{T(n)}{H(n)}$
Distribution costs in trade for the n-th period, I(n)	Cost-effective return $\dfrac{P(n)}{I(n)}$	Level of distribution costs $\dfrac{I(n)}{T(n)}$	$\dfrac{P(n)}{T(n)} = \dfrac{P(n)}{I(n)} \cdot \dfrac{I(n)}{T(n)}$	$\Delta \dfrac{P(n)}{I(n)} \succ \Delta \dfrac{P(n)}{T(n)}$
Inventories in retail for the n-th period, W(n)	Profiton 1 ruble inventory $\dfrac{P(n)}{W(n)}$	Turn over $\dfrac{T(n)}{W(n)}$	$\dfrac{P(n)}{T(n)} = \dfrac{P(n)}{W(n)} \div \dfrac{T(n)}{W(n)}$	$\Delta \dfrac{P(n)}{P(n)} \succ \Delta \dfrac{T(n)}{P(n)}$
Area of trade enterprises and organizations	Profit per enterprise $\dfrac{P(n)}{PT(n)}$	Turn over per enterprise $\dfrac{T(n)}{PT(n)}$	$\dfrac{P(n)}{T(n)} = \dfrac{P(n)}{PT(n)} \div \dfrac{T(n)}{PT(n)}$	$\Delta \dfrac{P(n)}{PT(n)} \succ \Delta \dfrac{T(n)}{PT(n)}$
for the n-th period, PT(n)	Profit perruble invested $\dfrac{P(n)}{I(n)}$	Turn over of 1 ruble invested funds $\dfrac{P(n)}{I(n)}$	$\dfrac{P(n)}{T(n)} = \dfrac{P(n)}{I(n)} \div \dfrac{T(n)}{I(n)}$	$\Delta \dfrac{P(n)}{I(n)} \succ \Delta \dfrac{T(n)}{I(n)}$
Investments in trade for the n-th period, I(n)	Profit per 1 ruble of fixed assets $\dfrac{P(n)}{OF(n)}$	Turnover per ruble of the cost of OF $\dfrac{T(n)}{OF(n)}$	$\dfrac{P(n)}{T(n)} = \dfrac{P(n)}{OF(n)} \div \dfrac{T(n)}{OF(n)}$	$\Delta \dfrac{P(n)}{OF(n)} \succ \Delta \dfrac{T(n)}{OF(n)}$

The effectiveness of entrepreneurial activity consists of a combination of three types of activity: investment, operational, financial. Commercial efficiency is defined as the difference between the cash inflow and the cash outflow at each step of the calculation:

$$F_j(t) - F_1(t) + G^+(t), \quad (1)$$

$F_j(t)$ – difference between cash inflow and outflow;
$F_1(t)$ – the difference between the result R_t and costs 3_t on t-th step;
$F^+(t)$ – profit received at each next step.

The real money balance b (t) is the difference between the inflow and outflow of funds from all three types of activities (at each step of calculation):

$$b(t) = F_1(t) + F^+(t) + F_3(t), \quad (2)$$

$F_3(t)$ – difference between cash inflow and outflow from financial activities [1].

RESULTS AND DISCUSSION

Krasnodar Region is one of the all-Russian leaders in the development of small and medium-sized businesses. According to the department of investments and development of small and medium-sized enterprises of Kuban, for 9 months of 2017, the number of small and medium-sized businesses increased in the region by 12.4 thousand units (to 333.5 thousand units). During the same period, the number of people employed in SMEs increased by 12 thousand people - up to 798.5 thousand people. The turnover of SMEs increased by 4.2% to 1.567 trillion rubles, and the volume of investments in fixed assets by 9.9% increased to 33 billion rubles. The region occupies the 3rd place among the territories of the country by the number of inhabitants (after Moscow and the Moscow region). In January 2018 incomes of the population amounted to 162.1 billion rubles and increased compared to January 2017. by 2.5%, population expenditures increased by 5.1% and amounted to 177.2 billion rubles. Expenditures of the population exceeded revenues by 15.0 billion rubles. In January 2018 cash income on average per person amounted to 29099 rubles per month. In January 2018, the average monthly wage of employees of Kuban organizations amounted to 30,617 rubles. Compared with December 2017, it decreased by 19.8%, according to the materials of Krasnodarstat. From February 28 to March 7, 2018, the number of unemployed citizens registered with the employment service agencies decreased by 0.5% and amounted to 2795.7 thousand people. A year earlier, the figure was 2945.6 thousand people.

Table 2: Assessment of conditions for effective development of the business sector in the region

Name	2014	2015	2016	2017	2017 to 2014%
Gross regional product - total, millions of rubles.	1662969	1784833	1933512	2032561	122,2
Percapita, thousand rubles	309838	328771	352601	363731	117,39
Public administration	82648	88921	89655	90393	109,37
Manufacturing industries	181217	216901	219415	230432	127,15
Production and distribution of electricity, gas and water	42868	50292	47034	60576	154,4
Agricultural products - total, millions of rubles.	151808	182683	243462	269829	177,7
Including: - fishing, fishfarming	1017	1227	910	942	92,6
Mining	10043	11128	11918	14483	144,2
Manufacturing industries	181217	216901	219415	230432	127,15
Production and distribution of electricity, gas and water	42868	50292	47034	60576	141,3
Wholesale and retail trade	280926	321904	339131	352693	125,5
Building	342478	256587	198735	131242	38,32
Health, social services	76730	84931	90246	95542	124,5
Provision of other services	34928	37945	46892	51959	148,7
Specific weight in the sum of gross regional products in Russia, in percent	3,1	3,0	2,9	2,9	---
Share in the amount of gross regional products in the Southern Federal District, in percent	46,6	43,0	41,7	41,2	---

Statistics show the ongoing stabilization of the socio-economic situation in the province. As RBC Krasnodar reported earlier, according to Rosstat, in the next 12 years, the population of Kuban will continue to grow due to migration growth, but in the future the growth in the number of arrivals in the region should decrease. So, in 2018, an inflow of 58.4 thousand people is expected. In 2019, it will be 47.7 thousand people. Minimum indicators are projected in 2024 - just over 30 thousand people will arrive in the region. By 2035, the flow will gradually reach 31 thousand people.

In the resort and tourist complex, the plan for the volume of services is 100.2% complete. In terms of the number of tourists, the target figures were achieved by 98.8% The target for the volume of transport services was fulfilled by 102.2%, for communication services by 104.6%.

Krasnodar region is a rapidly developing region. In 2018 GDP of the region takes the sixth place among the regions of Russia. Total for the year introduced 4.5 million square meters. meters of housing, created 18 thousand new jobs. Grain production increased by almost 60%, which made it possible to ensure food security of the region. Much has been achieved in the social sphere, although the parliament is trying not to highlight priority goals, calling each task set important. There is an increase in both industrial production and agricultural production. Oil refining accounts for a high share in the structure of industrial production - 26.3%. Sanctions for the Kuban region are rather a stimulating impulse for the development of the economy. The resulting restrictions lead to development, and not to decline. Krasnodar Region is the share of the financial system not only of the Russian Federation, but also of the world. A large number of large business investors from various countries work in the region, for example, from Austria, USA, Holland, Germany. Comfortable conditions acted for them, and now, with the emergence of sanctions, it is necessary to make decisions quickly, draw up new programs of action that will prevent the economy from falling. Sanctions give rise to the desire to get rid of the situation that is uncomfortable for everyone as quickly as possible, not excluding the continuation of cooperation with all countries.

Based on the source data, the following equation was obtained:

$$y_{t=3670,37+58,1*t}$$

Based on the equation obtained, the following predictive values were obtained when applying the method of extrapolation of the time series:

For 2018, the level of GRP will be equal to 2.63 trillion. rub.
For 2019, the level of GRP will be equal to 2.74 trillion. rub.
For 2020, the level of GRP will be equal to 2.88 trillion. rub.
In 2021, the level of GRP will be equal to 2.94 trillion. rub.

Thus, we can conclude that the increase in GDP also indicates a positive development of the business sector. However, to achieve better results, you must adhere to the following conditions. One of the leading strategies in the field of development of efficient entrepreneurship in the region is the development of agricultural canals, the mechanism of which involves the purchase of agricultural products from the fields from producers. Currently, the state policy in the field of business is aimed at creating conditions that encourage citizens to engage in independent entrepreneurial activity. The budget funds allocated for this purpose are used in the following areas: building infrastructure to support small business entities - business incubators; stimulation of the activities of enterprises producing goods and services intended for export; development of a small business lending system; support for innovative small businesses. Supporting an entrepreneurial business with the help of business incubators implies the creation of independent legal entities who, according to the results of a competition of business projects, represent the lease of state property at preferential rates. The business incubator also provides an opportunity to receive preferential consulting support for an entrepreneurial project, as well as accounting, legal, financial support. The maximum length of stay for an entrepreneur in an incubator is three years, after which he is obliged to make room for his new colleagues [1].

CONCLUSION

Conducted studies on the assessment of the business sector suggest that its functioning occurs in the absence of a developed innovation infrastructure. The current situation requires a set of measures to implement in the region a model of an organized and regulated business sector based on the formation of an innovative mechanism for organizing economic activity. As it seems to us, its main characteristics should be: the organizational unification of market subjects; competitiveness of consumer products of regional producers; building economic relations mainly on the basis of contractual relations; performance of trading activities; development of infrastructure and material and technical base.

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