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MANAGEMENT THE FINANCIAL POTENTIAL OF ORGANIZATIONS THROUGH THE PRISM OF EFFECTIVENESS

The relevance of the research is determined by the significance of the processes of formation and growth of financial potential in modern organizations, which are driven by their implementation through systematic measures aimed at creating, accumulating, and increasing financial resources to ensure stable development, competitiveness, and the achievement of strategic goals. The article aims to specify the features of financial potential management in organizations, with a focus on the effective processes of its formation and growth. The research findings prove that the combination of well-known features of financial potential management in organizations should be sufficient for organizing a systematic analysis of the processes of its formation and growth, focusing on their overall effectiveness in terms of identifying the state (through the content of static and dynamic visualizations of the balance), possible scenarios of changes, and important areas for adjusting the overall variability.

Keywords: goal-based balancing, effectiveness, financial resources, own financial capital, borrowed capital, balance.
JEL classification: O1.

УПРАВЛІННЯ ФІНАНСОВИМ ПОТЕНЦІАЛОМ ОРГАНІЗАЦІЙ ЧЕРЕЗ ПРИЗМУ РЕЗУЛЬТАТИВНОСТІ

Актуальність дослідження зумовлена значущістю процесів формування та прирощення фінансового потенціалу в сучасних організаціях, що реалізуються через систематичні заходи, спрямовані на створення, накопичення та збільшення фінансових ресурсів для забезпечення стабільного розвитку, конкурентоспроможності та досягнення стратегічних цілей. Метою статті є конкретизація особливостей управління фінансовим потенціалом організацій, з акцентом на результативні процеси його формування та прирощення. У межах дослідження процесів формування та прирощення фінансового потенціалу організацій була використана така система прийомів і методів, як аналіз, синтез та порівняльний аналіз. За результатами дослідження доведено, що сукупність відомих особливостей управління фінансовим потенціалом організацій має бути достатньою для організації системного аналізу процесів його формування та прирощення, орієнтуючись на їх загальну результативність за напрямками ідентифікації стану (зміст статичних та динамічних візуалізацій балансу), можливих сценаріїв змін та важливих напрямків коригування загальної змінності. Вивчення змісту окреслених процесів довело, що вони є дієвими у пошуку оптимальної структури фінансових ресурсів та пов'язаних з нею можливостей організації для погашення своїх зобов'язань і забезпечення прийняттого рівня прибутку. При цьому звернуто увагу на важливість окреслення сукупності взаємозв'язаних способів та прийомів формування і прирощення фінансового потенціалу, враховуючи різницю, що виникає через відмінності в підходах до реалізації концепції ефективного управління. Доведено, що основним аспектом у менеджменті фінансового потенціалу є балансування за цілями (алгоритми такого балансування орієнтовані на досягнення фінансових цілей та завдань, визначених заздалегідь). Підкреслено значущість виокремлення окремих зон і правил балансування складових, які спрямовують і забезпечують належний процес формування та прирощення фінансового потенціалу. Перспективи подальших досліджень полягають у розробці нових методик для удосконалення процесів формування та прирощення фінансового потенціалу з урахуванням сучасних можливостей балансування його складових за цілями та параметрами результативності.

Ключові слова: балансування за цілями, результативність, фінансові ресурси, власний грошовий капітал, позиковий капітал, баланс.

Problem statement. The significance of this study and enhancing the financial potential of contemporary organizations. This significance is driven by the

implementation of systematic measures aimed at creating, accumulating, and increasing financial resources to ensure sustainable development, competitiveness, and the achievement of strategic goals. The features related to the unity of the objective basis for managing the formation and growth of the financial potential of organizations (hereinafter – FPO) shape the coherence of methods and principles within this defined framework.

A specific aspect is that the established system of methods and principles for managing the formation and growth of financial potential in organizations must be directed toward solving the defined task through the lens of the effectiveness of these processes. At the same time, such effectiveness should be interpreted not merely as the aggregate outcome of these processes but as a three-dimensional vector shaped by their distinct manifestations [12].

Analysis of research and publications. The processes of formation and growth of financial potential in modern organizations have been reflected in the scientific works of I.Yu. Epifanov, V.S. Revenko, S.V. Nesterov, and A.Ye. Gromov. In particular, these researchers have emphasized the necessity of a systematic approach to financial resource

management, optimization of capital structure, implementation of innovative financial instruments, and assessment of a company's financial stability as key factors in ensuring sustainable development and the growth of financial potential.

At the same time, the features of financial potential management in organizations, with an emphasis on the effective processes of its formation and growth, remain insufficiently explored in the scientific literature. This is due to the fact that these processes are influenced by many internal and external factors: the market, investment activity, risk management, and so on.

Formulation of the article's objectives. The article aims to specify the features of financial potential management in organizations, with a focus on the effective processes of its formation and growth.

The paper main body. Several studies demonstrate that the results of FPO functioning are characterized by a range of qualitative and quantitative parameters regarding the structure of financial resources, as well as by the liquidity, solvency, and profitability values of its own funds (Table 1)

Table 1

Effectiveness of the formation and growth of FPO

Qualitative and Quantitative parameters of the financial resources structure	The main factors of the effectiveness of the formation and growth of FPO.	The result of FPO functioning.
Structure of financial resources (by sources of formation and investment)	It is determined by the state of financial resources, which exist as sources for the formation of the organization's assets depicted in the liabilities of the balance sheet, and as means into which they are invested (assets of the balance sheet) in the balance sheet items.	Absolute, relative, and specific deviations in the breakdown of balance sheet item balances.
Structure of financial resources by sources of asset formation in the organization* (as own funds (OF) and borrowed funds (BF))	It is determined by the structure of financial resources and the effect of financial leverage. This effect is achieved only when the economic profitability of the organization's assets (AO) is higher than the average interest rate on borrowed funds (BF).	Profitability of own funds.
Structure of financial resources (by sources of formation and investment) with the definition of liquid expression of assets and the direction of advancing liabilities**.	It is determined by the property of the structure to form a <u>monetary capital sufficient to cover short-term liabilities</u> . It is determined by the property of the structure to form positive monetary capital (which means its sufficiency to timely and fully fulfill its financial obligations and continue its operations).	Liquidity of the organization. Solvency of the organization.

Note

*The form of assets is identified as monetary (mf) or non-monetary (nmf).

** The direction of liability investment can be directed towards assets in both monetary and non-monetary forms.

Source: formed based on [1;12]

The presented information regarding the processes of forming and increasing financial potential in organizations defines the effectiveness of these processes. It should be agreed upon with a number of leading scholars [5] that for such representation, the use of a standardized (in terms of content) balance analytical form is necessary, which in the management system allows visualizing the structure of financial resources:

1. In a static expression, which identifies all the assets of the organization by their liquid form/investment form, expressed by the interrelation of borrowed and equity capital in non-monetary form BC_{nmf}/EC_{nmf} and

borrowed and equity capital in monetary form BC_{mf}/EC_{mf} (at the beginning and end of the reporting or planning period);

2. In a dynamic expression, identifying all the assets of the organization with an emphasis on growth, expressed by the interrelation of PC_{nmf}/EC_{nmf} and BC_{mf}/EC_{mf} (or $\Delta BC_{nmf}/\Delta EC_{ngf}$ and $\Delta BC_{mf}/\Delta EC_{mf}$).

It is evident that the use of widely adopted formats of analytical balance sheets in financial management practice, although it ensures consistency in the approach to defining individual elements of the formation and growth of FPO, does not provide the aforementioned possibilities for

representation. In particular, among the balance sheets that do not provide such opportunities:

- The comparative analytical balance, which is formed from the initial balance sheet by adding indicators of structure and dynamics to the balance sheet items [7];
- The compressed or non-compressed analytical balance-net, which is formed from the initial balance sheet by compressing or transferring individual items, as well as adding indicators of structure and dynamics [6; 5];
- The analytical balance-gross, which is formed from the initial balance sheet and the general ledger by adding information about regulatory items to specific types of assets and equity capital [5];
- The analytical distributive balance, which is formed from the initial balance sheet of small structural units, followed by the addition of indicators of structure and dynamics.

The shortcomings of the mentioned balance sheets are explained by the fact that, according to their content, experts (Table 2) [7; 5]:

1. They provide limited visualization of the parameters of the financial resource structure at the beginning and end of the reporting or planning period. This means they do not offer the possibility to analyze intermediate changes and trends throughout the period;
2. They ignore intermediate information between the second and penultimate days of the reporting/planning period. This leads to the loss of important data and complicates the derivation of a detailed representation of the dynamics of financial potential;
3. They obtain distorted and incomplete information regarding the effectiveness of formation and growth of FPO. This can complicate the analysis and decision-making process for managing financial resources.

Table 2

Problems of using existing analytical balance formats for representing information on the hprocesses of forming and growing FPO

Disadvantage	Specification of the disadvantage	Management Needs
Limited visualization of the parameters of the financial resource structure	Visualization of the structure of financial resources by balance sheet items on the first and last date of the reporting or planning period (specifically, by account balances).	The need for visualizing the structure of financial resources by balance sheet items in both dynamics and statics.
Ignoring the intermediate nature of data regarding the financial resource structure	The dynamic expression of the structure of financial resources is not formed (due to the absence of intermediate data from the second to the penultimate day of the reporting/planning period).	The need to determine the result of the formation and growth of FPO in relation to current and strategic goals of the organization.
Obtaining distorted information on the effectiveness of the formation and growth of FPO	No attention is given to the turnovers that determine the account balances, and their liquid expression/form* is ignored. Meanwhile, the account balances may be insignificant, while the turnovers for them are substantial.	The need to identify contradictions regarding the values of liquidity, solvency, and profitability of own funds.

Note

*which can be identified as: monetary (mf) or non-monetary (nmf).

Source: formed based on [1; 12; 5].

The use of comparative analytical balance, compressed and non-compressed analytical balance-net, analytical balance-gross, and analytical distributive balance as an objective basis that directs the actions of algorithms ensuring the proper flow of the processes of forming and growing FPO is not advisable. The management of forming and growing financial potential, implemented based on such an approach, will not contribute to obtaining an accurate picture of it.

However, conceptually important principles in the processes of forming and growing the financial potential of organizations are as follows:

1) Management influence is transmitted through a system of performance indicators in both dynamics and statics rather than through a single synthetic indicator of the result, which overall characterizes such potential;

2) Management influence is shaped by operational requests formed by management subjects, depending on the alignment of the achieved results of forming and growing FPO with current and strategic activity goals. From this, it follows that a balanced analytical form needs to be created

that serves a managerial purpose (aimed at directing the efforts of management subjects and their structural units to solve substantive (not formal) tasks and achieve meaningful results).

3) Management influence is programmable. From this, it follows that the balance analytical form should be aimed at eliminating contradictions regarding the values of liquidity, solvency, profitability of own funds, and the structure of financial resources.

The result of specifying the principles of managing the formation and growth of FPO through the lens of effectiveness is presented in Table 3.

According to the principles of managing the formation and growth of the FPO through the lens of effectiveness, their implementation will be facilitated by the use of the balanced analytical form of A.V. Hrachov. This form visualizes the structure of financial resources, determines the result of forming and growing financial potential about current and strategic activity goals, and also identifies contradictions regarding the values of liquidity, solvency, and profitability of own funds.

Table 3

The result of specifying the principles of managing the formation and growth of FPO through the lens of effectiveness

Principle of management	Characteristics of the features of implementing the management principle.
Management influence is transmitted through a unified system of indicators in both dynamics and statics.	The basis for transmitting management influence should be a balance analytical form that: <ul style="list-style-type: none"> • Visualizes the state and potential changes of FPO through a wide range of indicators regarding the state and dynamics, as well as forecasted relationships that most accurately characterize the effectiveness of the formation and growth of FPO. • Simplifies the process of routing targeted influence, as it assumes the presence of effective performance indicators.
Management influence is shaped by the operational requests of management subjects.	The basis for forming management influence should be effectiveness, which can be ensured by the balance analytical form that has: <ul style="list-style-type: none"> • A managerial purpose (its important ability to direct the efforts of FPO management subjects towards solving substantive tasks and achieving significant results); • The ability to define and simplify the content of operational requests of management subjects through the content of effective performance indicators (by which deviations can be identified for each balance item); • The ability to establish a system of constraints, each of which represents a requirement regarding the values of liquidity, solvency, and profitability of own funds.
Management influence is programmable based on a system of constraints and the objective function for the formation and growth of FPO.	The basis for programming management influence should be a balance analytical form, which should focus on eliminating contradictions regarding the values of liquidity, solvency, and profitability of own funds, as well as the imbalance in the structure of financial resources, through: <ul style="list-style-type: none"> • Monitoring the fulfillment of the system of constraints; • Monitoring the progress toward the objective function for the formation and growth of FPO and optimization calculations.

Source: formed based on [12; 5]

It is worth noting that the advantages of A.V. Hrachov's balance analytical form are formed due to:

- Determining the form of assets (monetary or non-monetary);
- Representing capital by ownership (in terms of own and borrowed capital) and directions of investment (monetary and non-monetary).

Classically, the use of A.V. Hrachov's balance analytical form requires the application of a specific system of management methods, among which [5]:

1. Methods of grouping balance sheet items. When forming the balance analytical form, all items of the classical balance sheet of the organization are consolidated and generalized into large groups. In this case, asset items should be divided into non-current assets (NCA) and current assets (CA), cash equivalents, assets that can be quickly converted into cash, and assets that require a certain period to be converted into real cash equivalents. Liability items should be divided into equity (EC) and borrowed capital (BC), liabilities recorded in cash form, and those advanced into assets. Depending on the format of targeted influence on FPO, other groups of balance sheet items may be identified (for example, by areas of responsibility, key processes, etc.) [1; 12]

The sequence of actions for grouping balance sheet items continues until the necessary level of detail is achieved, depending on the format for balancing components that ensure the proper flow of processes for forming and growing FPO. This process should be carried out according to the following set of specific rules [12]:

- The main categories for grouping are determined (in this case, assets, capital and liabilities, cash equivalents, and assets that can be quickly converted into cash). These categories should highlight the overall structure for further grouping balance sheet items based on their nature and

characteristics.

- Balance sheet items belonging to each category are considered and separated based on criteria prioritized for implementing the principles of managing the processes of forming and growing FPO through the lens of effectiveness. In particular, asset items should be divided into non-current and current assets, cash equivalents, assets that can be quickly converted into cash, and assets that require a certain period to be converted into actual cash. Liability items should be divided into equity (EC) and borrowed capital (BC); liabilities accounted for in cash form, and those advanced into assets; other non-current tangible assets [11; 8].

- The groups of items are specified (each major group has its subcategories). For example, within the category of current assets, the following subcategories are distinguished: production inventories, work in progress, low-value and fast-wearing items, prepaid expenses, finished products, stock goods, receivables, and cash [11]. In the category of non-current assets, the following subcategories are distinguished: fixed assets, expenses for the acquisition or construction of new objects intended for further use in the organization's construction activities, and other non-current assets used in construction activities [11]. The actual list of subcategories may depend on the specific nature of the organization's activities and its needs.

2. The methods for forming a system of constraints within the structure of financial resources, particularly within the framework of the analytical balance form, may include:

- Setting the maximum or optimal ratio of equity to borrowed capital;
- Establishing limits for fluctuations between capital in monetary and non-monetary forms.

The systematized set of steps required to establish a

system of constraints within the structure of financial resources is presented in Table 4.

Table 4

Organized steps to establish a system of constraints in financial resources

Sequence of actions for establishing constraints.	Specification of the step content.	The result of the step.
Determination of constraints for cash balances in the cash register, on the current account, and in transit; for the balances of short-term financial investments.	Establishment of a standard for the amount of real payment means and means that can be quickly converted into them.	establishing a fluctuation limit for the difference that constitutes free cash capital or its deficit: $EC - TV_{nmf} = TV_{mf} - BC$, або $TV_{mf} > BC$ and $EC > TV_{nmf}$ **
Determination of constraints for the balances of cash credit, other funds, and the associated interest	Establishment of a standard for the maximum amount of liabilities accounted for in monetary form.	
<i>Determination of constraints for the balances of non-current assets; production supplies*</i> ; other inventories and current assets; receivables; prepaid expenses.	Establishment of a standard for the amount of assets that require a certain period to be converted into real payment means.	
Determination of constraints for the balances of commercial credit obtained; advances paid; other liabilities, promissory notes received, salary obligations, etc.	Establishment of a standard for the amount of liabilities advanced to assets.	Establishing the maximum or optimal ratio of borrowed capital to equity capital of the organization.
Determination of constraints for the balances of outstanding borrowed funds to be reimbursed to creditors after a certain period.	Establishing a standard for the amount of borrowed funds in the balance sheet sections "Long-term liabilities and provisions" and "Current liabilities and provisions."	
Determination of constraints for the amount by which the carrying value of assets of a construction organization exceeds its liabilities.	Establishment of a standard for the total of the first section of the liabilities side of the balance sheet.	

Note

* The sum includes raw materials, materials, fuel, components, purchased semi-finished products, lubricants, fuel, packaging, spare parts, low-value and fast-wearing items.

**TV- The total value of financial resources of a construction organization.

Source: formed based on [1; 12; 5]

The management of limitations is carried out through the standardization of the balances and turnovers of the balance sheet items of assets and capital, which are included in the calculation of cash capital and financial leverage effect. This means setting certain ranges of changes and quantitative limitations for balance indicators that should be monitored during the formation and growth of FPO;

3. Methods of visualizing the processes of financial potential formation and growth in organizations (including dynamic methods) are focused on:

- Static representation of the state. This representation is formed using static visualization methods that allow for the identification of the structure and components of financial potential at a specific point in time.
- Dynamic representation of data regarding changes. These representations are formed using dynamic visualization methods that allow for reflecting the development of financial potential over time.

In forming and growing FPO, any representation of the state or data regarding changes is made by inputting information into the analytical balance form of A.V. Hrachov, according to the chosen overall structure of grouping the balance sheet items. The main requirement for visualizations is that their generalized set should be sufficient to determine the state of financial potential, the dynamics of changes in its foundation (specifically, changes in the structure of financial resources), and possible issues in the formation and growth of financial potential in construction organizations [9]

4. Methods of modeling future performance in the

formation and growth of FPO (especially in terms of integrated financial flows in these processes) should be detailed in terms of:

- Methods of primary representation for each process of formation and growth of FPO. In this case, single mathematical models are used that reflect the properties of such facts in balance equations, which mirror changes in assets and liabilities (each change in the equation is detailed as an accounting entry that impacts two balance sheet items). Among such models, those oriented towards [10] include:

- The two-factor type of balance equation (alg. 1):
 $Assets = L + EC \rightarrow AE$, (1);
where: L - Liabilities (or borrowed capital); EC - Equity capital; AE- Accounting entry.

- The four-factor type of balance equation reflects the economic interconnection of the main financial statements (alg. 2):

$$Assets = L + EC + Revenue - Expenses \rightarrow AE, (2);$$

- Six-factor form of the balance equation reflecting the interrelation of the construction enterprise with the external environment (eq. 3);

$$Assets = L + EC + Revenue - Expenses + Investments - Withdrawals \rightarrow AE, (3).$$

At the same time, individual mathematical models are formed according to the following rules:

- 1) Each model may simultaneously affect two or more items of A.V. Grachov's analytical balance form, to the extent that best reflects a specific process of formation and growth of the FPO;

- 2) Each model is formed using the type of balance

equation that best reflects the organization's goals, structure, reporting needs, and the format of balancing components that ensure the proper flow of processes for the formation and growth of FPO.

The choice of the type of balance equation may depend on the format of balancing components. For instance, the distribution of targeted influence through processes and actions, the creation of reactive effects within the organization, or the allocation of targeted influence through the maximization of asset value all require awareness of the organization's interaction with the external environment, the specifics of responsibility distribution among departments and services, and the schemes for asset value formation.

This requires representing the economic interconnection of the main forms of reporting using the 6-factor and 4-factor types of balance equations. In other cases, the 2-

factor type of balance equation can be used if it satisfies existing informational needs—taking into account the requirements of rationality, accuracy, and convenience in presenting the results derived from using balance equations to study the state of the FPO and changes in the structure of assets and liabilities.

- Methods for general representation of all processes of forming and increasing FPO. The main approach is the construction of complex models that take into account the interrelationships and interactions between different individual mathematical models (formed according to algorithms 1, 2, 3). In this case, the description of such models can be done based on deterministic, stochastic, or set-theoretic algorithms of system analysis (Table 5). The primary focus should be on stochastic descriptions.

Table 5

Characteristics of system analysis algorithms for describing the processes of formation and growth of FPO

Algorithms for building models.	Features of modeling the formation and growth of FPO	Limited use of the method for modeling	Advantages
Deterministic algorithms	Formation of models that describe the formation and growth of FPO through deterministic descriptions. Do not contain uncertainty, and define the ideal state of the processes of forming and increasing FPO	The model assumes the absence of stochastic or unforeseen processes in each FPO model (however, uncertainty is always present, but it is ignored). Ignoring the dynamic format of the balance according to A.V. Hrachov.	A model suitable for describing the target state of the effectiveness of forming and increasing FPO.
Stochastic algorithms	Forming models that characterize the formation and increase of FPO through stochastic descriptions, where the variables and parameters of these processes are represented as random variables.	The models are based on distribution algorithms (specifically, the calculation of a discrete random variable that represents the set of possible events) and their parameters (which are the probabilities of their occurrence), making them quite complex.	The model is suitable for describing changes in the state of the effectiveness of the formation and growth of FPO.
Set-theoretic algorithms	The formation of set-theoretic models that characterize parameters and variables represented as sets of guaranteed or permissible values of the processes of formation and growth of FPO.	Forms interval models that describe the properties of the system with intervals of possible values or functional corridors, where it is not possible to clearly define forecast values of the balance. Ignores the static format of the balance of A.V. Hrachov.	A model suitable for describing only interval changes in the effectiveness of FPO formation and growth.

Source: formed by the author.

Stochastic algorithms form a complex model suitable for describing all possible changes in the state of the effectiveness of financial potential formation and growth. At the same time, the drawbacks of stochastic algorithms used to describe changes can be minimized by replacing the discrete random variable with a simple statistical estimate.

5. Methods of adjusting the effectiveness of the formation and increase of FPO. This requires the implementation of the following steps [1; 12]: identification of the need to adjust the structure of financial resources; identification of the basic schemes and specifics of adjusting the structure of financial resources; determination of specific amounts of adjustments, taking into account the systems of constraints created for maximizing effectiveness; verification of the correctness of adjustments (by ensuring the equality of assets and liabilities when making all adjustments for the balance analytical form of A.V. Grachov); determination of the cumulative effect of all adjustments made.

The identification of basic schemes and specifics for

adjusting the structure of financial resources is ensured through a complex system of rules. In particular, each operation for adjusting the effectiveness of forming and increasing FPO involves a dual-entry system when the status of recorded items changes, and it has a common economic meaning. These operations have their own specifics, which allow for identification based on thematic characteristics [2; 9].

Considering the outlined specifics, we agree with the need to distinguish four basic adjustment schemes for FPO and an exchange scheme. These include: schemes that involve a mirrored increase of assets and liabilities, a mirrored decrease of assets and liabilities, changes in asset or liability items [2], and the exchange scheme, which affects cash capital or the ratio of equity to borrowed capital.

Considering the outlined specifics, we agree on the necessity of distinguishing the content of adjustments, based on which the identification of the rules for each adjustment is made according to thematic criteria, followed by the determination of the adjustment amount. The following

directions can be identified:

1. Adjustments related to the items of inventories (hereinafter - II). This direction includes changes and current adjustments caused by the following facts during the period under consideration (Table 6): assets were recorded but not paid for; assets were recorded and paid for; assets

were delivered but not paid for. These changes affect the state and movement of assets (specifically accounting units related to inventory). This can negatively impact both cash capital and equity in monetary form. The adjustments (through the flows q, v, r, n, m) should eliminate such negative impacts.

Table 6

Characteristics of possible adjustments to the results of the formation and growth of FPO related to changes in items of inventories

Direction of changes	Possible adjustments in the period under consideration	Corrective amount
Assets have been recognized but not paid for, which will negatively impact the cash capital.	Partial reduction of turnover from asset recognition by cutting specific items from procurement budgets	amount q
	Partial reduction of turnover from asset recognition by cutting specific items from overhead costs.	amount v
Assets have been recognized and paid for, which will negatively impact the EC structure	A portion of the cash can be withdrawn by reversing entries for asset recognition and advance payments. Such reversals will help adjust the equity of the construction organization.	amount r
Assets have been delivered but not paid for, which will negatively impact the cash capital and change the EC structure/	Receipt of assets within the balance of advances issued for the supply of material assets. This will increase the balance of real payment means.	amount n
	Make a full or partial return of advances issued for the supply of various material assets. This will increase the balance of real payment means.	amount m

Source: formed based on [5: 2; 10]

2. Adjustments related to items that led to a deficit in free cash capital. This direction includes changes and current adjustments caused by the nature of the deficit,

which arose due to (Table 7): insufficient operational reserves, inadequate own cash funds, and issues with the cost structure of production.

Table 7

Characteristics of adjustments in the effectiveness of forming and increasing FPO in connection with covering the cash capital deficit

Direction of changes	Possible adjustments in the period under review	Corrective amount
Operational reserve, which negatively affects cash capital	Ensuring additional receipt of advance payments (by adjusting the schedule of their receipt, introducing the practice of drafting contracts that establish prepayment terms).	amount w
	Ensuring the repayment of debts by customers (by adjusting the payment schedules with customers).	amount f
Amount of own cash funds, creating a risk of problems with sales budget execution and cash capital	Offsetting received advances, ensuring growth in product sales volumes	amount t
	Conversion of short-term financial investments into cash equivalents	amount h
Cost structure, which reduces the amount of own cash capital	Reduction of production cost in terms of material expenses to increase revenue from the sale of such products, and consequently, the organization's own cash capital.	amount p

Source: formed based on [10-11]

3. It is evident that these changes affect the state and movement of liabilities, particularly those related to retained earnings, which may negatively impact both cash capital and equity in monetary form. To mitigate this impact, adjustments are necessary to ensure an increase in cash inflows (inflows w, f, t, h, p), which should exceed the amount required to cover the needs associated with the organization's day-to-day operations.

4. With adjustments to the ratio between equity and borrowed capital. This direction includes changes and current adjustments driven by the need to improve the ratio between equity and borrowed capital during the period under review (Table 8).

If the changes affect the financial leverage effect, the impact of which may be negative, it is important to form adjustments that will generate inflows (from amounts x, y, z), taking into account which the organization's profitability will exceed the cost of the received loans [6; 12].

In the management of forming and increasing the FPO, it is not each individual adjustment that is important, but rather the cumulative effect of all adjustments made, provided that it does not violate the overall balance equation, taking into account all the facts of forming and increasing financial potential.

Table 8

Characteristics of possible adjustments in the effectiveness of forming and increasing FPO in connection with covering the cash capital deficit

Direction of changes	Possible adjustments during the period under review	Corrective amount
Volume of equity capital generating a low financial leverage effect	Increase in authorized capital due to additional contributions (in monetary form) from existing owners and/or through additional investments from third parties*	amount x
	Increase in authorized capital due to additional contributions (in non-monetary form) from existing owners and/or through additional investments from third parties*	amount y
	Conversion of debt (provided it originated from a supply/loan agreement with a foreign or domestic counterparty or lender) into authorized capital. This operation is essentially equivalent to making an additional contribution, whereby the creditor becomes one of the organization's owners.	amount z

Note

* The adjustment has a deferred effect, in the form of an increase in non-operating and other income of the organization.

Source: compiled based on [11; 4]

It should be noted that the cumulative effect arises from the sequential accumulation or summation of the impact of several adjustments or changes on balance sheet indicators. Therefore, the largest cumulative effect should serve as the basis for selecting the option for adjusting the overall effectiveness of financial potential management in organizations.

Conclusions. The author has demonstrated that the combination of known characteristics of financial potential management in organizations should be sufficient to conduct a systematic analysis of the processes of its formation and growth, focusing on their overall effectiveness in terms of identifying the state (based on static and dynamic visualizations of the balance), possible change scenarios, and key directions for adjusting overall variability.

The study of the content of the outlined processes revealed that they are effective in the search for an optimal structure of financial resources and the related opportunities for the organization to meet its obligations and ensure

an acceptable level of profit. The following conclusions have been made:

1. It is important to form a set of interconnected methods and techniques for forming and increasing FPO, considering the differences arising from varying approaches to implementing the concept of effective management.

2. Since the key aspect in financial potential management is balancing goals, the balancing algorithms are oriented towards achieving financial goals and tasks that were defined in advance.

3. The importance of identifying specific areas and rules for balancing components that guide and ensure the proper flow of processes for forming and increasing FPO.

The prospects for further research lie in the development of new methodologies to improve the processes of forming and increasing financial potential, taking into account modern possibilities for balancing its components according to goals and performance parameters.

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