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ADAPTABILITY OF FINANCIAL ARCHITECTURE TO BUSINESS ENVIRONMENT CONDITIONS

The current conditions of business functioning in Ukraine are characterized by significant disparities in all links and spheres of economic relations, asymmetry of business processes, a significant acceleration of the frequency of crisis phenomena with a difficult long recovery. The turbulence of the business environment leads to a decrease in the volume of operational and investment activities, a shortage of financial support, which, in turn, causes the instability of the financial condition of business units, due to which there is a deterioration of financial indicators and a loss of the market value of the business. In addition to the external negative influence, which limits the ability of business entities to provide sufficient multifaceted financial support for continuous profitable activity, a significant role is played by internal factors related primarily to an imperfect financial monitoring system and the lack of an adaptive financial management system focused on the prompt recovery of business as a result of the impact turbulence of the external financial and economic environment. The duration of economic crises and the deepening of financial disparities require the introduction of innovative approaches both to business management and to the direct process of its financial provision.

The priority task of innovative reform and creation of an adaptive business management system is the structural transformation of the financial architecture. We agree with the opinion of scientists that the value of the concept of financial architecture lies, firstly, in the fact that it takes into account the most important characteristics of a business (in particular, the financing structure, property relations and corporate governance), which collectively determine the system of building its financial relations. Secondly, the financial architecture is a dynamic system that provides the possibility of its purposeful adaptation relative to the stages of the macroeconomic business cycle, aimed at expanding and restoring access to capital, reducing its price, and, therefore, increasing the market value of the business [1, p. 5].

The financial architecture, transformed taking into account the conditions of the turbulence of the external environment and the adaptability of the financial management system:

- becomes the basis for the harmonization of business financial relations at all levels of attracting funding sources;
- provides a reduction in "information asymmetry between available insider and outsider financial information" [2, p. 201] and increases the transparency of information about the activities of the business entity for stakeholders;

- enables the formation of an elastic financial mechanism with an appropriate system of tools and methods for sustainable financial activity;
- is the basis for the formation of an adaptive financial strategy, the development of an appropriate financial policy and the determination of the strategic goals of the business and optimal sources of its financing;
- is the basis of ensuring financial security and sustainability of business.

That is, the financial architecture transformed in this way ensures consistency between the ownership structure, the capital structure and the interests of the management system, which proves the relevance of further research on the improvement of theoretical and methodological approaches to the adaptation and transformation of the financial architecture of business entities in conditions of turbulence in the external environment.

Reference:

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