

# Estimation of economic sustainability of the enterprise: the evaluation methods

Oleh Hlushko

Accounting and Analysis Department, Lviv Polytechnic National University, UKRAINE, Lviv, S. Bandery street 12,  
E-mail: oleh\_hlushko\_v@ukr.net

**Abstract** – The purpose of pare is to reveal the essence of the process of evaluation the level of economic sustainability of the enterprise. Result of the investigation is the systemized economic methods for evaluation economic sustainability. And the novelty of this research is the procedure of use the systemized methods of economic sustainability evaluation.

Key words – economic sustainability of the enterprise, evaluation, structural-logical methods; economic-mathematical methods; integrated indicator.

## I. Introduction

An economic sustainability of the enterprise since 1970 year is one of the biggest scientific issue. The point is that without needful economic sustainability there is no opportunity for financial and economic exceed. One of the most important components of economic sustainability is evaluation. This procedure mostly consists of several instruments that are oriented to produce rational result of economic sustainability evaluation. The fundamental instrument of evaluation the economic sustainability is integral indicator.

## II. Main part of research paper

The economic sustainability of enterprise is complex economic category and it course system evaluation. For needs of economic sustainability evaluation are a lot of methods. But not everyone is useful for system evaluation according to the specific of the specific structure and the way of economic influence. In this case first of all is needed to make useful procedure of evaluation of economic sustainability on the enterprise. According to the scientific researches in the field of economic sustainability it could be identified few levels of evaluation of this economic category.

Before the evaluation procedure starts there is need to gather all information that characterizes economic sustainability of the definite enterprise. For collecting economic information researcher could use such data base:

- financial statements;
- accounting registers;
- other inside enterprise documentation;
- the results of the research heuristic.

This kind of economic information analytics could collect with a help of some economic methods:

- documentation according to the accounting principles;
- heuristic methods (survey by questionnaire, online and offline polling);
- expert methods;
- other methods.

When analytic operates with all amount of collected economic information appears need of it systematization. In case of economic sustainability could be used different approaches for classification collected date:

- grouping with a help of quantitative or qualitative characteristics;
- grouping with a help of one or several characteristics;
- table or graphic (schematic) grouping.

Only if analytic has systemized economic information appears opportunity to evaluate economic sustainability of the enterprise. According to the complexity of the economic sustainability analytic is going to use integral method of evaluation. But for fundamental estimation there is need in other evaluation methods. Specific aspects of complexes evaluation of economic sustainability is shown in the Fig. 1.

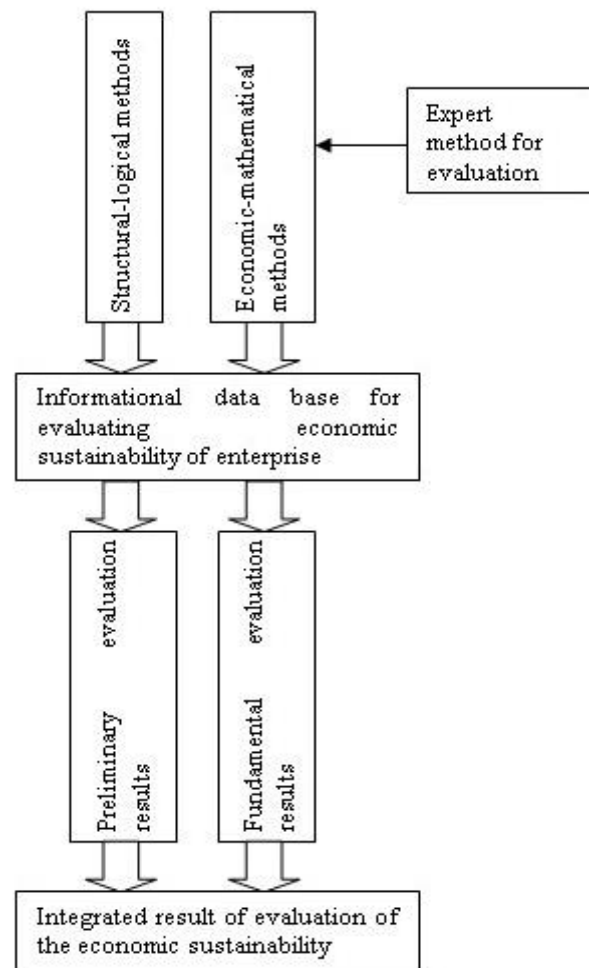


Fig.1 Aggregate look of economic sustainability evaluation of enterprise

In the structure of Fig. 1 we use several groups of methods. They are structural-logical methods, economic-mathematical methods and expert methods for evaluation needs. The first one group of methods produces preliminary evaluation of economic sustainability of enterprise. These methods also define the basic problem of factors contributing to destabilization of economic functioning of the entity.

The second group of methods produces fundamental evaluation of economic sustainability of enterprise (as was noticed on the Fig. 1). Besides methods of the second group

evaluate the level of defined components of economic sustainability and aggregate results into integrate indicator.

The final group of methods produces additional evaluation opportunities of economic sustainability of enterprise. Main idea of these methods is to estimate quality characteristics of economic sustainability into quantity one with a help of the most useful approach according to the specific features of investigated economic category.

Formulated groups of economic methods could be detailed in such way:

1. Structural-logical methods: the comparative analysis (vertical and horizontal analysis); methods that consist of use relative and average values; other structural-logical methods.

2. Economic-mathematical methods: the integral method; the index method (separate indexes and aggregated one); the method of balance; the method for determination of the variation parameters; the method of factor analysis.

3. Expert methods: the method of qualimetry; the method of analysis of hierarchies.

The procedure of evaluation the economic sustainability for better synchronization should be presented in several logically connected levels. We suppose that evaluation levels should be based on the economic methods which are useful for determining economic sustainability of enterprise. I propose the system that consists of five levels.

The goal of first level of evaluation is to identify all main destabilization aspects with a help of structural-logical group of methods. In general we suggest use vertical and horizontal analysis. If the analytic noticed real need of use relative or average values, he is able to do it. This level formulates the background for determine the parts of the economic sustainability.

The second level is oriented to identify parts of economic sustainability in such way that it has system character. For realization this procedure is needed use an authoritative scientific literature and practical recommendations. Every part of economic sustainability should consist of several indexes. The way of creating or using already formulated indexes must be scientific justified. In this level could be used not only index method but expert method too. In this level should be made standardization of proposed indicators. For this procedure could be used several mathematical methods.

The third level is totally based on constructing integral index of economic sustainability of enterprise. By using formulated in the previous level part of economic sustainability of entity and the separated indexes is needed to set the weight coefficients of these indicators. In addition in this level should be set the weight coefficients of parts of economic sustainability too.

The fourth level consists of integration procedure. On the base of previous levels we are able to construct integral indicator of economic sustainability of the enterprise. The most important meaningful characteristic of integral indicator was identified on the previous levels. According to the scientific researches in the field of economic sustainability [1, 2] and practical recommendations we formulated main parts of integral index of economic sustainability of the entity. These parts are systemized on the Fig. 2.

Proposed parts include all major aspects of economic activity of the entity which could influence the economic sustainability.

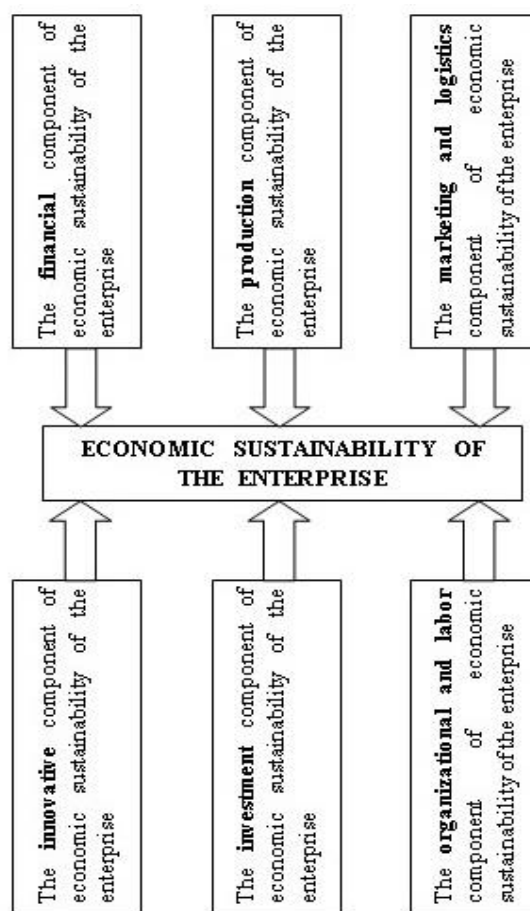


Fig. 2. Parts of economic sustainability of the enterprise used for integral method

The last fifth level of evaluation of economic sustainability of the enterprise is oriented on monitoring all indicators of economic sustainability including integral one.

## Conclusion

We suppose that by using this system of evaluation methods became possible achieving long-term economic sustainability of the definite postindustrial enterprise. Proposed economic methods are useful in specific field of evaluation of economic sustainability. And consistent and regular use of valuation methods proposed in the paper will be a prerequisite for clearly identifying the destabilizing tendencies of economic sustainability of the entity.

## References

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