METHODS FOR MANAGEMENT OF THE ENTERPRISE'S ACCOUNTS RECEIVABLE (INVESTIGATED BY THE EXAMPLE OF BNH UKRAINE LTD.)

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In the course of its operation, any enterprise, regardless of its field of activity, country of location or any other factors, cooperates with contractors. Quite often, there are situations when contractors need a delay in a certain payment. Due to this delay, accounts receivable arise. To pay off receivables, an enterprise is frequently forced to raise funds from other sources – bank loans, credits, etc., which results in lowering the financial sustainability of that enterprise. In addition, sometimes receivables become doubtful, which may lead to the situation when an enterprise can simply lose its money.

The foregoing points out the importance of proper management of accounts receivable. With the help of effective work of managers, the accounts receivable management should be aimed at their swift repayment and the reduction of their volumes.

The problems related to the efficient management of accounts receivable were considered by many domestic and foreign economists, in particular M.D. Bilyk [1], I.O. Blank [2], V.F. Palii [3], D. Stone and K. Hitching [4]. The study of economists' data provides the definition of accounts receivable, their classification, the reasons for their occurrence and their effective management.

An enterprise's balance sheet consists of two parts: assets and liabilities. The assets of an enterprise are its economic resources in the form of property used in the process of economic activity in order to receive profits [2]. In turn, liabilities are a set of obligations of an enterprise, which are formed due to the debts of an enterprise when conducting its economic activity [5].

The assets of a company are divided into current and non-current. The term «current assets» means the totality of funds that are necessary for an enterprise to ensure the circulation of working capital [7, p. 149].

We agree that receivables are part of the company's current assets [6]. This indicator shows the amount of debts on a certain date [8]. At the same time, current assets are a set of funds, which are necessary for an enterprise to ensure the circulation of working capital [7, p. 149]. In other words, they are the resources of an enterprise, expressed both in monetary (tangible) and in natural (intangible) forms, which are formed as a result of cooperation of an enterprise with its contractors and they are subject to return. Typically, receivables arise when an enterprise sells goods on credit to regular customers. However, in case of a significant amount of debt, a company may go bankrupt, which requires an examination of the efficiency of the accounts receivable management.

We want to mention that the consideration of methods for managing receivables is conducted using the company BNH Ukraine Ltd. as an example. Thus, the enterprise under study operates in the wholesale market of petroleum-based products and is the economic entity, which owns foreign capital. It should be noted that we have investigated a number of enterprises of the wholesale trade in petroleum-based products using the ratio between accounts receivable and receipts from foreign investments as a criterion, which reflects the averaged data in the industry. Afterwards, we have selected the object of the experimental introduction of a mechanism for the formulation of a differentiated credit policy based on the principles of controllability of accounts receivable.

Thus, based on the results of the statistical analysis of how efficiently the investigated enterprise with foreign investments manages the current level of accounts receivable, we have found: the absence of a system of assessing the customer's creditworthiness under the terms of delayed payment; in the contracts for the supply of goods under the terms of delayed payments, fines for late repayment of arrears are not imposed; there is no system of discounts for early repayment of debts for goods that were shipped under the terms of deferred payment; planning of labour relations with customers that purchase products, is carried out without taking into account the differentiation of loan conditions depending on the class of credit and a credit policy; a system of differentiation of terms of delays in payment, a clear system of fines or a system of discounts for early payment of services are absent; the collection of debts is unsystematic in nature, which includes only legal means of an influence by collecting debts in court.

Table 1 serves as a continuation of the research into the processes of the accounts receivable management at BNH Ukraine Ltd. and it presents the dynamics of receivables in 2013-2017.

The data in Table 1 indicate that the enterprise's debt grows annually. In addition, based on the analysis of the financial statements of this enterprise, we came to the conclusion that the share of receivables in the total volume of current assets was constantly increasing. It suggests a reduction in the mobility of the property structure of the enterprise and is a negative factor that makes the company dependent on its own debtors.

At the same time, we believe that due to an efficient policy on the management of debtors, the company is able to increase its market shares, boost profits and become more competitive in the market and avoid potential unforeseen events, including, bankruptcy.

Table 1. Accounts receivable of BNH Ukraine Ltd in 2013-2017 UAH, thousand

Assets	2013	2014	2015	2016	2017	Growth rates 2017/2013, %
Accounts receivable for products, goods, works, services	46 500	49 126	59 010	10 698	20 598	- 56,0
Settlements receivable						
advances paid	10 359	14 325	36 416	26 420	135 178	12,05 p.
Budget	5 672	1 751	6 551	4 128	1 371	- 76,0
including income tax	250	250	-	10	-	-
other current accounts receivable	979	944	1 560	90 160	35 742	35,51 p.
Total accounts receivable	63 510	66 146	103 537	131 406	192 889	2,04 p.

Source: compiled on the basis of financial statements of the enterprise

The accounts receivable management should comprise 6 stages [8; 10; 11]:

1. The first stage is a basic one. Managers analyse and structure accounts receivable, which makes it possible to arrange the return of the enterprise's funds.

2. On the basis of the second stage, it becomes possible to develop individual conditions for giving commercial loans for each buyer.

3. At this stage, the permissible volume of the receivables portfolio is determined.

4. One monitors all debtors and develops measures to manage the debt.

5. The necessity of changes in the enterprise's credit policy is substantiated.

6. The possibilities of refinancing of accounts receivable are estimated.

Taking into account theoretical achievements in the methodology of managing accounts receivable, the next step will be the development of a system of assessment and analytical procedures regarding the hierarchical presentation of methods for managing accounts receivable of the companies engaged in the wholesale trade in petroleum-based products [10]

Taking into account the goal set, it is expedient to carry out a complex research and development of a single indicator that will characterize the level of controllability of accounts receivable. The calculation of the integral index of controllability of the enterprise's receivables is the next and final stage of the evaluation of their management in accordance with the methodical approach that was proposed above.

Thus, the effectiveness of the management of accounts receivable depends on the availability of a development strategy of the enterprise, a balanced sales policy and optimal parameters for managing receivables. Therefore, the organization and ongoing work with accounts receivable require constant attention of the enterprise's management, as it is one of the most effective ways to optimize the costs of the enterprise.

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