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Management of Investments in the Activities of a Commercial Enterprise

Natalia I. Malykh¹, Nadezhda V. Klimovskikh², Tagira V. Ismagilova³, Svetlana B. Salpagarova⁴, Elena V. Smirnova⁵ and Wang Bing⁶

¹Russian State University of Physical Education, Sport, Youth and Tourism (SCOLIPE), Moscow, Russia

²Kuban State Agrarian University named after I.T. Trubilin, Krasnodar, Russia. Email: mail@kubsau.ru

³Ufa State Petroleum Technological University, Ufa, Russia

⁴Institute of Service, Tourism and Design (branch) North-Caucasus Federal University, Pyatigorsk, Russia

⁵North Caucasus Federal University, Stavropol, Russia

⁶Vladivostok State University of Economics and Service, Vladivostok, Russia

ABSTRACT

The investment management process at the enterprise is multifaceted and time-consuming, but this process remains one of the most important aspects of production any commercial enterprise. The results led to the necessity of investment, be modification of current material and technical base, growth of production volumes, the study of new types of activities. The investment management process begins with the formation of the investment strategy. Lighting the question of investment management, the author has had to rely on the assertion that an important condition, which determines the relevance of the production of the investment strategy of the company, remains its waiting stage of the life cycle. But the full formation of the characteristics of the flow phases of investment management at different stages of the enterprise life cycle, the authors studying this question, no. Investment policy is a basic part of the main financial strategy of commercial enterprises, it is in the selection and promotion of large sustainable extension and modification of production potential. The relevance of the topic selected study consists in considering the problems of investment management. The current stage of development of the Russian economy is characterized by several points. Mostly well-adjusted investment activity for any business is important and the world is understanding the most important sign of management efficiency. Global implementation of new high-tech equipment and modern technologies integrated with high costs, as upgraded appliances much priceless traditionally manufactured products.

JEL Classification: G11, G18, R11, R58.

Keywords: Commercial enterprise, investment, investment management, process management, capital, investors, income, continuity, flexibility and adaptability, risk, inflation.

1. INTRODUCTION

Important questions of economic governance are resolved with support of investments from the formation of the newest items of business to production, the technique of transformation of a commercial enterprise. The investment process is always considered from the point of view of addressing difficult problems, enhance the views of commercial enterprises in the market, overcoming the economic crisis.

Always before the venture investor formed a matter of making a decision to invest. The difficulty lies in the fact that such questions are always unlimited. Each of them is versatile and can be overcome with the use of different technologies, methods of production etc. Need to correctly apply resources to get the result from investments.

For this process use the technology of evaluating the economic efficiency of the investment project of the enterprise, where you define methods and means to achieve the goal. Effective methods of calculation of profitability of investments is necessary for all participants in the process. You need to know: what economic effect is expected from the project how accurate the results of the calculation, are they resistant against defects binding agreements promotion of the project, especially in the current Russian economy. This process gives the investor confidence in its influences, with external use of funds.

The methodological and theoretical basis of the study was the monograph of domestic and foreign authors, research publications, scientific articles in the field of investment management businesses.

Basis of research in the field of development of the financial investments were the work of Russian and foreign scientists.

2. THEORETICAL ANALYSIS

Process the investment management of a commercial enterprise is the formation, planning, promotion and control over investment resources and projects. At all stages is the main goal, which should serve the strategic goals of the investment, and along with that it should bring investment management to the next stage. At the stage of forming and planning the ultimate goal is the development of the investment portfolio of specially selected investment projects and financial elements, moreover to create a group of investors (Ragulina, Lebedev & Popov, 2013). At the stage of investment, the main thing is to create an investment project, without departing from the purpose and policy of the current company. The validation phase provides an opportunity to develop the investment management process to succeed if its primary goal is improving the quality of future investment decisions.

Stage management examines investment in any enterprise, regardless of the period of its life cycle. But at any stage has its own specifics of this process. At the stage of formation, the main objective of investment activity is finding and attracting investors in order to establish the profitability of investment activities. At the stage of growth and progress in the basic plan comes the formation of the minimum level of this year's investment profits, so the increase in the efficiency of investment management and the search for optimal solutions. The maturity stage is characterized by the required rate of growth of invested funds and rules of investment profit, its main goal is consistency and progression in the future.

3. DISCUSSION

In a deep sense, in the scientific thought of investment are determined by financial or other means, which are used to extract a positive result. The long definition of investment goes beyond just economic theory, which treats investments as a measure to invest in order to get significantly more money, profit, additional income. In a General sense, investment is a means of increasing capital, obtaining a lot of money. Not always the basic idea of investors is the extraction of financial profit. Profit may take a different form, such as: intellectual, social, economic, moral, spiritual etc. for example, state funds, putting in astrophysics, it is unlikely strive and hope to get a huge profit in this case is the place to be: the development of national science and support the national scientific projects.

So, from an economic point of view, the investment is cash, bonds, stocks, securities, etc., as well as the right to property, which have a financial assessment, investment in business and other activities, with the aim of profit or to achieve any positive result (Bocharov, 2008).

In the economy, the investment process considered on two levels. At the macro level, investment is the basis for the formation of the policy of broad reproduction, spur scientific and technical progress, improvement of quality and formation of the competitiveness of Russian products (Filippova et. al., 2016), a fundamental transformation of the economy and a balanced formation of all its branches, the production of needed raw materials base industry, the maturation of the social sphere, the decision of problems of defensibility of the country and its safety, problems of unemployment, environment etc.

Especially important are investment and at the micro level. Here they are needed for the formation of a proper functioning commercial enterprises continued financial condition and profit maximizing business entity. Without investment, there is no possibility of supply of competitiveness of the produced goods and services, overcoming the results of the moral and physical wear of the basic capital assets, purchase of securities and investment funds of other commercial enterprises, the implementation of environmental protection measures etc. But still, for the implementation of investment activities of both macro and micro level to study in detail the existing levels and types of investment (Zagorodnikov, 2009; Maksimova, 2007).

On this basis, investments can be classified according to the following criteria (Figure 1).

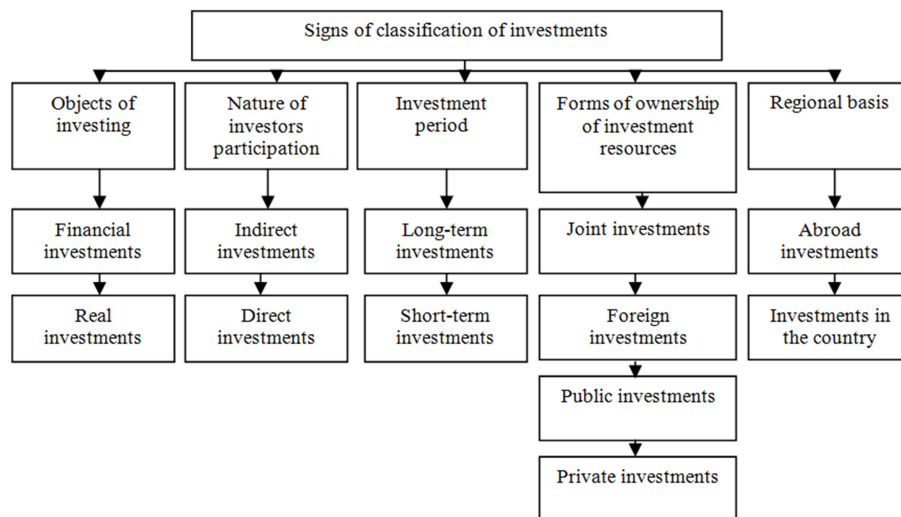


Figure 1: Signs of classification of investments

If to speak about the issue of the investment management of a commercial enterprise, it is necessary rather to study the full course of the investment process and of its participants and functioning. From an economic point of view financial management is the view of crushing of financial activities of business for financial and investment. Along with this investment activities of commercial enterprises is a key pillar of overall economic development strategy of the enterprise. Investment process and its management represents the discipline, and has the characteristics of the system:

- investment process contains the subject and the object of investment activity (Figure 2);
- contains the relationship between them, that is, the target process;
- includes the infrastructure in which to implement the investment – it's investment environment.

In the modern economic science, which studies the financial issues of the national economy, understanding investment is fairly ambiguous. One of the main current approaches to the treatment of investment explains investing system as a contribution of capital with the primary purpose of its subsequent increase to such an extent that:

- to compensate the investor disagrees with the application of its funds on consumption in a given period of time;
- to reward him for possible risks;
- to compensate for the losses that are possible, based on the level of inflation in the next period of time.

Today the most important and main features of investments in entrepreneurial activities are:

- the implementation of the investment by the investors, who set themselves strategic goals, which do not always coincide with the General economic situation and profitability;
- promising the ability of any investment is to generate income;
- term investment funds (investment) is always purely individual;
- targeted investment in objects and tools of investment;
- the use of all kinds of investment resources, which are characterized by demand, supply and cost in the implementation of the investment;
- the presence of a constant risk of investing, whether justified, and will not burn out the investment.

The investment management activities of commercial enterprises have been earmarked, it provides for the establishment and achievement of goals. These objectives are clearly expressed investment goals become a strong means of increasing efficiency of investment activity of commercial enterprises in the future, for the future of regulation and inspection, as well as a basis for making management decisions to be implemented at all stages of the investment process. The main objective of investment management is the formation of the most effective methods of implementing the investment strategy of the commercial enterprise at all stages of its development (Kiyosaki & Lechter, 2008).

Commercial enterprise remains a particularly important process of investing in its material region, that is, in the real material production. The finances are going to replenish, recovery and renewal of main

production funds, development of the necessary revolving funds, establishment of personnel of a commercial enterprise, research and development etc., These investments are the most reasonable and promising.

Investment process as the system is considered as a set of principles, which are caused by the aggregate effective demand for investment, fostering the attraction on the long term, to maintain the competitiveness of enterprises, establishing the parameters, structure, sources of income.

In Russia, the economic reforms had a detrimental effect on many activities, this also applies to the investment activities of commercial enterprises. The decline in industrial production leads to a significant lack of investment in other sectors of the Russian economy, but also in the social sphere. Then came the ineffective long-term projects, which was almost impossible in conditions of instability while reducing inspections of the management of investment processes.

Currently a lot of work in the sphere of investment activities, but not only the inflationary problems that have arisen as a result of the foreign conditions, and the gray economy are the main obstacles: the well-known circle of the exact reasons that need to be resolved any time soon. Investment activity of the commercial enterprise is the engine that leads the economy way forward, and if the powerful engines of this car are clearly functioning, the economy is in a very difficult position.

The main problems in the Russian companies the issue of investment management are:

- long period of change and transformation;
- lack of information component and light management of a commercial enterprise;
- decision-making inhibit due to overloading of the management staff of enterprises and focus on the chiefs.

This problem is characterized by the reluctance of investors to Finance not checked or reformed undeveloped commercial enterprise, as there are very significant risks, and sometimes there is no way to correctly set the level of risk (Ragulina & Kamaev, 2013; Gorbachenko, Kuznetsova & Silnov, 2016). This attitude of investors for modern commercial enterprises enters combat not solve the problem and threatens the existence of businesses. It is advisable to change the circumstances to create a favorable environment for investors.

In order for the investment process does not become concentrated in the region's economic problems, it is necessary to direct all efforts on the reforms in industrial enterprises, as well as forming a joint system of long-term investment planning in the current market conditions and the national economy.

4. RESULTS

Current market situation dictates the application of business assets for sustained economic growth. If there is no growth under the impact of high discount rates, inflation and other economic factors, it will lead to a decrease in profitability. High competition in the market leads to hard-diversification of the mechanisms of marketing, investment, promotion of products and services, this in turn becomes a consequence of the formation of a completely different course in economic management, course investment (Neshitoy, 2007).

Investment management is a set of management practices which aims to develop effective investment and management of economic performance of business. In the investment capital of a commercial enterprise includes several types of assets: monetary and non-monetary.

These funds, both monetary and non-monetary, are formed deliberately for investment in different activities to maximize profits, increase yield, sales growth or modifications to production. The main goal of commercial enterprises is to generate the best conditions for quality management of these funds (Kunelbayev, Auyelbekov, Katayev & Silnov, 2016). Along with this, we should separate the concepts of financial management and investment management.

In the process of investing working capital are not considered the assets of a business, so lately released the following trend: enterprises go on a way of formation of new structural units, they are fully responsible for the management of non-current assets activated to investment activities.

The division of investment management of a commercial enterprise is created given the fact that he could without difficulty manage the investment of the enterprise, based on the following principles:

- continuity – continuous implementation of management to achieve identified goals and form new goals and objectives;
- flexibility and adaptability – potential for adjustments to investment projects in the short term;
- flexibility – creating opportunities to seek alternative investment modules.

The division of investment management is sure to come as professionals in the field of financial management and competent analysts (Bogoviz, Ragulina & Kutukova, 2016). One of the major difficulties in the management of the investment of the commercial enterprise becomes the impracticability of correct prediction efficiency of investment, relatively similar to the objective results of objective analysis of the potential only if you use a complex means of investment appraisal. The difficulty of the evaluation process also becomes one of the reasons that require the formation of separate structural divisions within a commercial enterprise.

Modern mechanisms of construction of structural units that provide an opportunity to allocate responsibility for decision-making, to use modern methods of evaluation of these decisions and to separate the functions between individuals of the same specialization. In this case, it all depends on the main management strategy in the enterprise.

The current leaders of the same opinion, the investment management process requires division into separate stages, each of which need to be coordinated within the office. The structural division of investment management provides the analytical data, the results of the score and other information (Silnov, 2016). The result is a General definition of investment strategy on the basis of information of the appointed leaders make decisions.

Stepwise management of investment process in the activities of commercial enterprises in modern conditions is the best solution. Methodology of management of investment companies and investment activities are 6 main stages of activity:

- organization of personal investment Fund business;
- definition of courses of investment in business;
- the formation of areas of investment outside the business;
- assessment, analysis and choice of optimum directions of investments;

- development borrowed or raised of an investment Fund;
- check and accounting of the investment activities of commercial enterprises.

Any commercial enterprise you just need to invest money. At this time, a significant role is played by the activities of the company to raise funds outside the enterprise. Funds held by company from the outside are much cheaper than their own, and therefore gives the marginal efficiency of investment.

The investment management activities of commercial enterprises is impossible without significant financial resources. Financial and non-financial resources of a commercial enterprise often is not in sufficient quantity for the successful growth of the company. In this case, it is necessary to attract investment from outside.

Sources of investment financing commercial enterprises are divided into several main views, which are presented in Figure 2.

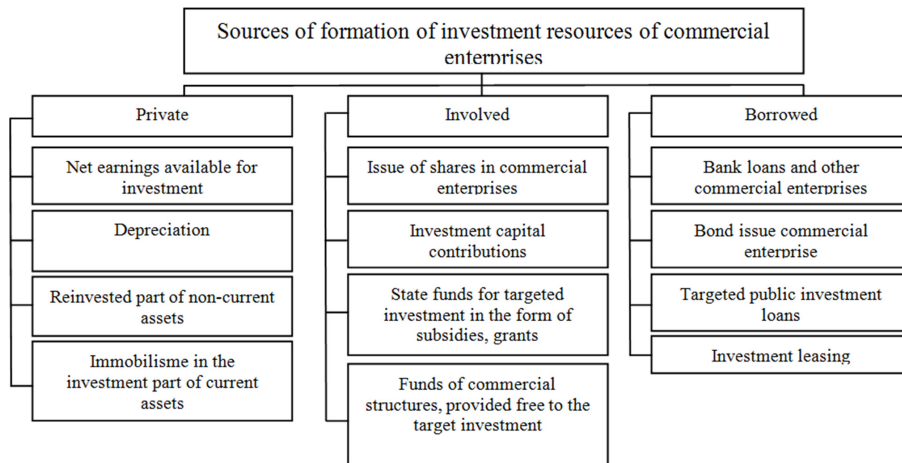


Figure 2: The main sources of formation of investment resources of commercial enterprises

If it goes the way of the initiative of raising funds from a variety of sources a commercial enterprise forms the large capital, sufficient to build sustainable and effective growth of the business. If the company is not following the way of raising funds, because of rising costs settlement with time at the appointed time will become unprofitable. A clearly formulated investment activity gives a guarantee to the company's management the ability to constantly keep the company at the peak of profitability.

Correct formation of the focuses of investments – the main stage in the technology of investment management. It is at the stage of selection of the main investment instruments is determined by the financial strategy of the business. The most important focus here should be divided into two main types:

- investments in the company;
- investments outside the enterprise.

There are methods of analysis of investment activities of commercial enterprises (Figure 3). The vast majority of cases, effective mechanisms for evaluating investment projects, the ability to predict the likely profitability of investments, and established mechanisms for evaluation allow to determine previous findings.

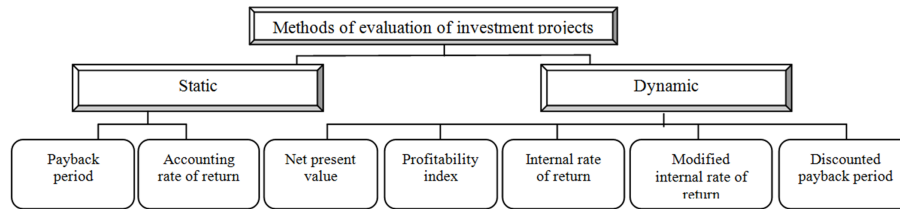


Figure 3: Methods of evaluation of investment commercial enterprise

It is necessary to conduct the relative analysis, which has an important role in generating the best set of investment objects. The specialists of the corresponding divisions of the company perform work on identifying the main pros and cons of distribution of capital of the enterprise, definition of prospects and identifying the best methods for short, medium and long-term investment.

When considering an investment project professionals need to take into account a number of factors:

- return;
- risk;
- refinancing rate;
- effect of inflation;

time.

The process of investment management includes the selection of investment targets, and an infusion of funds in them, so there is a need for the formation of separate structural units in the enterprise. Process control is much more versatile and requires constant writing of the adjustments or even the absolute revision of the set of investment modules into the enterprise.

Smaller development companies, which are indifferent to the production of high-yielding non-current assets, with the help of keeping money outside the main capital. For these enterprises, the process of investing much easier. After establishing the focal areas of investment in the commercial enterprise they are mostly able to change your strategy.

Cancellation of a loan agreement, a waiver of the purchase of new supplies or the components of marketing is a costly affair. The company will work according to the established policy until the end of the period of its functioning. This process is at odds with the views of investment management that were identified by the author in the beginning of the work. Capital of commercial enterprises should have flexibility and adaptability. You cannot select only the inner elements for investment, in this case, the enterprise strategy will not be effective. The expansion of the boundaries of investment requires constant monitoring of capital expenditure and its results. A package of investment necessary to analyze on an ongoing basis, if it becomes necessary, delete items from falling profits or increased risk, to change to a more acceptable version. These investments in the main capital of the other enterprise will require proactive participation in their production and marketing activities. Venture capital investments require constant attention by the investor (Trubachev, 2009).

There is a perception that venture capital investments operate on the principle of all or nothing, but the reality is otherwise. Venture capital investment is divided into a number of stages. Each of the stages is

subjected to detailed study, on the basis of his investor makes the decision whether to continue to invest in the project or to abandon it (Khachatryan, 2009).

5. CONCLUSIONS

The investment management activities of commercial enterprises is a key link in the financial management system. The investment process is aimed at addressing the main challenges of development of commercial enterprises, the organization required for this process the material-technical prerequisites. It is tightly connected with the operating activity, the activity on formation and promotion of products. In addition, the process of operating activities produced the financial conditions for the promotion of investment activities (Orchakov, 2009).

To improve process efficiency and systematic investment management in the modern Russian commercial enterprises can offer a number of tactics:

- to achieve the indicators such as: financial, commodity and investment objectives of the company, to fix all unemployed and partly unemployed resources rationally and effectively use all applicable resources as investment, taking statements;
- more interaction with the external environment, as well as the multiplication of the relationship with the administrative authorities;
- consistency of the related Department of the company to ensure that it achieved all its goals in the implementation of the investment project;
- formation of effective and reasoned forecasts, the progress of organizational foresight.

Management of investment activity of commercial enterprise fascinating, necessary and difficult problem, which is necessary for the functioning of the economy within the country, abroad, and in individual enterprise.

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