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Petrenko

Yuliia

Scientific adviser:

PhD in Economics,

Associate Professor

Prisyazhnyuk A. Y.

Manager of the education

program:

Doctor of Sciences (Economics),

Professor

Piatnytska G. T.

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INTRODUCTORY PARAGRAPH

Relevance of the research topic. Sales activities for any company is very important, because its effective implementation provides the company with the necessary sales, and hence profit. The rapidly changing environmental conditions set managers the task of finding ways to ensure the competitive position of the enterprise as a necessary condition for survival. Therefore, when formulating a strategy, the company should take a prudent approach to finding ways to increase sales activities. There is a need for flexible adaptation of sales activities to the growing demands of the market in order to increase the competitiveness of producers. The definition of the essence of the concept of sales management can be found in the works of many foreign and domestic scholars. Among them are D. Barkan [2], D. Jobber [15], D. Lancaster, I. Kuznetsov [20], D. Stefanych [37], O. Yamkova [43] and N. Stevens.

The purpose of the study is to investigate the theoretical and practical aspects of sales management and to substantiate practical measures to develop sales management in the enterprise.

In accordance with the purpose of the study, the following **tasks** were set:

- to define the essence of sales management;
- to substantiate of the importance of sales management within the work of enterprises;
- to analyze the factors that may affect sales;
- to identify the ways to minimize the negative impact of various factors on sales;
- to implement of a comprehensive assessment of sales activities of PJSC «Korosten MDF Plant»;
- to develop of proposals for improving sales management at the enterprise.

The object of this study is the process of sales management at the enterprise.

Subject of the research – theoretical and practical aspects of enterprise sales management.

Among the **main research methods** that were used to achieve the goal and solve the main objectives of the study were the following: synthesis and comparative analysis (for analyzing the economic and financial performance of the enterprise and its sales activities); the method of forming tables for convenient presentation of the general characteristics of the enterprise, the implementation of calculations of basic economic indicators, in the economic analysis of sales activities; method of graphical analysis (for visualization of statistical data); statistical and qualitative comparison (for analyzing the dynamics of key financial indicators); grouping method, statistical methods.

Scientific novelty. These are theoretical generalizations and development of scientific provisions on enterprise sales management.

Information base of the research. In writing the final qualifying paper were used official materials of the State Statistics Service of Ukraine, scientific papers of domestic and foreign scientists, financial statements of the enterprise, as well as information resources of the world computer information network Internet.

The first section discusses the theoretical aspects of sales management. The main tasks of sales activities, functions and tools are highlighted. The second section analyzes the sales management process at the enterprise, as well as indicates what measures should be taken as a result of the assessment. The third section provides recommended measures to improve sales activities at the enterprise. An assessment of the economic efficiency of the proposed measures is given.

Structure and volume of the final qualifying paper. The final qualifying paper consists of an introduction, three parts, conclusions and suggestions, appendices and a list of sources used. The main text of the work is 54 pages, including 15 tables, 15 figures and 2 formulas. The list of used sources contains 44 items listed on 4 pages. The work contains 7 appendices set out on 14 pages.

PART 1

THEORETICAL AND METHODOLOGICAL FRAMEWORKS OF SALES MANAGEMENT

1.1 Essence and peculiarity features of sales management of an enterprise

Businesses pay considerable attention to the problems of optimizing the process of promotion of goods from producer to consumer. The results of their business activities largely depend on how well the distribution channels of goods, forms and methods of their sale have been selected, and also depends on the breadth of the range and quality of services related to the sale of products provided by the enterprise. Enterprise sales management involves identifying priority areas, tools and methods needed to activate sales. The development of an company's sales policy should be based on the results of an analysis of the existing sales system. Moreover, it is advisable to carry out this analysis not only in terms of quantity, but also in terms of quality: the level of service, customer satisfaction, the effectiveness of communication policy, the correct choice of market segments, the performance of sales staff, etc.

A review of the definitions of sales management allows to characterize the main points in it:

1. Sales management – a category located at the intersection of marketing and management concepts.
2. Sales management – a category that can be considered as part of the marketing policy of the enterprise;
3. Sales management – a category related to customer focus.

Sales management originally referred only to the direction of the sales force. Later the term took on broader significance in addition to the personal selling management. Sales management imply all marketing activities, including advertising, physical distribution, sales promotion, marketing research, pricing and product merchandising.

The definition of the essence of the concept of sales management can be found in the works of many foreign and domestic scholars. Among them are D. Barkan [3],

Lou Cassara, D. Jobber [13], D. Lancaster, I. Kuznetsov [20], D. Stefanych [37], O. Yamkova [44] and N. Stevens. The content of sales management is revealed in the writings of scientists, considerable attention is paid to the processes of planning and forecasting of sales management.

Table 1.1

Varieties of definition of the essence of the concept of «sales management»

Author	Definition
D.I. Barkan [2]	Sales management is an activity which goal is to generate profits and meet the needs of the established chain (interaction), aimed at improving efficiency (the competitiveness of the enterprise as a whole in the process of working in the market) and is associated with the formation, organization and development of distribution channels (commercialization), rational system of movement of goods (logistics), marketing communications system (in terms of personal selling and sales promotion), effective management of sales staff.
I.N. Kuznetsov [20, page 17]	Sales management can be viewed as one of the types of organizational (marketing) activities aimed at establishing and achieving sales goals through adaptation and flexible response to changing environmental conditions.
Lou Cassara	Selling as part of the company's marketing system, which includes a set of actions to promote goods from seller to buyer.
O. Scriptunova	Sales management includes both people management and process management in the sphere of sales. Further specifying this definition, she notes that it includes a number of elements, including the distribution channels used and managed.
V. Pylypchuk and O. Dannikov [23]	Sales management is a system of relations in the field of commodity-money exchange between economically and legally free market entities that realize their commercial needs/interests, through the most effective satisfaction of effective demand and taking into account market requirements.
O. Yamkova [43]	Sales management in two aspects: strategic and tactical. The strategic level of sales management is the process of choosing a market outreach strategy, the formation of a distribution network, and the planning of a commodity circulation system. These decisions require long-term commitments to other entities and require some justification. Tactical management actions are aimed at the current regulation of the process of sale of goods and the implementation of such forms of marketing activity of the enterprise, ensuring the achievement of the set goals.

Continuation of table 1.1

D. Jobber [15]	Sales management includes both people management and sales process management; it includes a number of elements, including the distribution channels used and their management
American marketing association	The planning, direction, and control of personal selling including recruiting, selecting equipping, assigning, routing, supervising, paying, and motivating as these tasks apply to the personal sales force

Note: by the author.

In order to fully understand the essence of the concept of «sales management», it is necessary to consider the key elements that are included in the system of actions of the sales manager as the main executor. There are the four basic elements of sales management:

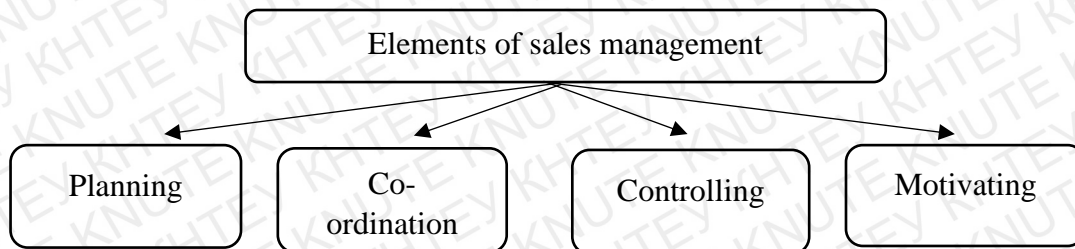


Figure 1.1. Elements of sales management

Note: by the author.

Planning is an integral part of any business process, as it is necessary to make a list of specific actions, assess all the possible risks and take them into account when preparing the plan. It is also important to evaluate the market conditions and take into account the likely changes of both internal and external environment.

Coordination is an element that must be taken into account in regulating employee collaboration and customer relations. It involves solving all problems together, sharing experience and professionalism, etc.

The function of controlling means the sales manager has to check, that the sales activities are moving in the right direction or not, he has to take steps to ensure that the activities of the people conform to the plans of the company. The controlling system should be such that one can take corrective measures, so that similar problems may not occur in the future.

The motivation function is very important in view of the human factors, as it is one of the decisive points for inducing an employee to work. This helps organize individuals into a team and include stimulation of participants of the product distribution system: discounts, rewards, bonuses, staff training etc.

An understanding of the essence of sales management is the demonstration of certain tasks. These tasks include:

- effective and complete customer satisfaction in the relevant products;
- establishment of long-term partner contacts between the seller and customers;
- the company gains competitive advantages in the target markets;
- an increase in the amount of buyers, and ensuring the growth of market share;
- introduction of progressive sales technologies into the sales process;
- improving the efficiency of the company's marketing activities (increase in the value of sales of goods, level of profitability, reduction in marketing costs, etc) [39].

The basis of the activities of sales managers as the main executor of sales management is their functions. They mean relatively separate areas of management that provide managerial action. The composition of sales management functions in form does not differ from the management functions, but in content between them there are a number of differences. Therefore, the sales management functions include, first of all, a sales organization that includes sales units, sales staff functions (customer search, customer support, complaint handling, pre-sales preparation, product demonstration, negotiation, and other), establishing hierarchical subordination and defining the nature of relationships with other structures.

An important function of sales management is forecasting and sales planning. It includes the development of forecasts for the sale of goods, different sales plans (strategic, tactical, operational), the determination of quotas (individual sales volumes of goods to sales representatives). Salesman motivation is one of the functions of sales management that includes various forms of material and moral incentives. In order to increase the effectiveness of this function, it is advisable to carry out both individual and collective motivation. Combining these approaches will provide high managerial performance.

Sales management functions also include operational accounting and prompt regulation of sales results. These functions are intended to promptly adjust the various deviations from the tasks. Control completes the list of functions. It is conducted to evaluate completed sales tasks and develop measures to prevent future negative trends [37].

1.2 Significance of sales management of an enterprise

The sales system of the enterprise can be called one of the main subsystems of its operation, which has a direct impact on performance. Sales, as one of the most important business functions of a manufacturing enterprise, it not only embodies its corporate mission, but also to a certain extent determines it. The role of sales in the enterprise is as follows:

1. Sales are a continuation of production activities, not only preserves the created, but also creates additional consumer value and the value of the goods, thereby increasing its total value;
2. Sales are aimed at the commercial completion of marketing and material completion of production activities of the enterprise; simultaneously identifies, forms and implements not only specific economic results of its activities, but also the specific needs of specific consumers [23];
3. Sales activity is one of the sources of competitive advantage of both the product and the enterprise as a whole.

That is why sales management and its improvement is one of the necessary levers to achieve high efficiency of both marketing and enterprise activities in general. Also, sales management has gained importance to meet increasing competition and the need for improvement of methods of distribution to increase profits and to reduce cost. That is why in the current conditions it has become very relevant. So today sales management is one of the most important function in a commercial enterprise.

The following are the other factors showing importance of the sales management:

- introduction of new products in the market.
- increasing the production of existing products.
- reducing cost of sales and distribution.

Also, considering the importance of trade management for each company, we can identify the main trends that the company must take into account during the main activity. So in today's market conditions, the following trends in sales management can be observed [7]:

1. Increasing the number of partnerships. In the context of sales management, partnerships and strategic alliances are the establishment of close business relations between the producer and key participants in the distribution channel in the common interest and to increase the effect of joint activities.
2. Increasing attention to the development of sales strategy of the enterprise. This is an important strategic step in the competition process.
3. Shifting the emphasis to reduce sales costs, reduce the number of management levels. This trend is also observed in the management of distribution channels, where more and more attention is paid to reducing sales costs by improving management processes.
4. Expansion of the use of technologies, as this increases the intensity of sales and its efficiency.

These trends have a significant impact on every aspect of sales management, from the structure of the sales department to the selection, training and motivation of sales staff. Businesses need to make changes in the activities of sales departments to best meet market requirements in solving pressing problems, such as:

1. Forming long-term relationships with customers, including determining their value to the firm and taking into account the possible ranking.
2. Creating a structure of the enterprise that would provide flexibility and the ability to adapt to the needs of different consumer groups.
3. Dissemination of trends in the exchange of experience between employees to increase productivity and job satisfaction.
4. Mentoring style of sales management instead of command.

5. Improving sales efficiency through the use of scientific and technological progress.
6. The use of the principle of complexity in assessing the effectiveness of sales staff, taking into account the full range of its activities.

Considering sales management, it is advisable to identify methods of analysis of sales of the enterprise as the main tools in this.

Some articles focus on the instruments used for data analysis. The authors of these articles focus on the ease of using dashboards, direct connection to databases and ease of information sharing. Mathematical methods are usually applied in sales analysis when seeking the appropriate function describing the dependency between time and sold quantities [41].

Considering the methodological issues of monitoring the sales activities of industrial enterprises, Radionov A. R. points out that in monitoring the production and sales activities of the enterprise in the first place should take into account the factor of regularity. Therefore, it is advisable to use the following basic indicators of product sales:

- volume of daily shipment;
- shipment interval;
- volume of daily production;
- interval between working days;
- the average value of each of these factors;
- uneven daily production volumes and shipments at intervals and volumes [31].

Finished products of the enterprise can be sold regularly or periodically. Depending on this, the conditions of production and marketing activities are organized in two completely different ways and, accordingly, require the use of different groups of monitored indicators. Regular in this case means shipments that are carried out throughout the year (in general – at different time intervals), and periodic shipments are carried out at limited times of the year. In addition, with regular shipments, it is necessary to take into account such a factor as the type of production, which in turn can be individual (or small series) or mass (large series, medium series). For finished mass-produced

products, the indicators that need to be monitored should be divided into two groups: the first group is related to a set of preparatory and other operations; the second group takes into account the uniform (carried out every day) and uneven (discrete) processes of receipt and shipment of products. The nature of changes in the indicators included in the above groups must be taken into account when analyzing the monitoring of production and marketing activities. The division of the above indicators into two groups is due to the use of different methods of their calculation. To monitor the first group of indicators, the source information is deterministic. It is implied that there are established time norms required to perform specific preparatory operations for packaging, labeling, loading, etc., which are determined on the basis of technical conditions, technological regulations and other standards. The second group of indicators reflects the stochastic nature of the monitoring of finished products. The impact of these indicators on production and sales activities can be taken into account only through the application of methods of probability theory and mathematical statistics [30].

Also it is expedient to analyze the sales activity of the enterprise in the following directions:

- analysis of fulfillment of contractual obligations to buyers for the supply of products;
- quality analysis of products supplied to buyers;
- analysis of performance indicators of sales activities;
- analysis of the impact of sales activities on the company's profit.

Diagnosis of the efficiency of the sales system involves not only the calculation of the efficiency of the sales system, but also the analysis of factors that affect the deviation of planned and actual sales indicators. Quantitative assessment of the efficiency of the sales system involves comparing the dynamics and determining the rate of change and deviation of indicators of sales efficiency. Such indicators include:

- sales volume (net income from sales);
- net profit from sales;
- cost of goods sold;
- product profitability;

- average inventories;
- coefficient of intensity of turnover of inventories;
- turnover;
- the share of unsold products in the value of the commodity;
- sales volume and profit from sales per 1 employee engaged in sales;
- payroll of sales staff [27].

ABC–XYZ analysis is conducted in order to analyze the company's sales, in order to structure and identify clear leaders and outsiders among all product groups, to adjust the assortment policy. But also such analysis can be carried out on indicators of a turn, profit, expenses for materials, etc. Of course, it is possible to use each type of analysis separately, but it will not give a complete picture, so it is recommended to use these analyzes in combination, in order to identify strengths and weaknesses, sales stability, and key products for the company. The basic idea of ABC analysis is a differentiated approach to the management of different objects, resulting from the unequal division of the set of objects into clusters according to Pareto's law, which states that 20% of the causes are responsible for 80% of the consequences.

This method is based on the idea that different products have different degrees of importance for the company and can be divided into three groups – A, B and C – which are in the structure of the efficiency indicator 80, 15 and 5% in accordance. However, it should be noted that this proportion is somewhat conditional, and this ratio may vary. The objects that form these three groups have different degrees of importance for the company, and therefore require different styles of management. Group A identifies the «most important» objects that bring the best results (profit, income) to the company, despite the fact that they occupy a fairly small share in the overall range. Group B is «medium in importance» objects that can be developed to class A in the future. Group C is a problem facilities that take on excess resources. Therefore, the absence at the right time of group C goods in the warehouse doesn't significantly affect the overall level of turnover of the enterprise. However, this does not mean that such goods should not be excluded from the range, because it may lead to a decrease in the overall performance, because then the whole set of goods will be redistributed into three groups according to

the selected proportion, such as 80–15–5%. Therefore, this group of products informs the analyst about the existence of an imbalance in the range and requires him to more carefully analyze the reasons for this result. If these reasons cannot be eliminated, the product is removed from the range.

The ABC analysis algorithm for optimizing the range of enterprises in the trade sector is shown in the figure 1.2.

1. Identification and ranking of enterprise problems related to assortment policy and management of inventory flows.
2. Determination of the main requirements and restrictions on the assortment policy of the enterprise.
3. Formulation of the purpose of the analysis.
4. Selection of objects of analysis in accordance with the purpose defined in the previous paragraph (range of items, buyers, suppliers, competitors, etc.);
5. Determination of indicators by which the objects of analysis will be classified.
6. Collection of information for analysis.
7. Evaluation and ordering of the objects of analysis according to the selected indicators.
8. Division of the set of objects into clusters A, B, C.
9. Interpretation of the results of the analysis and development of recommendations
10. More detailed study of objects by other methods (for example, using XYZ-, FMR-, VED- or R/S-analysis).

Figure 1.2. The ABC analysis algorithm

Note: [22]

From all the above it is clear that ABC analysis is rather the initial and simplest stage of optimization. It ranks goods by priority, but this in itself doesn't bring significant savings. In addition, the ABC analysis doesn't take into account uneven demand, such as seasonal fluctuations or jumps in demand. Given that the main reserve for reducing inventory costs is the reduction of insurance reserves, which largely depends on the degree of predictability of sales volumes and time, the level of predictability of demand is almost the main criterion for dividing goods into groups. Therefore, there is a need for a more thorough analysis of the product range of the enterprise using other.

One of the methods that is recommended in the scientific literature to use to identify the stability of sales and the ability to predict it, is XYZ-analysis, which can be both

independent and continue ABC–analysis. The content of XYZ–analysis is to differentiate objects into groups according to the level of predictability of demand for them. These groups are distinguished depending on the value of the coefficient of variation, which shows how much the observed value deviates from its average value.

Unlike ABC analysis, where the sum of the particles is limited to 100%, XYZ analysis has no such limits. Therefore, when choosing the range of the coefficient of variation, it is necessary to take into account the specifics of a particular product and enterprise.

The algorithm of XYZ analysis includes the following steps, that are shown in the figure 1.3.

- | |
|--|
| 1. Definition of the object of analysis; |
| 2. Selection of parameters by which the object will be evaluated; |
| 3. Determining the period for which the analysis will be conducted; estimation of the coefficient of variation and distribution of objects into groups X, Y and Z; |
| 4. Analysis of the obtained results. |

Figure 1.3. The XYZ–analysis algorithm

Note: [22]

As a result of repeated use by different scientists in different fields, the advantages and disadvantages of these methods have been identified (figure 1.4).

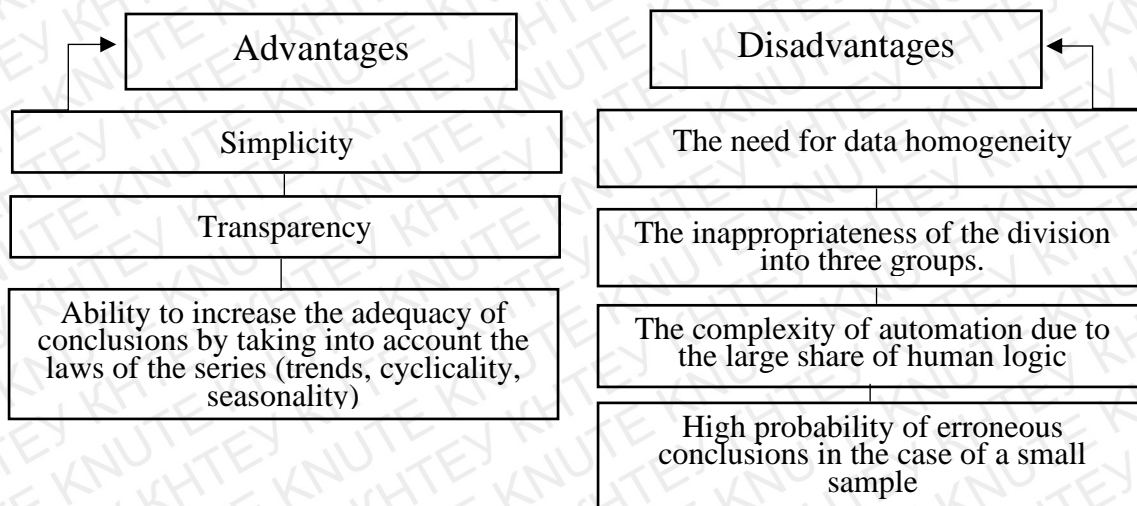


Figure 1.4. The advantages and disadvantages of ABC and XYZ analyzes

Note: [22]

Given the advantages and disadvantages of ABC and XYZ analyzes (Fig. 1.4), we can conclude that these methods are complementary. While ABC analysis allows to assess the contribution of each product to the sales structure, XYZ analysis assesses the

consistency of demand for this product. Therefore, in the literature it is recommended to conduct a combined ABC–XYZ analysis [9]. The results of ABC–XYZ analysis are usually presented in the form of a consolidated matrix (table), which consists of nine groups of objects. This matrix identifies the undisputed leaders and outsiders in sales, as well as the rest of the intermediate groups, for each of which management recommendations are developed (figure 1.5).

	X	Y	Z
A	AX – High profitability, regularity of sales, high level of predictability.	AY – High profitability, periodicity of sales, average level of predictability.	AZ – High profitability, irregular sales, low predictability.
B	BX – Average profitability, regularity of sales, high level of predictability.	BY – Average profitability, periodicity of sales, average level of predictability.	BZ – Average profitability, irregular sales, low level of predictability.
C	CX – Low profitability, regularity of sales, high level of predictability.	CY – Low profitability, periodicity of sales, average level of predictability.	CZ – Low profitability, irregular sales, low predictability.

Figure 1.5. Combined matrix of ABC and XYZ analyzes

Note: [9]

For goods that bring the company the main profit (subgroups AX, AY, AZ), as well as goods that bring the average profit, but have projected sales (subgroup BX), it is proposed to conduct daily accounting of disposal of goods and maintain stable stocks based on projected consumption in the future and the insurance reserve, because even the smallest deficit of these groups can undermine the efficiency of the enterprise. Periodic control is applied to the forecasted goods that bring non–basic profit to the enterprise (subgroups BY and CX).

Therefore, summarizing the above information, we can conclude that sales management is very relevant and important for companies that want to use all the opportunities associated with the sale of their products to the fullest and want to remain at a decent level compared to competitors; attract as many customers and, in that at the same time, reduce costs and risks when introducing new products or increasing production. Methods of analysis and sales management may vary depending on the scale of the activity or industry, but there are basic indicators that need to be monitored in order to maintain sales activities at the required level.

PART 2

EVALUATION OF SALES MANAGEMENT OF AN ENTERPRISE ON AN EXAMPLE OF «KOROSTEN MDF PLANT»

2.1. Organizational–economic features of trade enterprise

Private joint stock company «Korosten MDF plant» is a production of MDF boards and laminate under the REZULT brand. The plant is equipped with modern production equipment, has large warehouses and a network of transport communications.

«Korosten MDF plant» is the first MDF plant in Ukraine. It was founded in 2011. Location of the enterprise – Korosten, Zhytomyr region. The geographical location of the enterprise is very favorable, as Korosten is a major transportation hub of the South–Western Railway. The company belongs to the Korosten Industrial Park.

Korosten Industrial Park is an industrial zone within Korosten. The territory of the former military helicopter airfield is used as an industrial park – a plot of land without buildings, which has not been used for a long time. The total area of the park is 246 hectares. The conceptual design was developed by the Czech design bureau DHV. The project provided for the creation of high–tech enterprises in the park, enterprises in the fields of light and medium industrial production – assembly, assembly, surface treatment, light engineering and electrical industry [18].

The company’s governing bodies include the Supervisory Board, the Audit Commission, the Executive Body and the General Meeting of Shareholders (supreme governing body).

Table 2.1

Governing bodies of PJSC «Korosten MDF Plant»

The governing body	Structure
Supervisory Board	Chairman of the Supervisory Board and four members of the Supervisory Board
Audit Commission	Chairman of the Audit Commission and two members of the Audit Commission
Executive Body	CEO
General Meeting of Shareholders (supreme governing body)	Shareholders according to the List of shareholders entitled to participate in the general meeting of shareholders

Note: [19]

The organizational structure of the company is presented in Figure 2.1:

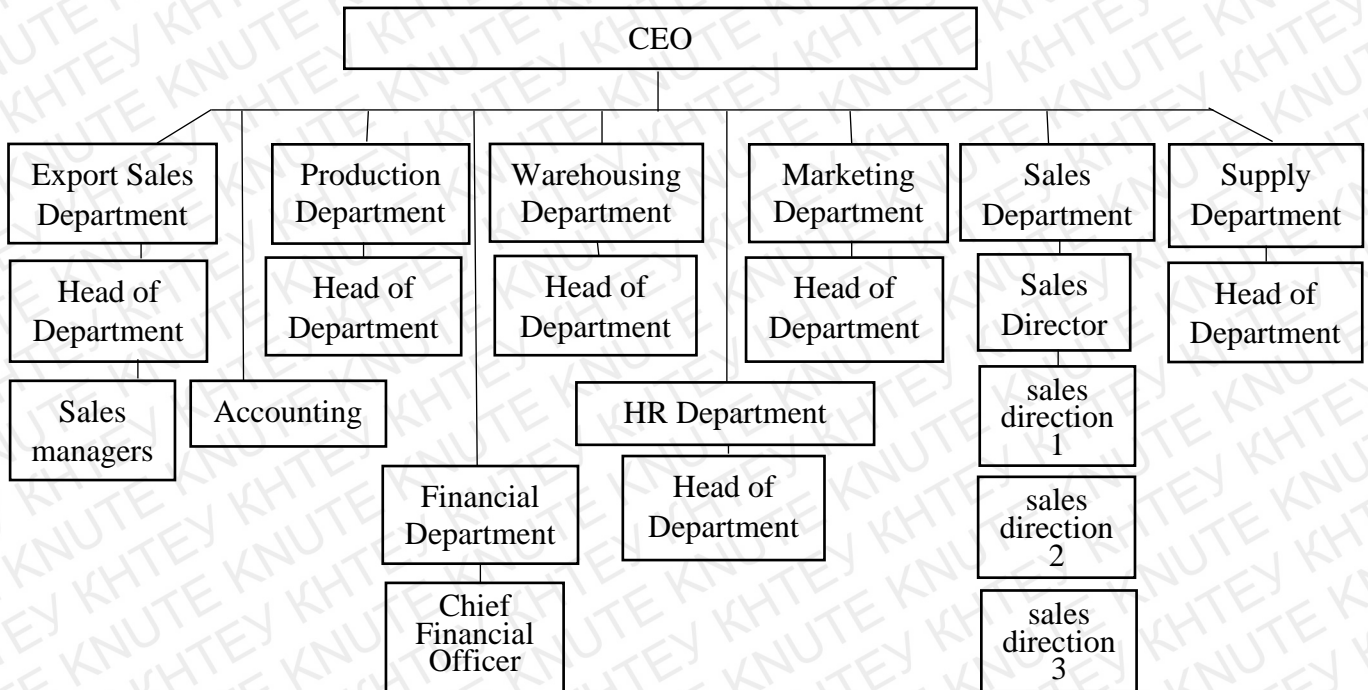


Figure 2.1. Organizational structure of PJSC «Korosten MDF Plant»

Note: Note: built on the basis of processing the statements of PJSC «Korosten MDF Plant» and the data received from the sale manager of enterprise (Appendix B)

The scheme of the organizational structure shows that all departments in the company are subordinated to the General Director. All departments have their own heads. Therefore, it can be concluded that the company has a linear management structure. The advantages of this type of management include clarity of relations, reliable control and unambiguity of the teams received by employees, disadvantages – information overload of the head, adaptability to solve only operational and current tasks and less flexibility than using other types of management.

The number of employees of the company is 558 people.

As for the branch affiliation according to the NACE, the activity of the enterprise belongs to 3 types of economic activity [19]:

- 16.21 – Manufacture of plywood, wood boards and panels, veneer.
- 46.47 – Wholesale of furniture, carpets and lighting accessories.
- 46.73 – Wholesale of wood, construction materials and sanitary equipment.

Company have the technological line of German companies Siempelkamp, Homag, Wemhöner. Additional equipment is also carried out by Siempelkamp using equipment

giants such as Metso, Buttner and others. The daily and annual plant production capacity is 900 m³ and 300,000 m³ of board–type materials respectively.

Press ContiRoll which was installed on the plant has length 35,4 meters. The design of the press ensures uninterrupted pressing process in a both directions (along the length and the width). As a result it increases productivity, makes lower costs of raw materials and provides the best quality of final products. «Korosten MDF plant» has launched its own production line of resins with a maximum capacity 150 tons per day. It allows to cover the needs of the plant, as well as it makes possible to operate with maximum flexibility in the field of price/quality ratio and perform any additional customer requirements for product strength.

Main advantage of the company is a high quality of natural raw materials. Company use only certified non–business softwood timber. Plant has a large storage warehouse space for the MDF and laminate products (more than 27 thousand sq. meter). As well as it has a special warehouse for one–time storage of 70 thousand. cubic meters of wood, which ensures uninterrupted operation of the company for 2 months. Production is fully compliant with ISO 9001 international quality standard, ISO 14001. In 2015, successfully passed a comprehensive audit of the conformity of production with ISO 9001.

Therefore, the company's products include:

- MDF boards;
- HDF boards;
- laminated floor coverings;
- lumber.

The product range of MDF boards is represented by the following types of plates: MDF laminated (with one–sided or two–sided lamination), MDF polished, moisture–resistant MDF boards, with a density of standard 760 – 780 kg/m³ (under the order to 900 kg/m³). HDF boards are essentially analogous to MDF, but the density of HDF exceeds the density of MDF. The product range of HDF boards is represented by raw HDF boards of various thickness [26].

The product range of laminate includes 11 collections and 68 types of laminate flooring.

The product range of lumber include formwork plates, cut-to-size lines, sawn timber and pellets.

In order to clearly understand the company's position in the market, possible prospects and existing problems, it is necessary to conduct a SWOT analysis. The results of the analysis are shown in table C.1 (Appendix C).

The results of the SWOT analysis show the presence of weaknesses and possible threats to the enterprise, but these points can be overcome by making full use of existing strengths and the realization of all the opportunities that the researched enterprise has. For example, the risk associated with litigation due to public opinion that the company's activities are harmful to the environment in the region can be overcome by the company's active position in the field of corporate social responsibility. This will significantly improve the company's reputation.

To assess the economic condition of the enterprise it is necessary to analyze the economic indicators of the enterprise. For the analysis it is expedient to use the indicators stated in the balance sheet and reports of the enterprise.

The diagram in Figure 2.2 shows the dynamics of the balance sheet of the enterprise for the period under study.

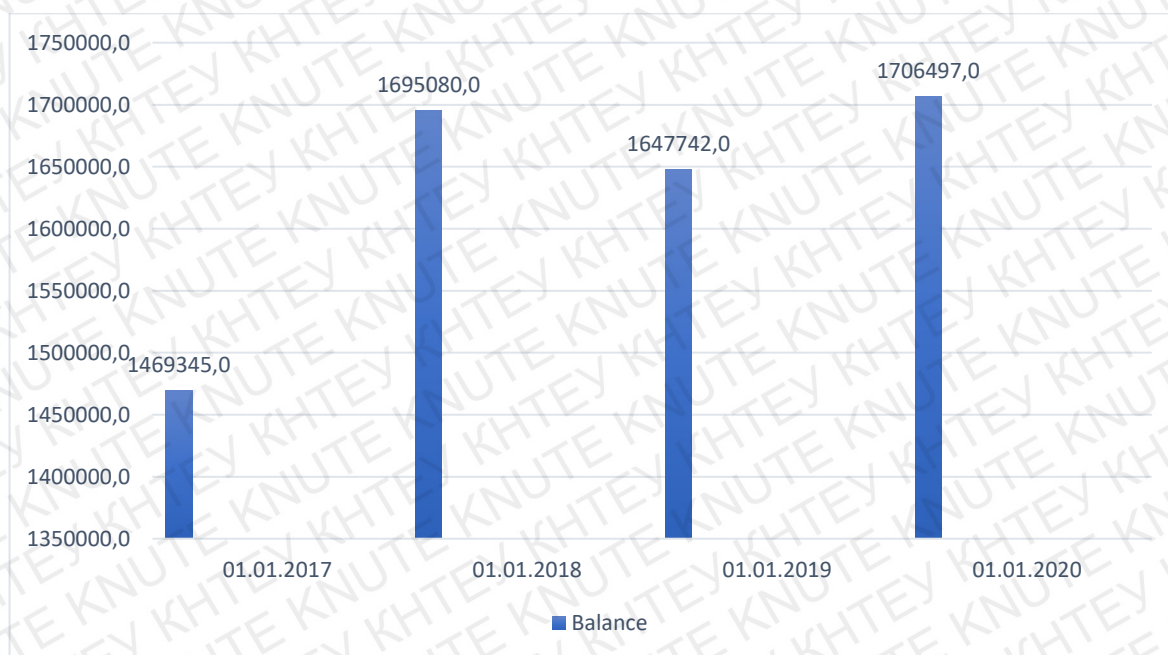


Figure 2.2. Dynamics of the balance of PJSC «Korosten MDF Plant»

Note: built on the basis of processing the financial statements of PJSC «Korosten MDF Plant» (Appendix B)

So the dynamics of the company's assets for the study period are shown in table D.1 (Appendix D).

After analyzing the above data, it can be concluded about the increase in the number of assets (from 1469345 thousand UAH in 2017 to 1706497 thousand UAH in 2019). If we consider the dynamics of change of individual indicators, we can see a significant increase in money and cash equivalent and prepaid expenses. An increase in cash and cash equivalents may indicate a strengthening of the financial condition of the enterprise, growth of absolute liquidity, increase in sales, increase in business activity of the enterprise. The change in the company's inventories, namely the growth of this indicator by about 40% (from 215011 thousand UAH in 2017 to 373948 thousand UAH in 2019), also had some impact on the increase in total assets. The growth of inventories may indicate a number of both positive and negative aspects of the enterprise. This can be, for example, the expansion of economic activity; increasing the level of business activity of the enterprise; the desire to save money from depreciation due to inflation. Probable negative aspects include shortcomings in the work of the logistics department and irrational management of inventories. However, there are indicators in which such changes are not observed. For example, we can observe a significant decrease in the volume of the intangible assets (from 2363 thousand UAH in 2017 to 602 thousand UAH in 2019) and this, accordingly, is associated with the accumulation of depreciation.

The dynamics of the company's liabilities are shown in table E.1 (Appendix E).

Liabilities contain information about the amount of funds raised by the company in circulation from various sources. These tables show an increase in total capital and liabilities by 14%. The indicator of current accounts payable for goods and services changed the most (from UAH 12,951 thousand in 2017 to UAH 165,492 thousand in 2019). There is a similar increase in other indicators related to current accounts payable. The overall growth of current accounts payable may be due to both an increase in the volume of activity of the enterprise and the slowdown in the turnover of current assets in the reporting year, which required additional capital in the turnover of the enterprise. Inflation also played a significant role in the increase in accounts payable, as prices for goods and services for which there were liabilities to creditors increased during the study

periods. There is also a significant increase in the indicator of current ensuring (from 924 thousand UAH in 2017 to 2290 thousand UAH in 2019).

Let's analyze the dynamics of the financial results of the enterprise. The results of the analysis are shown in table F.1 (Appendix F).

After analyzing the reports on financial results for 2017 – 2019, we can draw the following conclusions. Net income from sales increased (from 988360 thousand UAH in 2017 to 1383392 thousand UAH in 2019). There is a significant increase in other operating income as well as in other operating expenses. There is a change in net financial result. If in 2017 it was a loss, then in 2019 it is a profit, so we can conclude that the indicator has increased significantly.

Indicators of business activity make it possible to assess how effectively the company uses funds. This group includes turnover indicators, which are of great importance for assessing the financial condition of the enterprise, because the speed of turnover, ie the speed of their conversion into cash, directly affects the solvency of the enterprise. The calculation results are given in table 2.2.

Table 2.2

Indicators of business activity of PJSC «Korosten MDF plant»

Indicators	2017	2018	2019
Asset Turnover	0,63	0,64	0,82
Inventory Turnover	2,52	2,34	3,02
Accounts Receivable Turnover	17,55	20,72	19,74
Accounts Payable Turnover	12,39	7,50	7,82
Days Inventory Outstanding (Days Sales of Inventory)	165,43	173,74	139,44
Cash Conversion Cycle	135,97	125,08	92,78

Note: built on the basis of processing the financial statements of PJSC «Korosten MDF Plant» (Appendix B)

Asset turnover ratio is 0,82 in the 2018. The higher the asset turnover ratio, the more efficient a company is at generating revenue from its assets. Conversely, if a company has a low asset turnover ratio, it indicates it is not efficiently using its assets to generate sales.

It's good that inventory turnover ratio is rising (from the 2,52 in 2017 to the 3,02 in 2019) because a low inventory turnover ratio means that certain products in just aren't selling and company have spent money on products that aren't giving a return on investment.

An increase in the receivables turnover ratio (from 17,55 in 2017 to 19,74 in 2019) indicates an increase in the rate of repayment of receivables, a decrease in sales on credit.

There is acceleration in the accounts payable turnover, but after a huge decreasing (from 12,39 in 2017 to 7,82 in 2019). A decreasing turnover ratio indicates that a company is taking longer to pay off its suppliers than in previous periods. A decreasing ratio could signal that a company is in financial distress. It could also mean the company has negotiated different payment arrangements with its suppliers.

A declining days inventory outstanding indicator over time can indicate that a company is able to sell inventory at a quicker pace.

Cash conversion cycle represents how fast a company can convert the invested cash from start (investment) to end (returns). The lower the indicator, the better, so it is good, that this indicator is declining (from 136 days in 2017 to 93 days in 2019).

Table 2.3

Liquidity ratios of PJSC «Korosten MDF Plant»

Indicators	01.01. 2017	01.01. 2018	01.01. 2019	01.01. 2020
Cash Ratio	0,08	0,02	0,01	0,02
Current Ratio	3,52	1,29	0,94	1,09
Quick Ratio (Acid-test ratio)	1,14	0,44	0,45	0,46
Financial Leverage (Debt-to-Equity Ratio)	-14,11	-14,66	-14,75	-30,43

Note: built on the basis of processing the financial statements of PJSC «Korosten MDF Plant» (Appendix B)

In general, given the results of the analysis, we can conclude that there is a negative trend in the dynamics of liquidity.

Figure 2.3, created on the basis of table 2.3, shows the dynamics of indicators in the form of a comparative graph.

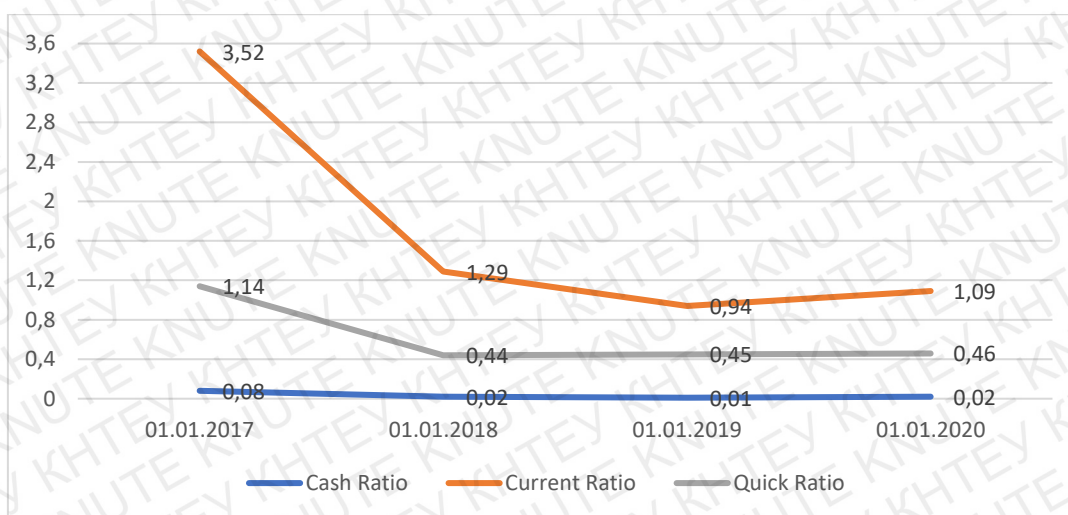


Figure 2.3. Dynamics of solvency ratios of PJSC «Korosten MDF Plant»

Note: built on the table 2.3

Absolute liquidity ratio (cash ratio) is the ratio of the most liquid part of assets and current (short-term) liabilities. The most liquid part of assets includes cash and cash equivalents. The indicator shows the share of the company's current liabilities that can be repaid immediately. In 2017, the figure was 0,08, but in 2019 it decreased to 0,01. Therefore, there is a high probability that the company will not be able to repay debts in time if the payments are due soon.

Current liquidity ratio is an indicator of the company's ability to meet current liabilities through current assets. The indicator shows how much working capital the company has for each hryvnia of current liabilities. At the enterprise under consideration, each hryvnia of current liabilities accounted for 3,52 UAH of working capital in 2017 and 0,94 UAH in 2019. The indicator decreased and is less than the regulatory value, which negatively affects the liquidity and solvency of the enterprise. This indicates a problematic state of solvency, as current assets are not enough to meet current liabilities. This leads to a decrease in confidence in the company by creditors, suppliers, investors and partners. In addition, solvency problems lead to an increase in the cost of borrowed funds and, as a result, to direct financial losses.

Quick liquidity ratio – a financial ratio equal to the ratio of highly liquid current assets to short-term liabilities. There is a deficit of cash and accounts receivables (current assets without inventory) to cover urgent current liabilities. The lower the ratio, the more

likely the company will struggle with paying debts. In 2019, the value of the indicator is lower than in 2017, so this is a positive trend.

The financial leverage (Debt to Equity Ratio) is an indicator of financial stability, which indicates the company's ability to meet its obligations in the medium and long term. A negative debt to equity ratio occurs when a company has interest rates on its debts that are greater than the return on investment. It can be because of taking on additional debt to cover losses instead of issuing shareholder equity, expensing intangible assets, such as trademarks, that exceed pre-existing shareholder equity values, making large dividend payments that exceed shareholders' equity, experiencing financial loss in periods following large dividend payments.

Let's analyze the indicators of financial stability. Financial stability ratios are tools for gauging ability to meet long-term obligations with enough working capital left to operate. For analysis, it is advisable to use the capitalization ratio, debt ratio, equity ratio, accounts payable-to-account receivable ratio. The results of the calculation are given in table 2.4.

Table 2.4

Financial stability ratios of PJSC «Korosten MDF plant»

Indicators	01.01. 2017	01.01. 2018	01.01. 2019	01.01. 2020
Equity Ratio	-0,08	-0,07	-0,07	-0,03
Debt Ratio	1,08	1,07	1,07	1,03
Capitalization Ratio	1,08	1,09	1,11	1,05
Accounts Payable-to-Accounts Receivable Ratio	0,56	2,36	2,24	2,27

Note: built on the basis of processing the financial statements of PJSC «Korosten MDF Plant» (Appendix B)

A low equity ratio (-0,03 in 2019) includes higher risk to the creditors and indicates that a large amount of debt was used to pay for the assets.

The debt ratio is a fundamental solvency ratio because creditors are always concerned about being repaid. When companies borrow more money, their ratio increases creditors will no longer loan them money. A ratio greater than 1 show that a significant part of debt is funded by assets (the company has more liabilities than assets) A high ratio

also indicates that a company may be putting itself at a risk of default on its loans if interest rates were to rise suddenly. A ratio below 1 translates to the fact that a greater portion of a company's assets is funded by equity. In the case of this company, we can not make unambiguous conclusions, even taking into account the analysis of the indicator in the dynamics, because the indicator is at level 1 with slight deviations throughout the study period.

The higher capitalization ratio would reflect that the company finances its operations and assets by way of long-term loans more. But there isn't the «right» amount of capitalization ratio for a company, because different industries operate differently. Throughout the study period, the indicator is at level 1 with slight deviations.

Indicator of account payable-to-account receivable is 2,27 in 2019. The accounts receivables are more than account payables that means a diversion of funds from the company's turnover.

The next point of analysis is the calculation of profitability of the enterprise. For this analysis, it is advisable to calculate a number of indicators, such as return on equity, return on investment, return on debt and other. The results of the calculation are given in table 2.5.

Table 2.5

Profitability ratios of PJSC «Korosten MDF plant»

Indicators	2017	2018	2019
ROE (Return on Equity)	0,09	-0,04	-0,68
ROA (Return on Assets)	-0,01	0,00	0,04
ROI (Return on Investment)	0,57	0,57	0,37
ROD (Return on Debt)	-0,01	0,00	0,05
ROR (Net Profit Margin)	-0,01	0,01	0,04
ROS (Operating Margin)	-0,02	0,01	0,06
Operating Expenses Ratio	3,69	0,26	0,42

Note: built on the basis of processing the financial statements of PJSC «Korosten MDF Plant» (Appendix B)

In general, given the results of the analysis, we can conclude that there is a negative trend in the dynamics of profitability ratios. Some indicators show an upward trend, but the growth rate is insufficient for us to be sure that these trends are positive.

Return on equity is a measure of the profitability of a business in relation to equity. Since equity can be calculated by taking all assets and subtracting all liabilities, ROE can also be viewed as a return on assets minus liabilities. If it drops (from the 0,09 in 2017 to -0,68 in 2019), that's often a sign that management is making poor reinvestment decisions or not generating enough income.

There is an increase in ROA (from the -0,01 in 2017 to 0,04 in 2019), but the ratio remains the same low. A low percentage return on assets indicates that the company is not making enough income from the use of its assets.

ROI is a financial ratio that illustrates the level of profitability or loss-making of a business, given the amount of investments made in this business. Any return on investment that results in a profit is good, but how much profit is required to consider the investment a success would depend on the business and the circumstances involved. In the case of the enterprise under study, this figure in the reporting period is 0,37 and it is not below the normative value.

Return on debt shows how much the usage of borrowed funds contributes to profitability. Increasing of this indicator (from -0,01 in 2017 to 0,05 in 2019) mean that the debt of the company increased.

The net profit margin is equal to how much net income or profit is generated as a percentage of revenue. Increasing ratio (from -0,01 in 2017 to 0,04 in 2019) is good situation, however, the growth rate in case of this company is too low.

The higher the operating margin (ROS) that a company has, the less financial risk it has – as compared to having a lower ratio, as in the case of this company (0,06 in 2019), indicating a lower profit margin.

As for the indicator of operating expenses ratio, there is a significant decrease (from 3,69 in 2017 to 0,42 in 2019). A lower operating expenses ratio is desired as it means that expenses are minimized relative to revenue.

2.2. Analysis of sales management effectiveness at the enterprise

The analysis of the efficiency of the sales system involves the calculation of indicators and taking into account the factors influencing the deviation of the planned indicators of sales from actual.

When quantifying the sales efficiency of an economic entity, it is advisable to calculate the following indicators [26]:

- sales volume (net income from sales);
- profitability of products (the ratio of net profit from sales to production costs);
- the average cost of inventories (arithmetic mean value of inventories at the beginning and end of the period);
- coefficient of intensity of turnover of inventories (the ratio of sales to the average cost of inventories);
- turnover (the ratio of the number of days in the period (year) to the coefficient of intensity of turnover of inventories).

Having considered the theoretical principles of evaluating the effectiveness of sales, we will conduct a practical testing of the results on the example of indicators of PJSC «Korosten MDF Plant».

Table 2.6

Dynamics of economic activity indicators of PJSC «Korosten MDF Plant»

Indicators, thousand UAH	Period			Absolute deviation, thousand UAH	
	2017	2018	2019	2018-2017	2019-2018
Net income (revenue) from sales of products	1003605,0	1074572,0	1383392,0	70967	308820
Volume of output	638056	682805	1007052	44749	324247
Average cost of inventories	252823,0	292057,0	333713,5	39234	41656,5

Note: built on the basis of processing the financial statements of PJSC «Korosten MDF Plant» (Appendix B)

The results of the analysis shown in Table 2.6 show that the growth rate of sales revenue is almost the same as the growth rate of output, which indicates that the company has a good sales ratio. The level of correspondence of changes in income from sales and

production volumes indicates that the company has consistency between production and sales subsystems.

Figure 2.4 graphically shows the dynamics of production and sales of manufactured products in PJSC «Korosten MDF Plant».

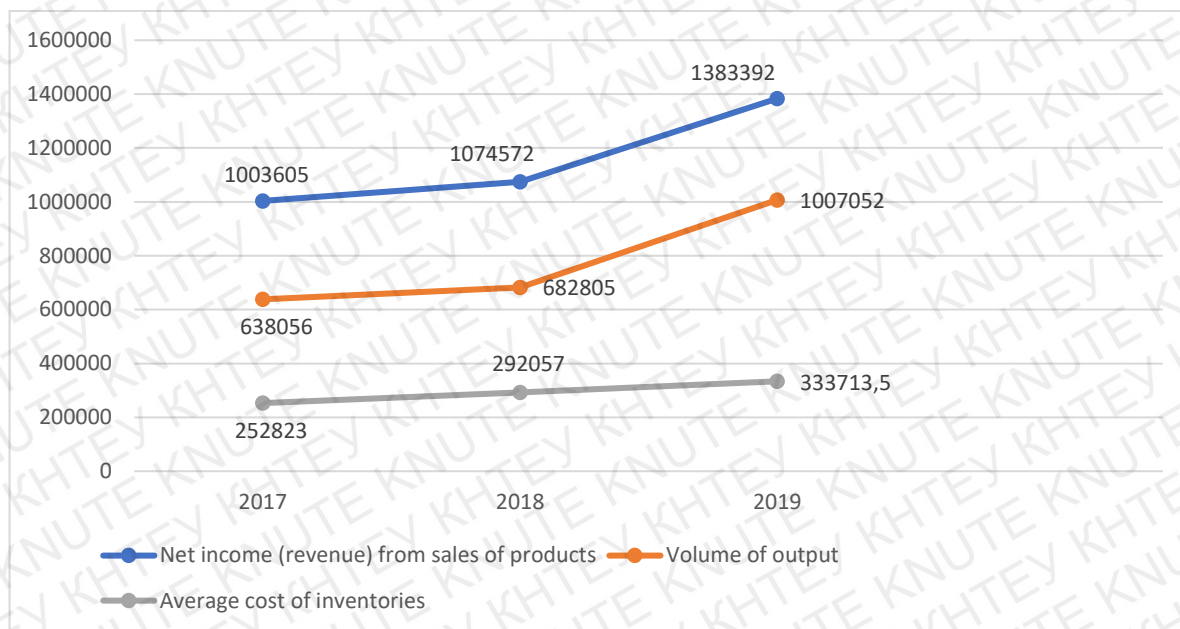


Figure 2.4. Dynamics of economic activity indicators of PJSC «Korosten MDF Plant»

Note: built on the basis of processing the financial statements of PJSC «Korosten MDF Plant» (Appendix B)

Quantitative indicators of sales efficiency are presented in table 2.7.

Table 2.7

Coefficients of efficiency of sales activity of PJSC «Korosten MDF plant»

Indicators	Periods			Absolute deviation, thousand UAH	
	2017	2018	2019	2018-2017	2019-2018
Product profitability, %	-1,58	0,79	5,98	2,37	5,19
Coefficient of turnover of inventories	3,97	3,68	4,15	-0,29	0,47
Turnover, days	92	99	88	7	-11
The share of unsold products in the value of the commodity mass, %	25,19	27,18	24,12	1,99	-3,06

Note: built on the basis of processing the financial statements of PJSC «Korosten MDF Plant» (Appendix B)

Figure 2.5 graphically shows the dynamics of coefficients of efficiency of sales activity in PJSC «Korosten MDF Plant».

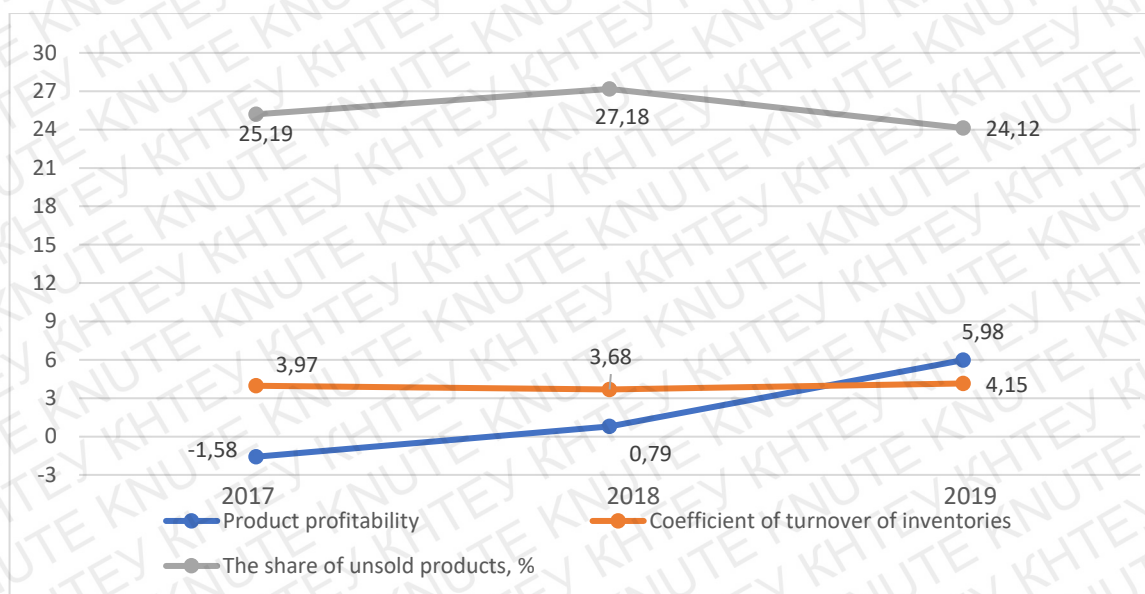


Figure 2.5 Dynamics of coefficients of efficiency of sales activity in PJSC «Korosten MDF Plant».

Note: built on the basis of processing the financial statements of PJSC «Korosten MDF Plant» (Appendix B)

The increase in the profitability of products during the reporting period indicates an improvement in the results of the enterprise.

During the study period, there is an increase in inventory turnover and this indicates that there is an improvement in inventory management policy.

The speed of turnover of goods is an important parameter of trade efficiency, but this figure is still quite high. If a company has a high indicator of turnover, it's not converting inventory into sales quickly, and may therefore not be managing inventory effectively compared to others within the sector. Also if it is high, the company's money is tied up in inventory for a longer period, meaning it cannot be deployed for other purposes. And the last reason why indicator is high – it may also be associated with overstocking, leading to higher than necessary storage costs and a high level of obsolete stock that may never be sold.

The share of unsold products is quite large and changes insignificantly during the study period.

It is also important to assess the effectiveness of employees of the sales department of the enterprise. Table 2.8 provides an analysis of the effectiveness of sales staff.

Table 2.8

Dynamics of performance of sales staff of PJSC «Korosten MDF Plant»

Indicators	Period			Absolute deviation, thousand UAH	
	2017	2018	2019	2018-2017	2019-2018
Net income (revenue) from sales of products, thousand UAH	1003605	1074572	1383392	70967	308820
Selling expenses, thousand UAH	36169	47487	50619	11318	3132
Financial results of operations, thousand UAH	310855	319449	341927	8594	22478
Average number of enterprise personnel, persons	520	560	558	40	-2
Average number of sales staff, persons	47	50	50	3	0
General salary fund of employees, thousand UAH	34883	46795,7	64510,7	11912,7	17715
Labor costs of sales staff, thousand UAH	3352,9	4398,2	5797,5	1045,3	1399,3
The share of sales staff in the staff of the enterprise, %	9	8,92	8,96	-0,08	0,04
The share of wages of sales staff in the general wage fund, %	9,6	9,39	8,98	-0,21	-0,41
Income from sales per employee of the sales department (thousand UAH)	21353,3	21491,4	27667,8	138,1	6176,4
Sales costs per employee of the sales department, thousand UAH	769,6	949,7	1012,4	180,1	62,7
Profit from operating activities per employee of sales department, thousand UAH	6613,9	6388,9	6838,5	-225	449,6

Note: built on the basis of processing the financial statements of PJSC «Korosten MDF Plant» (Appendix B)

Table 2.8 shows that the number of employees involved in sales activities has changed slightly compared to 2017, but their share in the total number of employees decreased. Accordingly, the share of the payroll of sales staff in the total payroll of the enterprise decreased. Also, the calculations showed a high level of income from sales per employee, so we can conclude about the effectiveness of their work. Performance indicators per 1 sales employee are growing, which is a positive trend. Such ratios testify to the maintenance of the efficiency of the sales service of the enterprise at a decent level.

Problems that we can diagnose due to the analysis of reporting and employee surveys may be related to the insufficient number of sales staff, which, in turn, has a negative impact on the speed of order processing, customer service and entails an increase in unsold products.

The next point of analysis is the ABC–XYZ analysis. The first step in accordance with the algorithm of ABC analysis is to determine the main problem, requirements, as well as the purpose of the analysis. Therefore, in the case of PJSC «Korosten MDF Plant» it is possible to identify the main problem of optimizing the cost of sales and use of sales staff, which are growing in the study period. The purpose of the analysis is to understand for which products from the company’s range it should be continued to allocate funds for sales and attract sales staff, as sales of these products have a significant impact on overall financial results, and which products are less valuable and the company can change its policy. We consider it appropriate to analyze the groups of goods and their contribution to the total net income from sales of the enterprise.

Table 2.9

ABC analysis of the product range of PJSC «Korosten MDF plant»

Product category	Net income (revenue) from sales of products	Share of commodity category in turnover, %	Share in turnover on a cumulative basis, %	Share of each subgroup, %	Group
Total	1383392	100,00			
MDF boards moisture resistant	529839,14	38,30	38,30	80	Group A
Laminate	410867,42	29,70	68,00		
MDF boards laminated on 2 sides	166007,04	12,00	80,00		
MDF boards laminated on 1 side	96837,44	7,00	87,00	15,40	Group B
MDF boards polished	60869,25	4,40	91,40		
HDF boards	55335,68	4,00	95,40		
Formwork slabs	41501,76	3,00	98,40	4,60	Group C
Cross-Laminated Timber	20750,88	1,50	99,90		
Lumber	1383,39	0,10	100,00		

Note: built on the basis of processing the financial statements of PJSC «Korosten MDF Plant» and the data received from the sale manager of enterprise (Appendix B)

Table 2.9 shows the results of the analysis. The analysis revealed a proportion that shows that group A gives 80% of income, group B – 15.40%, group C – 4.60%. We can see that group A consists of 3 groups of goods – MDF boards moisture resistant, laminate and MDF boards laminated on 2 sides. Despite the fact that laminates are the most numerous group of goods of the enterprise, the highest sales figures are MDF boards moisture resistant, because this product is the basis for further production of furniture, and «Korosten MDF plant» has a large number of customers – construction companies. These goods are the most important in the sales activities of the company, so the company's management should always maintain the availability of these goods both in retail chains and for the possibility of purchasing from the factory. Group B includes MDF boards laminated on 1 side, MDF boards polished and HDF boards. This is a group of promising products, but sales are smaller. The company's management should control the production and available stocks of these goods, but this control can be done less often. Group C includes formwork slabs, cross-laminated timber and lumber. These goods are the least significant and it does not greatly affect the overall financial results, but the company can not allow the exclusion of these goods from the range, because these goods are, firstly, part of the production of other goods, and secondly, the exclusion of these goods from the range completely change its structure.

The next step is to conduct an XYZ analysis, which can be used to determine the level of probability of forecasting demand for the product. Given the information available for analysis, we calculate the coefficient of variation for each product group for 3 years. The results of XYZ analysis of the contribution of the product group to the total net sales revenue are shown in table G.1 (Appendix G). The result obtained for all groups of goods is the same. All product groups are classified in group Y with a coefficient of variation of about 15% for each group of goods. So we can conclude, that this group is characterized by average fluctuations in demand and the average ability to predict sales.

Based on the results of ABC and XYZ analyzes, we can build a consolidated matrix that demonstrates the belonging of a certain group of goods to 1 of 9 combined groups.

All columns X are unfilled, which indicates that the company does not have unambiguous leading products and because of this there is some instability, but this is

adjusted by goods belonging to the group AY. According to the results of the analysis, the AY group includes MDF boards moisture resistant, Laminate and MDF boards laminated on 2 sides. This group provides the main income to the company and sales are quite stable, so you need to constantly monitor the availability of these goods.

The BY group also includes 3 product groups – MDF boards laminated on 1 side, MDF boards polished and HDF boards. This group is characterized by average profitability and an average level of predictability.

CY includes Formwork slabs, Cross-Laminated Timber and Lumber. This group does not put significant value on the company, as it is characterized by low profitability and periodicity of sales.

	X	Y	Z
A	AX	AY: MDF boards moisture resistant; Laminate; MDF boards laminated on 2 sides	AZ
B	BX	BY: MDF boards laminated on 1 side; MDF boards polished; HDF boards	BZ
C	CX	CY: Formwork slabs; Cross-Laminated Timber; Lumber	CZ

Figure 2.6. Combined matrix of ABC and XYZ analyzes

Note: built on the basis of Tables 2.9 and G.1(Appendix G)

The results of the study show that the general trends in sales activities of PJSC «Korosten MDF Plant» are positive and financial results in the form of income are increasing. The analysis of the range shows that there are groups of products that management needs to pay more attention to in management, as these products form the basis of sales.

PART 3

DEVELOPMENT OF SALES MANAGEMENT EFFECTIVENESS ON ENTERPRISE

3.1 Development and justifications of measures for efficiency of sales management

The concept of «improvement» in a broad sense – is a significant qualitative change of any object, aimed at improving the condition and giving it new properties necessary to better meet the objectives of its operation. Improvement of sales management is a continuous process of substantiation and realization of the most rational forms, methods, ways and ways of creation (restructuring) and development of sales system; rationalization, control and identification of weaknesses on the basis of continuous assessment of compliance of the system with the requirements of internal and external conditions of the organization. The problem of product sales is one of the main for the management of industrial enterprises. Growing competition in the domestic market, imports from Europe and Asia set the industry the task of improving the existing system of sales in order to retain customers, attract new ones and enter new markets [14].

Creating an effective sales system is necessary even if the company's work seems stable. There are some features of the distribution system that can serve as a prerequisite for the need to optimize this system. For example, shipped products don't arrive to consumers on time; processing customer orders takes several days; this is an unreasonably large insurance stock of finished products in the warehouse of the enterprise; absence of a part of the ordered production in a warehouse; reducing the company's market share.

The efficiency of sales activities is determined not so much by the efficiency of the used material and financial resources in the field of sales, as the ability of the sales staff to ensure maximum use of the potential of the enterprise. The latter is defined as the possibility and feasibility of using production, labor, financial and other resources of the enterprise. The presence of this set of assets of the enterprise will not provide competitive advantages and a stable market position. Only increasing the efficiency of active

marketing on the principles of marketing allows you to turn the potential of the enterprise into real achievements of competitiveness [35].

Based on the identification of strengths and weaknesses of sales activities, it is necessary to develop important strategic decisions aimed at creating a more effective sales policy. These can be the following steps:

1. Diversification of consumers of products (definition of market segments, expansion of sales regions).
2. Establishing close cooperation with the relevant departments of the executive authorities at all levels, to begin with – the local level, which procures at public expense and offers them the company's products.
3. Creating a mechanism of personal interest of sales staff in the profitability of the enterprise, and, accordingly, attracting new customers.
4. To ensure an increase in the share of cash settlements under agreements, taking into account financial and commercial risks.
5. Improving the staffing subsystem. Businesses need to form the right organizational structure to increase efficiency and reduce the cost of maintaining departments that can often be combined. It is necessary to develop standards for the effectiveness of sales managers and recommendations for improving the efficiency of their training.
6. Continuous training of sales service workers, introduction of new methods and techniques of sales, mastering of effective tools, organizational and technical means and information systems [14].
7. Creating an effective customer feedback system, a mechanism for reviewing and resolving issues related to customer claims.
8. Strengthening control over the activities of distributors and dealers. Company need to avoid complete dependence on buyers, the emergence of exclusive intermediaries who have the exclusive right to purchase all products. Therefore, it is important to have several intermediaries for all types of goods.

9. Continuation of direct distribution of products, not only cooperation with independent intermediaries. In this case, producer prices should be lower than the prices of intermediaries, and delivery conditions are better.
10. Improving the sales planning subsystem. Enterprises often show deviations from the rate of sales of goods and an increase in the company's market share from the set strategic goals. To eliminate these shortcomings it is necessary to more clearly outline the strategy of the enterprise, to determine the market share of the enterprise, to forecast sales of goods, based on modern methods and models [16].
11. Improving the subsystem of sales organization. Not all modern trade enterprises use the method of selling via the Internet in their activities, which significantly increases the turnover of goods, but the studied enterprise, which already sells some goods via the Internet, can continue to move in this direction and present other goods.
12. View the operation of the service support subsystem. To eliminate shortcomings in service, it is recommended to develop regulations on service and provide services based on service schedules and signed contracts, as well as take into account the cost of service when providing discounts to customers of the enterprise.

It should also be noted that for more efficient sales of the enterprise, it is necessary not only to stimulate sales, but also to control the cost of this item, as profits increase both from increasing revenues and reducing costs. Therefore, it is important for the company to work in both directions in the organization of its sales activities. Therefore, for PJSC «Korosten MDF Plant» it may be relevant to revise the item of sales costs in terms of reducing the cost of transportation of both raw materials and finished products. It may be necessary to study the transportation market, reconsider the feasibility of using its own fleet, implement a transport monitoring system, organize the transportation system in such a way as to optimize the cost of time and resources.

Of course, there are many advantages to maintaining company's own fleet, one of which is more effective control over the correctness of the routes carried out by drivers

and greater confidence in the integrity of drivers and the fact that they effectively use the company's funds. However, modern technology allows managers to control all processes and be confident in the efficient allocation of funds. One such modern method of control is transport monitoring systems. Satellite transport monitoring systems allow transport managers to track the actions of their employees related to vehicles and control the actual costs of these actions. These include mileage, number of refueling, volume of fuel required for the operation of cars, their speed, route. This control allows to use the capabilities of technology to the maximum, as well as streamline the use of time and money.

To increase the efficiency of sales activities of PJSC «Korosten MDF Plant» it is possible to use the scheme of «project» sales. Project sales are a long process of influencing in order to obtain a large and significant order for the company, depending on several people who make decisions in more than one division of the customer [17]. The sales data scheme covers all stages of the need for the company's products, which allows to increase sales and make the trading company a monopolist in the market of MDF boards and products from them. It is clear that by increasing sales, the company will be able to increase profits. After the process of «project» sales, the customer realizes what he needs and the process moves to «transactional» sales. At the moment, transactional buyers know what they want and believe that they do not need sellers, so they are not ready to meet with sellers. For such sales there is no need to keep a large amount of staff in the sales department. That is why it is proposed to divide the sellers into departments:

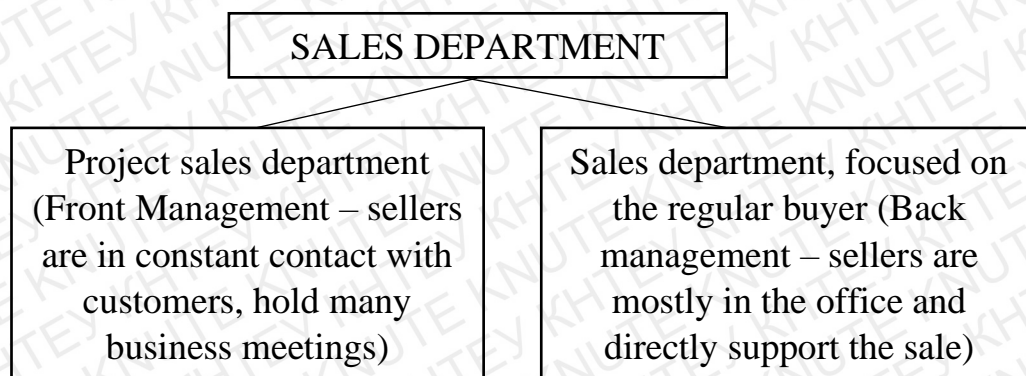


Figure 3.1. Separation of sales staff depending on the type of sales

Note: [20]

This will allow to properly share the responsibilities of sales managers and make sales more efficiently.

It is also proposed to expand the volume of sales staff to expand sales activities and, accordingly, increase sales and profits of the company. Table 3.1 compares the cost of hiring 5 sales staff and the benefits that can be obtained as a result.

Table 3.1

Benefits from hiring additional sales staff at PJSC «Korosten MDF Plant»

Indicators	Current period	Forecast after hiring 5 employees
Net income (revenue) from sales of products, thousand UAH	1383392	1521731
Financial results of operations, thousand UAH	341927	376119,5
Average number of enterprise personnel, persons	558	563
Average number of sales staff, persons	50	55
General salary fund of employees, thousand UAH	64510,7	65088,75
Labor costs of sales staff, thousand UAH	5797,5	6358,6
The share of sales staff in the staff of the enterprise, %	8,96	9,8
The share of wages of sales staff in the general wage fund, %	8,98	9,8
Income from sales per employee of the sales department (thousand UAH)	27667,8	27667,8
Profit from operating activities per employee of sales department, thousand UAH	6838,5	6838,5

Note: built on the basis of processing the financial statements of PJSC «Korosten MDF Plant» (Appendix B)

According to the results of calculations, we see that due to the increase in the number of employees in the sales department, the amount of the salary fund will increase accordingly. However, there is a significant increase in revenue and this is due to the fact that more employees are involved in sales and, accordingly, more attention is paid to each aspect of sales.

Business process automation is one of the successful strategies in any field of activity, which with the right choice of information system for data processing and analysis gives excellent results. Improving the efficiency of sales staff, productive

processing and analysis of the customer base, financial strategy planning and much more—all this can be achieved with the introduction of an automated system. Such a system for the researched enterprise can be CRM – Customer Relationship Management system. CRM is software for organizations designed to automate customer and customer interaction strategies, in particular to increase sales and improve customer service by storing all the necessary information about customers and their relationship history, establishing standard business procedures and further analyzing the results. CRM allows company to work with potential and existing customers on a customized business process. In the CRM–system can be automated a significant part of the company’s document flow: registration, approval of contracts and other documents.

The introduction of the CRM system in the activities of PJSC «Korosten MDF Plant» will improve the results of its work. The experience of implementing CRM systems in other companies shows a significant optimization and improvement in the operation of subsystems. The productivity of each customer service manager is doubled on average. Up to 80% reduce the time spent on routine operations: document generation, scheduling, etc due to the huge set of functionalities of the CRM system, as well as well–thought–out ergoeconomics of interfaces, which makes it convenient to work and ordinary employees. The reliability of management reporting increases, and its format moves to a qualitatively new level, because the collection and analysis of data is inextricably linked with the process of daily work of various departments. The increase in customer satisfaction is due to the fact that customers consider the company focused on solving their specific problems and see it more attentive to their needs, respectively, there is an improvement in the company’s reputation.

In particular, it is necessary to assess what costs the company will incur and what benefits it will receive as a result of the introduction of CRM system, which will definitely improve the company’s performance by optimizing paperwork and reducing the share of paperwork, increasing sales productivity, optimizing the control system.

According to the information that is publicly available on the website of one of the companies that provides CRM systems installation services, the cost of installing and maintaining the system for 1 year is UAH 42,240. This tariff provides for the use of the

system by an unlimited number of users and a professional toolkit, including analytics of reports, advertising campaigns, the ability to assess the dialogue between seller and buyer of both participants, the ability to filter orders by urgency, etc. There may also be a problem that will incur additional costs. This applies to material and technical inventory. This means that the company will need to purchase new laptops if it turns out that the existing ones are outdated and can not work with new software. The price for laptops, which in their functionality will fully meet the goals, starts from 8 thousand UAH. We can assume that for the correct operation of the system, it will be necessary to purchase 1 laptop in each department of the enterprise. This, respectively, 8 laptops with a total cost of 64 thousand UAH. Also, it is clear that the company will need to hire a specialist who will train employees to work with such software and help them submit all the documentation for all requirements. This may be a competent freelancer who has experience with the installation of automated systems in enterprises, or the enterprise may contact an agency that provides similar services. Both freelance sites and specialized agencies have a fixed price for similar services – from 350 UAH per hour. Suppose that in order to cover all the technical support of the new system and download all the necessary information, the employee will need at least 20 hours. Then the cost of adjustment services will be 7 thousand UAH. As a result, we get the amount of costs associated with the installation of software, which is 113,240 thousand UAH.

On average, the figure for the first three years of use is a 10% increase in sales per year. So let's calculate the benefit the company can get for 1 year after installing the CRM system. It is expected that sales revenue will increase by 3,3% compared to the previous year due to increased efficiency of sales staff, reduced processing time, order fulfillment and preparation of the necessary documentation. The results of the calculation are given in table 3.2.

Table 3.2

Calculation of the company's benefit from the implementation of the CRM system at PJSC «Korosten MDF Plant»

Period	Net income (revenue) from sales of products, thousand UAH
Current period	1383392
% benefit=3,3%	
2021	1429043,94
Benefit	45651,94
Expenses	113,24
Net benefit	45538,7

Note: built on the basis of processing the financial statements of PJSC «Korosten MDF Plant» (Appendix B)

Thus, based on the results of the calculation, we can see that the net benefit from the implementation of the system is 45538,7 thousand UAH. The company can use these funds for development, marketing activities to promote products, etc.

Sales promotion is one of the forms of marketing communications, the purpose of which is to promote the growth of sales of goods. Sales promotion – marketing activities other than advertising, promotion and personal sales, which stimulates consumer purchases and the effectiveness of dealers: exhibitions, demonstrations, various unique sales efforts. Today, sales promotion measures are becoming increasingly popular and are an effective and relatively inexpensive method of attracting potential buyers. Sales promotion is used in cases where it is required:

- increase sales in the short term;
- support the commitment of the buyer to a particular brand, company;
- support other promotion tools [28].

Also there are incentives that are not aimed at increasing sales at the moment, but to improve and maintain the image of the company, which can indirectly increase demand for its products. In this case, we can mention corporate social responsibility, which may consist of various actions of the enterprise to support, for example, the region, the environment and the community. This will increase consumer commitment to the company and, consequently, its products, reduce pressure from external critics of the

company, who, as in the case of PJSC «Korosten MDF Plant», consider the company environmentally unsafe.

We also consider it appropriate to note that the company has sales through the brand store, but there are only 1 type of product – laminate. The company's products are also presented in retail chains such as Nova Liniya, Oldi, Epicenter and others. Another sales channel is sales from the factory, ie customers can place orders and receive goods in the area where the production facilities are located. The inconvenience for customers is that there is only a delivery point without the ability to choose or study the range. Therefore, to expand sales, it will be advisable to open your own store within the company or in the city where the production facilities are located. The area where the production facilities are located allows the company to open a store there. This is a positive aspect, as no money is spent on finding and renting premises.

The main items of expenses that may arise when opening a store:

- purchase of trade equipment and software for trade automation: all equipment and software that will be needed in the store (racks, cash register, barcode scanner, check printer, etc.);
- construction work in the premises, which will be allocated for the store;
- designing of the store, branded signs;
- obtaining permits;
- staff salaries, store maintenance, utility bills;
- promotion costs.

The amount of initial investment in the business depends on the size of the store. According to entrepreneurs who have experience in organizing stores of this profile, the retail space of 100 square meters accounts for about 300–400 thousand UAH investments.

Given that certain elements that can be used to equip the store the company can produce itself, this is a significant saving. Personnel costs can be calculated by having information about the existing amount of the salary fund of sales staff. Suppose that the company needs to hire 7 more employees to operate the store – 4 to work in the trading hall and 3 for other operations. Then the additional amount of expenses for the first month of operation of the store will be 61,41 thousand UAH, for the first year – 808,92 thousand

UAH. Purchase of cash registers, cash boxes, terminals at current prices will cost the company about 70 thousand UAH. In order to turn the company's production premises into a branded store, it is necessary to attract competent designers and specialists who competently plan the space of the premises, take into account all the necessary aspects related to the sale of construction products to encourage buyers to buy. Suppose that construction and design work together with all the necessary materials will cost about 150 thousand UAH. Until the store opens, the company should conduct an advertising campaign in the local media. Advertising posters, banners on city streets should not only inform about the date of opening the store, but also carry information about its benefits, discounts, features of the range, etc. According to the prices for printing and placing banners in the city where the company is located, we can assume that printing several billboards and citylights will cost about 12 thousand UAH. Summarizing all the items of costs for opening a branded store by the company, we received an amount of 293,41 thousand UAH. The benefit that the company will receive as a result of receiving another sales channel for its products is difficult to estimate, because we do not have information on demand forecasts, but it is clear that this will be a significant additional income.

Recently, there was information on the Internet that in the city, where the production facilities of PJSC «Korosten MDF Plant», it is planned to open a factory for the production of furniture. So far there is no reliable information about the exact time in which this will happen, but this is a great chance for the company to expand sales. PJSC «Korosten MDF Plant» has certified products of good quality, so the company has a high chance to become an exclusive partner of the new company and fully provide the new furniture company with materials. The amount of sales that the company will increase as a result depends on the scale of the company planning to open, but it is already clear that the management of PJSC «Korosten MDF Plant» should not neglect this opportunity and prepare a proposal for cooperation.

We can conclude that each of the proposed methods can have a positive impact on sales of PJSC «Korosten MDF Plant», and provided the effective use of all of them the company can achieve financial indicators that will allow the company to be a leader in the industry.

3.2. Predictive assessment of the implementation of proposed measures

Successful activities of companies in the field of sales require the implementation of such management function as forecasting. The main purpose of forecasting is to determine the volume of sales in the future, which is the most effective for the company. Accordingly, the company allocates its resources in such a way as to achieve the appropriate indicators. The result of forecasting is a developed sales forecast for the future. Thus, forecasting is the process of predicting the value of sales for the future, and forecasting is a quantitative result of this process. Considering the essence of forecasting, we must keep in mind the differences between the concepts of sales forecast and sales plan. The sales forecast is the amount that can be achieved under certain conditions or the implementation of events. Sales plan – the number of goods that will be sold when performing certain actions. The value of the forecast is used in drawing up a sales plan, clarifying its value in this process. The sales forecast is primary and the sales plan is secondary, depending on the forecasting results. Quantitatively, there can be several forecasts, and there is only one plan.

We consider it expedient to develop a sales forecast for PJSC «Korosten MDF Plant» for 2020-2025. When developing a forecast, a number of factors must be taken into account.

The most common quantitative forecasting methods include:

- forecasting using moving averages;
- exponential smoothing;
- forecasting using the least squares method – graphical method.

The forecasting using moving averages method is quite common due to its simplicity. With this method, the projected value of sales in the future will be equal to its average volume for previous years. This approach is explained by the fact that the factors that acted both in the pre-forecast period and in the future are unchanged. However, it may change over time. Therefore, it is advisable to take data on sales revenue for the past few periods (the more periods included in the calculation, the more accurate the sales

forecast), to make averaging and on the basis of this indicator to determine the sales forecast for the future:

Table 3.3

**Calculation of the value of the sales forecast of PJSC «Korosten MDF plant»
using moving averages method**

Period	Net income, thousand UAH	Average sliding	Growth of pair average sliding	Average growth of sliding
2014	615395			
2015	875305	745350		
2016	988360	931832,5	186482,5	120908
2017	1003605	995982,5	64150	
2018	1074572	1039089	43106	
2019	1383392	1228982	189893,5	
2020	1504300	1443846	214864	139699,2
2021	1643999,2	1574150	130303,6	138133,27
2022	1782132,47	1713066	138916,23	138245,12
2023	1920377,59	1851255	138189,19	138238,13
2024	2058615,71	1989497	138241,62	138238,52
2025	2196854,23			

Note: built on the basis of processing the financial statements of PJSC «Korosten MDF Plant» (Appendix B)

The forecast shows that the amount of income from sales in 2021 will be 1643999,2 thousand UAH, in 2022 – 1782132,47 thousand UAH, in 2023 – 1920377,59 thousand UAH, in 2024 – 2058615,71 thousand UAH, in 2025 – 2196854,23 thousand UAH. After analyzing the dynamics of sales revenue, we can conclude that the projected volume is to some extent justified. However, this forecast does not take into account the factors that may affect the company's sales, in particular the fact that the company had problems in connection with the Covid-19 pandemic. This certainly had an impact, as a nationwide quarantine was introduced, the solvency of customers decreased, as well as the need of buyers for the products of this enterprise. So far, no one can accurately predict the period during which enterprises and the economy as a whole will resist and try to overcome the consequences.

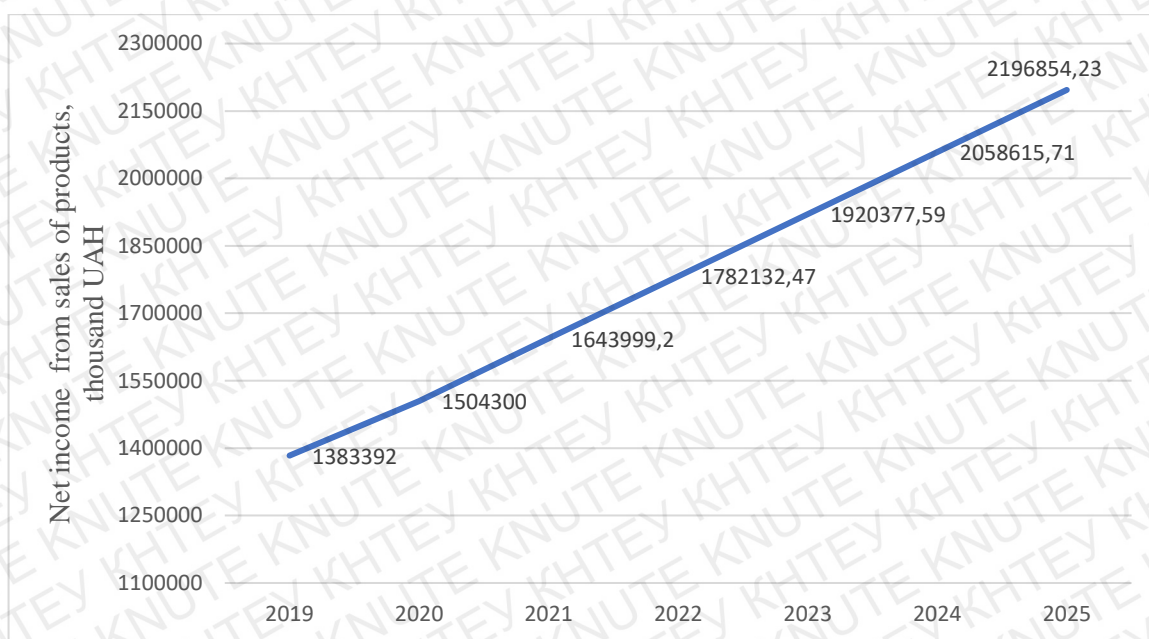


Figure 3.2. The value of the sales forecast of PJSC «Korosten MDF plant» using moving averages method

Note: by the author

The next method – graphical method – can also be used to forecast sales. The advantage of this method is ease of execution. The essence of this method is as follows:

- collection of information on actual sales volumes for previous years;
- construction of a coordinate system. Time periods are plotted on the abscissa axis, and sales volumes are plotted on the ordinate axis;
- fixing the point of intersection of the perpendiculars, lowered, respectively, from the two axes;
- drawing a straight line through these points, which is equidistant from all these points;
- from a point that is on the abscissa and corresponds to the predicted year, the perpendicular to the intersection with the drawn straight line, which is fixed by a point;
- from this point the perpendicular to the y-axis is lowered. The point of intersection and will determine the value of projected sales.

Therefore, we will analyze and build a forecast of net income from the sale of PJSC «Korosten MDF Plant» for 2020–2024 using the graphical method. The results are shown in Figure 3.2.

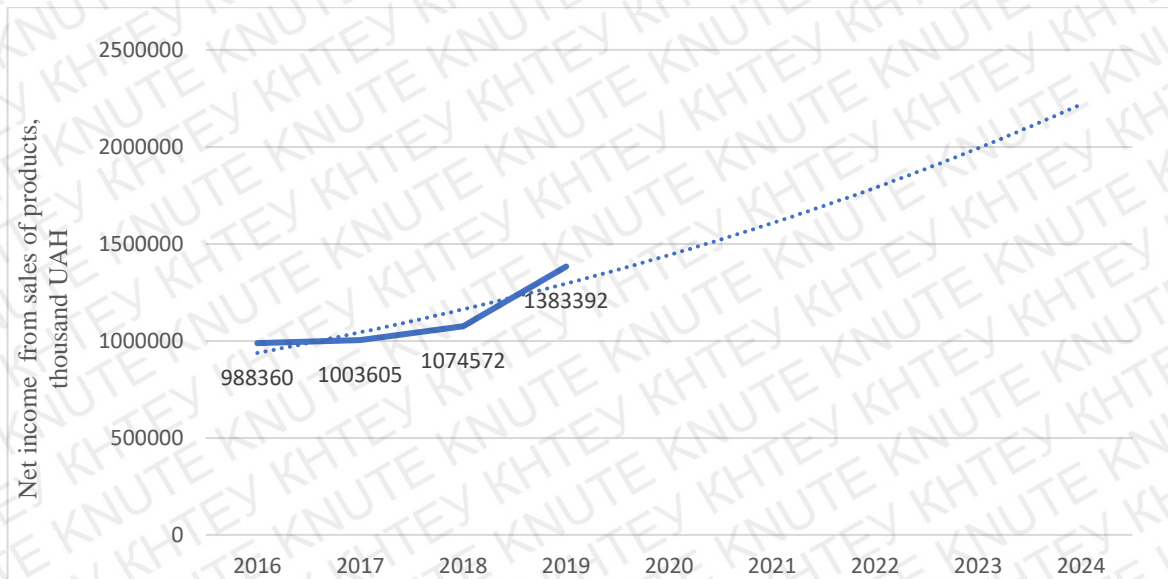


Figure 3.2. The value of the sales forecast of PJSC «Korosten MDF plant» using graphic method.

Note: built on the basis of processing the financial statements of PJSC «Korosten MDF Plant» (Appendix B)

In Figure 3.2 we can see that the projected revenue from sales in 2024 will be about 2200000 thousand UAH. This is not significantly different from the forecast that was performed by the previous method, so we can conclude that there is a high probability of its fulfillment.

We consider it expedient to calculate the payback period of projects proposed as measures to improve the efficiency of sales management.

This indicator is calculated by the formula:

$$PBP = \frac{II}{ACI}, \quad (3.1)$$

where II – initial investments, ACI – annual cash flow.

Let's calculate this period for the project which will solve a problem with speed of processing of orders at the enterprise – introduction of CRM of system and increasing. As we calculated earlier, the amount of costs that may be incurred by the company to implement information support, hire 5 employees and open a store – 984,7 thousand UAH. To calculate we use the amount of net income from sales of the enterprise, which was projected by the moving average method for 2021. Add to this indicator the sum of all benefits that the company will receive as a result of implementing measures to improve

efficiency. The amount of income from sales after the application of these measures will be 1827876,9 thousand UAH. The results of the calculations are shown in the table 3.4.

Table 3.4

Calculation of the payback period of the proposed projects at PJSC

«Korosten MDF Plant»

Initial investments, thousand UAH	Net income from sales of products, thousand UAH	Payback period, years
984,7	1827876,9	0,0005

Note: by the author

Figure 3.3 shows a comparison of net income from sales of products of PJSC «Korosten MDF Plant» before and after the implementation of the proposed measures to improve sales management.

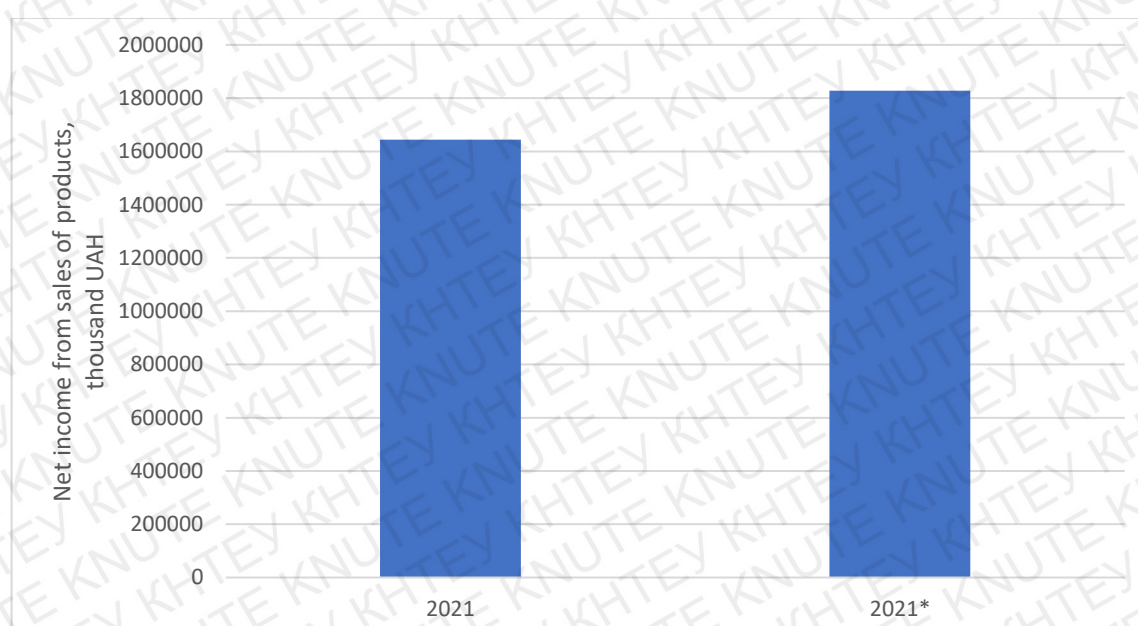


Figure 3.3. Comparison of net income from sales of products of PJSC «Korosten MDF Plant» before and after the implementation of the proposed measures.

Note: by the author

Estimation of the payback period is a kind of calculation of break–even point, because after the payback period the project begins to bring benefits, so the management of the company is interested in the payback period to be as short as possible. Therefore, it is known that there is a general rule of accepting projects by the payback period criterion: from alternative projects, a project with a shorter payback period is accepted. According to the results of the calculations, we received a payback period of 0,0005 years.

Of course, in real conditions it is quite difficult to predict a stable future cash flow, so the payback period can change significantly. However, the result obtained must fully satisfy the management of the enterprise, as it means that with stable operation of the enterprise and the absence of unpredictable factors of influence, the implemented project will pay off in a very short time.

Net present value (NPV) is one of the most important indicators for deciding whether to invest in a project. NPV is the level of profit that the project owner will receive during the planning period, having paid all operating costs and settled with the tax authorities, personnel, lender (investor), including paying interest (or taking into account discounting).

$$NPV = \sum_{t=0}^N \frac{CF}{(1+i)^t} - II, \quad (3.2)$$

where CF – cash flows, i – the estimated discount rate, t – time period, N – number of periods, II – initial investments.

Let's calculate this figure for the proposed project. We have all the necessary data for the calculation. It should also be noted that the discount rate taken into account in the calculation is 12%. Therefore, the results are shown in Table 3.5.

Table 3.5.

Calculated net present value of the implemented project for PJSC «Korosten MDF Plant»

Indicator	Result, thousand UAH
NPV	661853,26

Note: by the author

Therefore, the present value is UAH 661,853.26 thousand. This is a positive value and it means that the company should invest in this project.

Summarizing the above information and calculations, we can conclude that the proposed methods of improving sales activities will bring PJSC «Korosten MDF Plant» a real benefit in the form of increased sales and, accordingly, sales revenue.

CONCLUSIONS

A review of the definitions of sales management allows to characterize the main points in it:

1. Sales management – a category located at the intersection of marketing and management concepts.
2. Sales management – a category that can be considered as part of the marketing policy of the enterprise;
3. Sales management – a category related to customer focus.

Sales management is an activity which goal is to generate profits and meet the needs of the established chain (interaction), aimed at improving efficiency (the competitiveness of the enterprise as a whole in the process of working in the market) and is associated with the formation, organization and development of distribution channels (commercialization), rational system of movement of goods (logistics), marketing communications system (in terms of personal selling and sales promotion), effective management of sales staff [3].

Sales are a continuation of production activities, not only preserves the created, but also creates additional consumer value and the value of the goods, thereby increasing its total value. That is why sales management and its improvement is one of the necessary levers to achieve high efficiency of both marketing and enterprise activities in general. Also, sales management has gained importance to meet increasing competition and the need for improvement of methods of distribution to increase profits and to reduce cost. That is why in the current conditions it has become very relevant.

Businesses need to make changes in the activities of sales departments to best meet market requirements in solving pressing problems, such as:

1. Forming long-term relationships with customers, including determining their value to the firm and taking into account the possible ranking.
2. Creating a structure of the enterprise that would provide flexibility and the ability to adapt to the needs of different consumer groups.

3. Dissemination of trends in the exchange of experience between employees to increase productivity and job satisfaction.
4. Mentoring style of sales management instead of command.
5. Improving sales efficiency through the use of scientific and technological progress.
6. The use of the principle of complexity in assessing the effectiveness of sales staff, taking into account the full range of its activities.

Diagnosis of the efficiency of the sales system involves not only the calculation of the efficiency of the sales system, but also the analysis of factors that affect the deviation of planned and actual sales indicators. Quantitative assessment of the efficiency of the sales system involves comparing the dynamics and determining the rate of change and deviation of indicators of sales efficiency. Such indicators include:

- sales volume (net income from sales);
- net profit from sales;
- cost of goods sold;
- product profitability;
- coefficient of intensity of turnover of inventories;
- turnover;
- sales volume and profit from sales per 1 employee engaged in sales;
- payroll of sales staff.

Private joint stock company «Korosten MDF plant» is a production of MDF boards and laminate under the REZULT brand. The number of employees of the company is 558 people. As for the branch affiliation according to the NACE, the activity of the enterprise belongs to 3 types of economic activity:

- 16.21 – Manufacture of plywood, wood boards and panels, veneer.
- 46.47 – Wholesale of furniture, carpets and lighting accessories.
- 46.73 – Wholesale of wood, construction materials and sanitary equipment.

Main advantage of the company is a high quality of natural raw materials. Company use only certified non-business softwood timber. Plant has a large storage warehouse space for the MDF and laminate products (more than 27 thousand sq. meter).

The company's products include:

- MDF boards;
- HDF boards;
- laminated floor coverings;
- lumber.

The results of the SWOT analysis show the presence of weaknesses and possible threats to the enterprise, but these points can be overcome by making full use of existing strengths and the realization of all the opportunities that the researched enterprise has. For example, the risk associated with litigation due to public opinion that the company's activities are harmful to the environment in the region can be overcome by the company's active position in the field of corporate social responsibility. This will significantly improve the company's reputation.

The results of the analysis show that the growth rate of sales revenue is almost the same as the growth rate of output, which indicates that the company has a good sales ratio. The level of correspondence of changes in income from sales and production volumes indicates that the company has consistency between production and sales subsystems.

The ABC–XYZ product range analysis showed that the company has no products that are the absolute leaders in the ratio of the factors of the largest contribution to sales revenue and sales predictability. All products in the product range belong to group X, which means the absence of products with regular sales, but according to ABC analysis among the product range of the company there are 3 groups of products that provide 80% of sales revenue. These goods are the most promising and require constant monitoring of their availability in retail chains.

Based on the identification of strengths and weaknesses of sales activities, it is necessary to develop important strategic decisions aimed at creating a more effective sales policy.

To increase the efficiency of sales activities of PJSC «Korosten MDF Plant» it is possible to use the scheme of «project» sales. This will allow to properly share the responsibilities of sales managers and make sales more efficiently.

The introduction of the CRM system in the activities of PJSC «Korosten MDF Plant» will improve the results of its work. The experience of implementing CRM systems in other companies shows a significant optimization and improvement in the operation of subsystems. In particular, it is necessary to assess what costs the company will incur and what benefits it will receive as a result of the introduction of CRM system, which will definitely improve the company's performance by optimizing paperwork and reducing the share of paperwork, increasing sales productivity, optimizing the control system. Thus, based on the results of the calculation, we can see that the net benefit from the implementation of the system is 45538,7 thousand UAH. The company can use these funds for development, marketing activities to promote products, etc.

We also consider it appropriate to note that the company has sales through the brand store, but there are only 1 type of product – laminate. The company's products are also presented in retail chains such as Nova Liniya, Oldi, Epicenter and others. Another sales channel is sales from the factory, ie customers can place orders and receive goods in the area where the production facilities are located. The inconvenience for customers is that there is only a delivery point without the ability to choose or study the range. Therefore, to expand sales, it will be advisable to open your own store within the company or in the city where the production facilities are located.

Summarizing all the items of costs for opening a branded store by the company, we received an amount of 293,41 thousand UAH. The benefit that the company will receive as a result of receiving another sales channel for its products is difficult to estimate, because we do not have information on demand forecasts, but it is clear that this will be a significant additional income.

The calculation of the payback period and the net present value of the proposed projects showed that it would be appropriate for the company to implement these measures in its activities and start financing. Summarizing the above information and calculations, we can conclude that the proposed methods of improving sales activities will bring PJSC «Korosten MDF Plant» a real benefit in the form of increased sales and, accordingly, sales revenue.

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APPENDICES

Appendix A

13. Каса кредитної взаємодопомоги: огляд майданчиків P2P-кредитування. *Онлайн платформа p2p-кредитування*. URL: <https://finhub.ua/> (дата звернення: 11.02.2020).
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Робота виконана під науковим керівництвом канд. екон. наук, доцента
ПІДКАМІННОГО І. М.

SALES MANAGEMENT: THE ESSENCE AND PECULIARITIES

PETRENKO Y., 1 course of Master's degree FEMP KNUTE,
specialty «Trade Management»

In the article the concept of «sales management» is analysed. Approaches to defining the concept of «sales management» are systematized. The basic elements, functions and importance of it for organization are identified.

У статті проаналізовано поняття «управління продажами». Систематизовано підходи до визначення поняття «управління продажами». Визначено основні елементи, функції та важливість для організації.

Problem statement. The evolutionary transformation of economies into consumer economies is a trend of modern countries operating under market conditions. Buyers today have more opportunities to better meet their needs due to the widening range of products, increasing the number of sellers, improving forms and methods of sales service. Therefore, those manufacturers and sellers who are the first to apply modern mechanisms form an aging the sale of goods, are achieving better results in the conditions. The application of the mechanisms provides enterprises with a large number of advantages: increasing market share; sales growth; improvement of business results (profit, reduction of marketing costs), strong the ning of competitive position of the firm in the market. Therefore, action storm prove the process of managing the sale of good sis one of the most important levers to achieve high efficiency of the enterprise.

Theoretical and practical aspects of sales management appear in the studies of famous modern scientists and researchers: Stacey Malek [11], Anca Francisca Cruceru, Daniel Moise [1], Augusty Tae Ferdinand, Wahyuningsih Wahyuningsih [2], Hisashi Kurata, Berdymyrat Ovezmyradov [6] and others.

The purpose of the article. The main purpose is to find out the essence and peculiarities of sales management, determine the main function sand define the key tasks of sales processes.

The main results of the study. Businesses pay considerable attention the problems of optimizing the process of promotion of goods from producer to consumer. The results of their business activities largely depend on how well the distribution channels of goods, form sand methods of the ir sale have been selected. and also depends on the breadth of the range and quality

of services related to the sale of products provided by the enterprise. Enterprise sales management involves identifying priority areas, tool sand methods needed to activate sales. The development of an company's sales policy should be base don the results of an analysis of the existing sales system. Moreover, it is advisable to carry out this analysis not only in terms of quantity, but also in terms of quality: the level of service, customers at is faction, the effectiveness of communication policy, the correct choice of market segments, the performance of sales staff, etc.

A review of the definitions of sales management allows to characterize the main points in it:

1) sales management – a category located at the intersection of marketing and management concepts.

2) sales management–a category that can be considered as part of the marketing policy of the enterprise;

3) sales management – a category related to customer focus.

Sales management originally referred only to the direction of the sales force. Later the term took on broader significance in addition to the personal selling management. Sales management imply all marketing activities, including advertising, physical distribution, sales promotion, marketing research, pricing and product merchandising.

The definition of the essence of the concept of sales management can be found in the works of many foreign and domestic scholars. Among the mare D.Barkan [3], Lou Cassara [8], D. Jobber [7], D. Lancaster, I.Kuznetsov [9], O.Scriptunova [10], O.Yamkova [14] and N.Stevens.

The content of sales management is revealed in the writing sofs cientists, considerable at tensions paid to the processes of planning and fore casting of sales management.

Table 1

Varieties of definition of the essence of the concept of «sales management»

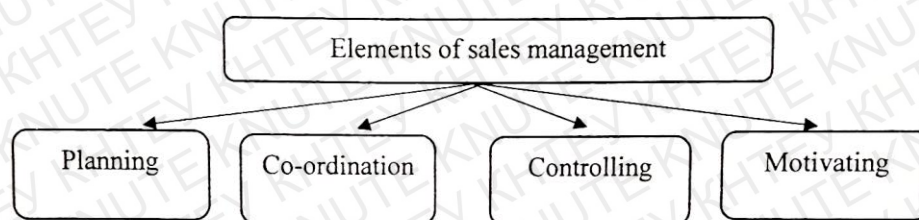
Author	Definition
D.Barkan [3]	Sales management is an activity whose goal is to generate profits and meet the needs of the established chain (interaction), aimed at improving efficiency (the competitiveness of the enterprise as a whole in the process of working in the market) and is associated with the formation, organization and development of distribution channels (commercialization), rational system of movement of goods (logistics), marketing communications system (in terms of personal selling and sales promotion), effective management of sales staff
I.Kuznetsov [9, p.17]	Sales management can be viewed as one of the types of organizational (marketing) activities aimed at establishing and achieving sales goals through adaptation and flexible response to changing environmental conditions.
Lou Cassara [8]	Selling as part of the company’s marketing system, which includes a set of actions to promote goods from seller to buyer
O.Scriptunova [10]	Sales management includes both people management and process management in the sphere of sales. Further specifying this definition, she notes that it includes a number of elements, including the distribution channels used and managed
V. Pylypehukand, O.Dannikov [13]	sales management is a system of relations in the field of commodity-money exchange between economically and legally free market entities that realize the ir commercial needs / interests, through the most effective satisfaction of effective e mand and taking in to account mark et requirements
O.Yamkova [14]	Sales management in two aspects: strategic and tactical. The strategic level of sales management is the process of choosing a market out reach strategy, the formation of a distribution network, and the planning of a commodity circulation system. The sedecisions require long-term commitments too the rentities and require some justification. Tactical management actions are aimed at the current regelation of the process of sale of goods and the implementation of such forms of marketing activity of the enterprise, ensuring the achievement of the set goals

Author	Definition
D.Jobber [7]	Sales management includes both people management and sales process management; it includes a number of elements, including the distribution channels used and their management
American marketing association	The planning, direction, and control of personal selling including recruiting, selecting equipping, assigning, routing, supervising, paying, and motivating as these tasks apply to the personal sales force

Note: by the author.

In order to fully understand the essence of the concept of «sales management», it is necessary to consider the key elements that are included in the system of actions of the sales manager as the main executor.

There are the four basic elements of sales management:



Picture 1. Elements of sales management

Note: by the author.

Planning is an integral part of any business process, as it is necessary to make a list of specific actions, assess all the possible risks and take them into account when preparing the plan. It is also important to evaluate the market conditions and take into account the likely changes.

Coordination is an element that must be taken into account in regulating employee collaboration and customer relations. It is in value's solving all problems together, sharing experience and professionalism etc.

The function of controlling means the sales manager has to check, that the sales activities are moving in the right direction or not, he has to take steps to ensure that the activities of the people conform to the plans of the company. The controlling system should be such that one can take corrective measures, so that similar problems may not occur in the future.

The motivation function is very important in view of the human factors, as it is one of the decisive points for inducing an employee to work. This helps organize individuals in to a team.

An understanding of the essence of sales management is the demonstration of certain tasks. These tasks include:

- effective and complete customer satisfaction in the relevant products;
- establishment of long-term partner contacts between the seller and customers;
- the company gains competitive advantages in the target markets;
- an increase in the amount of buyers, and ensuring the growth of market share;
- introduction of progressive sales technologies into the sales process;
- improving the efficiency of the company's marketing activities (increase in the value of sales of goods, level of profitability, reduction in marketing costsetc). [5]

The basis of the activities of sales managers as the main executor of sales management is their functions. They mean relatively separate areas of management that provide managerial action. The composition of sales management functions in form does not differ from the management functions, but in content between them there are a number of differences. Therefore, the sales management functions include, first of all, a sales organization that includes sales units, sales staff

functions (customer search, customer support, complaint handling, pre-sales preparation, product demonstration, negotiation, and other), establishing hierarchical subordination and defining the nature of relationships with other structures.

An important function of sales management is forecasting and sales planning. It includes the development of forecasts for the sale of goods, different sales plans (strategic, tactical, operational), the determination of quotas (individual sales volumes of goods to sales representatives). Salesman motivation is one of the functions of sales management that includes various forms of material and moral incentives. In order to increase the effectiveness of this function, it is advisable to carry out both individual and collective motivation. Combining these approaches will provide high managerial performance.

Sales management functions also include operational accounting and prompt regulation of sales results. These functions are intended to promptly adjust the various deviations from the tasks. Control completes the list of functions. It is conducted to evaluate completed sales tasks and develop measures to prevent future negative trends [12].

Conclusions. To summarize the information gathered about aspects of the concept under study, it can be said that sales management is an integral part of managing the activities of both a manufacturing enterprise that aims to sell its own products and a trade enterprise that is directly engaged in trade. Without effective sales management, the company will never succeed because it will have a limited number of customers and a steady market here that will not increase the organization's profits. Therefore, in order to gain significant advantage over competitors, the company must pay attention to all the key elements of sales management and make sure that the organization meets the necessary requirements. Only in this case we can conclude that sales management is effective and proper.

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Balance sheet (Statement of financial position) 2016-2019

Assets	Code	01.01. 2017	01.01. 2018	01.01. 2019	01.01. 2020
1	2	3	4	5	6
I. Fixed assets					
Intangible assets:	1000	2363	1165	895	602
initial value	1001	10272	10272	10272	10272
accumulated depreciation	1002	7909	9107	9377	9670
Incomplete capital investments	1005	6977	226498	193382	155391
Fixed assets:	1010	1141102	1024794	894803	904445
initial value	1011	1595525	1613341	1619451	1766196
depreciation	1012	454423	588547	724648	861751
Investment Property	1015				
Long-term biological assets	1020				
Long-term financial investments:					
other financial investments	1035	1560	392		
Long-term receivables	1040				
Deferred tax assets	1045				
Other fixed assets	1090				
Total for Section I	1095	1152002	1252849	1089080	1060438
II. Current assets					
Inventories	1100	215011	290635	293479	373948
Current biological assets	1110				
Accounts receivable for products	1125	59087	55308	48406	91760
Receivables accounts:					
for advances paid	1130	13451	84454	209420	158463
with a budget	1135	15641	2529	501	3381
including income tax	1136				
Other current receivables	1155	1527	1404	361	634
Current financial investments	1160				
Money and cash equivalents	1165	6868	6530	5271	14479
Prepaid expenses	1170	513	595	58	1785
Other current assets	1190	5245	776	1148	1609
Total for Section II	1195	317343	442231	558644	646059
III. Non-current assets held for sale and disposal groups	1200				
Balance	1300	1469345,0	1695080,0	1647724,0	1706497,0

Table B.2

Liability	Code	01.01. 2017	01.01. 2018	01.01. 2019	01.01. 2020
1	2	3	4	5	6
I. Equity					
The registered capital	1400	74125	74125	74125	74125
Capital in revaluation	1405				
Additional capital	1410	696	696	696	696
Reserve capital	1415				
Retained earnings (uncovered loss)	1420	-186890	-1989901	-194618	-132805
Unpaid capital	1425				
Withdrawn capital	1430				
Total for Section I	1495	-112069	-124080	-119797	-57984
II. Long-term liabilities and ensuring					
Deferred tax liabilities	1500				51299
Long-term bank credits	1510	265889	271795		
Other long-term liabilities	1515	1225378	1203258	1173287	1173287
Long-term ensuring	1520				
Targeted financing	1525				
Total for Section II	1595	1491267	1475053	1173287	1173287
III. Current liabilities and ensuring					
Short-term bank credits	1600				
Current accounts payable					
for the long term obligations	1610				
for goods and services	1615	12951	90055	91979	165492
for payments to budget	1620	300	552	970	782
including income tax	1621				
for insurance payments	1625	373	416	593	830
for payments of wages	1630	936	1851	2483	3266
Current ensuring	1660		924	1862	2290
Deferred income	1665				
Other current liabilities	1690	35239	245931	482894	405890
Total for Section III	1695	90147	344107	594234	591194
IV. Liabilities related to non-current assets held for sale and disposal groups					
	1700				
Balance	1900	1469345,0	1695080,0	1647724,0	1706497,0

Table B.3

Statement of financial performance (Statement of comprehensive income)

Item	Code	2016	2017	2018	2019
Net income (revenue) from sales of products (goods and services)	2000	988360	1003605	1074572	1383392
Cost of sales of products (goods and services)	2050	637157	638056	682805	1007052
Gross:					
profit	2090	351203	365549	391767	376340
loss	2095				
Other operating income	2120	27371	94774	197090	190459
Administrative expenses	2130	19034	23763	27317	47810
Selling expenses	2150	20416	36169	47487	50619
Other operating expenses	2180	31429	89536	194604	126443
Financial results of operations:					
profit	2190	307695	310855	319449	341927
loss	2195				
Income from equity	2200				
Other financial income	2220	794	351	364	239
Other income	2240	125366	43038	5138	
Financial expenses	2250	286657	299253	288105	281589
Losses from equity	2255				
Other expenses	2270	195987	65076	31437	324
Financial results before tax:					
profit	2290	-48789	-10085	5409	60253
loss	2295	48789	10085		
Expenses (income) income tax	2300				
Profit (loss) from discontinued operations after tax	2305				
Net financial result:					
profit	2350	-48789	-10085	5409	60253
loss	2355	48789	10085		

SWOT analysis of PJSC «Korosten MDF Plant»

Strengths	Weaknesses
<ol style="list-style-type: none"> 1. Availability of raw materials in the region. 2. The base of the enterprise includes everything necessary for production. In addition to the technological production line, the plant has large warehouses, a network of transport communications. 3. Favorable location. 4. Support of the industrial park within which the enterprise operates. 5. The company has certificates of conformity of quality of the used raw materials and finished goods to the international standards and conclusions of examinations confirming safety of production.. 6. Using a Quality Management System. 7. The company has a certificate of compliance with FCS standards for the legality of purchased raw materials, ie all raw materials purchased for further processing are of legal origin. 8. 80% of the products are sold for export. The main countries to which products are sold: the Czech Republic, Poland, Finland, Italy, India, Korea, Japan, and others. 	<ol style="list-style-type: none"> 1. Products are not present in all retail chains. 2. Reputational problems – a negative public opinion about the pollution of the environment. 3. Lack of own sales networks (branded stores). 4. In the online store of the brand, which presents products in retail chains, only a part of the products is presented, everything else can be purchased only directly from the factory. 5. Low speed of order processing by sales staff.
Opportunities	Threats
<ol style="list-style-type: none"> 1. Expansion of the product range. 2. Increasing the share of sales in the domestic market. 3. Improving the image of the enterprise through the introduction of the principles of corporate social responsibility. 	<ol style="list-style-type: none"> 1. The company, like any other company, in modern economic development, taking into account the nature of state regulation of financial activities, inflation in the country, the level of competition in certain segments of the financial market, is sufficiently exposed to price risks, credit risk, liquidity risk and / or cash flow risk.

	<ol style="list-style-type: none">2. Threat of reducing the number of skilled workers due to labor migration.3. Litigation between the company and environmental organizations and community.4. Solvency problems.
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Note:[by the author]

Dynamics of changes in the volume of assets of PJSC «Korosten MDF Plant»

Indicators	Volume, thousand UAH				Absolute deviation, thousand UAH			Growth rates, %		
	01.01. 2017	01.01. 2018	01.01. 2019	01.01. 2020	on 01.01. 18	on 01.01. 19	on 01.01. 20	2018-2017	2019-2018	2020-2019
I. Fixed assets										
Intangible assets:	2363	1165	895	602	-1198	-270	-293	-50,70	-23,18	-32,74
initial value	10272	10272	10272	10272				0,00	0,00	0,00
depreciation	7909	9107	9377	9670	1198	270	293	15,15	2,96	3,12
Incomplete capital investments	6977	226498	193382	155391	219521	-33116	-37991	3146,35	-14,62	-19,65
Fixed assets:	1141102	1024794	894803	904445	-116308	-129991	9642	-10,19	-12,68	1,08
initial value	1595525	1613341	1619451	1766196	17816	6110	146745	1,12	0,38	9,06
depreciation	454423	588547	724648	861751	134124	136101	137103	29,52	23,12	18,92
Long-term investments	1560	392			-1168	-392	0	-74,87	-100	
Total for Section I	1152002	1252849	1089080	1060438	100847	-163769	-28642	8,75	-13,07	-2,63
II. Current assets										
Inventories	215011	290635	293479	373948	75624	2844	80469	35,17	0,98	27,42
Accounts receivable for products	59087	55308	48406	91760	-3779	-6902	43354	-6,40	-12,48	89,56
Receivables accounts:										
for advances paid	13451	84454	209420	158463	71003	124966	-50957	527,86	147,97	-24,33
with a budget	15641	2529	501	3381	-13112	-2028	2880	-83,83	-80,19	574,85

Continuation of table D.1

Other current receivables	1527	1404	361	634	-123	-1043	273	-8,06	-	74,29	75,62
Money and cash equivalents	6868	6530	5271	14479	-338	-1259	9208	-4,92	-	19,28	174,69
Prepaid expenses	513	595	58	1785	82	-537	1727	15,98	-	90,25	2977,59
Other current assets	5245	776	1148	1609	-4469	372	461	-85,20	-	47,94	40,16
Total for Section II	317343	442231	558644	646059	124888	116413	87415	39,35	26,32	15,65	
III. Non-current assets held for sale and disposal groups											
Balance	1469345	1695080	1647724	1706497	225735	-47356	58773	15,36	-2,79	3,57	

Note: built on the basis of processing the financial statements of PJSC «Korosten MDF Plant» (Appendix B)

Dynamics of changes in the volume of liabilities of PJSC «Korosten MDF Plant»

Indicators	Volume, thousand UAH				Absolute deviation, thousand UAH			Growth rates, %		
	01.01. 2017	01.01. 2018	01.01. 2019	01.01. 2020	on 01.01. 18	on 01.01. 19	on 01.01. 20	2018-2017	2019-2018	2020-2019
I. Equity										
The registered capital	74125	74125	74125	74125	0,00	0,00	0,00	0,00	0,00	0,00
Additional capital	696	696	696	696	0,00	0,00	0,00	0,00	0,00	0,00
Retained earnings	-186890	1989901	-194618	-132805	-180301	1795283	61813	964,74	-90,22	-31,76
Total for Section I	-112069	-124080	-119797	-57984	-12011	4283	61813	10,72	-3,45	-51,60
II. Long-term liabilities										
Deferred tax liabilities				51299	0	0	51299			
Long-term bank credits	265889	271795			5906	-271795	0	2,22	-100	
Other long-term liabilities	1225378	1203258	1173287	1173287	-22120	-29971	0	-1,81	-2,49	0,00
Total for Section II	1491267	1475053	1173287	1173287	-16214	-301766	0	-1,09	-20,46	0,00
III. Current liabilities										
Current accounts payable:										
for goods and services	12951	90055	91979	165492	77104	1924	73513	595,35	2,14	79,92
for payments to budget	300	552	970	782	252	418	-188	84,00	75,72	-19,38
for insurance payments	373	416	593	830	43	177	237	11,53	42,55	39,97

Continuation of table E.1

for payments of wages	936	1851	2483	3266	915	632	783	97,76	34,14	31,53
Current ensuring		924	1862	2290	924	938	428		101,52	22,99
Other current liabilities	35239	245931	482894	405890	210692	236963	-77004	597,8 9	96,35	-15,95
Total for Section III	90147	344107	594234	591194	253960	250127	-3040	281,7 2	72,69	-0,51
IV. Liabilities related to non-current assets held for sale										
Balance	1469345	1695080	1647724	1706497	225735	-47356	58773	15,36	-2,79	3,57

Note: built on the basis of processing the financial statements of PJSC «Korosten MDF Plant» (Appendix B)

Retrospective analytical statements of income of PJSC «Korosten MDF Plant»

Indicator	2016	2017	2018	2019
Net income (revenue) from sales of products (goods and services)	988360	1003605	1074572	1383392
Cost of sales of products (goods and services)	637157	638056	682805	1007052
Gross:				
profit	351203	365549	391767	376340
loss				
Other operating income	27371	94774	197090	190459
Administrative expenses	19034	23763	27317	47810
Selling expenses	20416	36169	47487	50619
Other operating expenses	31429	89536	194604	126443
Financial results of operations:				
profit	307695	310855	319449	341927
loss				
Income from equity				
Other financial income	794	351	364	239
Other income	125366	43038	5138	
Financial expenses	286657	299253	288105	281589
Losses from equity				
Other expenses	195987	65076	31437	324
Financial results before tax:				
profit			5409	60253
loss	48789	10085		
Net financial result:				
profit			5409	60253
loss	48789	10085		

Note: built on the basis of processing the financial statements of PJSC «Korosten MDF Plant» (Appendix B)

XYZ analysis of the range of goods of PJSC «Korosten MDF plant»

Product category	Share in net sales revenue, thousand UAH	Variation, %
MDF boards moisture resistant	529839,14	14,29
	411561,08	
	384380,72	
Laminate	410867,42	14,29
	319147,88	
	298070,69	
MDF boards laminated on 2 sides	166007,04	14,29
	128948,64	
	120432,6	
MDF boards laminated on 1 side	96837,44	14,29
	75220,04	
	70252,35	
MDF boards polished	60869,25	14,29
	47281,17	
	44158,62	
HDF boards	55335,68	14,29
	42982,88	
	40144,2	
Formwork slabs	41501,76	14,29
	32237,16	
	30108,15	
Cross-Laminated Timber	20750,88	14,29
	16118,58	
	15054,08	
Lumber	1383,39	14,29
	1074,57	
	1003,61	

Note: built on the basis of processing the financial statements of PJSC «Korosten MDF Plant» and the data received from the sale manager of enterprise (Appendix B)