









Improving the Process of the Financial Potential Management of Tourism Enterprises

Nataliya Tanklevska¹  , Viktoriia Petrenko² , Alla Karnaushenko¹ ,
Vitalina Yarmolenko¹ , and Tetiana Kostiuk³ 

¹ Kherson State Agrarian University, Stretenska Street 23, Kherson 73000, Ukraine
ntanklevska@gmail.com, allakarnaushenko88@gmail.com

² Kherson State University, University Street 27, Kherson 73003, Ukraine

³ Kharkiv National University of Civil Engineering and Architecture, Sumska Street 40,
Kharkiv 61000, Ukraine

Abstract. The objective of this study was to explore theoretical and practical basis of improving the process of the financial potential management of tourism enterprises. In the conditions of pandemic and post-pandemic time, the tourism industry of Ukraine and other countries of the world faces many new challenges, including the preservation and use of its financial potential. Based on the financial statements of 12 tourism enterprises, the financial potential of the business entities of the industry has been assessed, and regression analysis methods have been applied to the financial resources that form this potential. After carrying out correlation and regression analysis of own capital and main indicators of financial potential of tourist enterprises, a high degree of interdependence has been revealed. With the developed “Matrix of Strategic Benchmarks for Strengthening the Financial Potential of Tourism Enterprises”, industry entities can assess their financial security and potential, as well as ways to improve them. Based on the results of the activity of the examined tourism enterprises, the effectiveness of strategic benchmarks for strengthening the financial potential in the context of three groups of indicators was tested: indicators of financial security, financial independence and financial stability.

Keywords: Financial potential · Tourism · Tourist enterprises · Management · Financial resources

1 Introduction

The global economic crises have been the driving factors for the development of tourism businesses in different countries, which have started to use the existing economic potential in international tourism as a specific source of foreign exchange resources, but today the industry has faced new challenges in the form of a pandemic. Local and regional authorities are promoting their own territories to assist the tourism industry in adapting to the current difficult economic situation by diversifying and developing more sustainable industry-specific business models. The purpose of each country’s current tourism

policy is to turn tourism into a competitive, modern, sustainable and highly profitable business sector.

European experience shows that local and regional authorities, on whom sustainable management of tourist destinations depends, must play a key role in the development of tourism activities. Tourism is one of the most profitable sectors of the economy, as investment efficiency can be equated with oil and gas, refining and motor industries [5, 24]. At the beginning of the 21st century, in terms of income, tourism ranked third among the leading industries in the world economy. In many countries and regions, tourism is a major source of income. In terms of the number of employees, the tourism industry has become one of the largest in the world – it employs over 260 million people, i.e. every 10th employed person. Global travel revenues account for more than \$ 500 billion annually [11]. Western Europe and the USA have the highest profits.

According to the forecasts of the World Tourism Organization, tourism will occupy a leading position in the field of world export in the next ten years. Recently, tourism and recreation in Ukraine are gaining popularity. As a matter of fact, Ukraine has great potential and possesses almost all resort resources: natural thermal waters, hydro-resources, therapeutic mud, mixed coniferous forest and the sea coast. Almost every region of the country has its own unique natural and recreational resources, which have become the basis for the sanatorium-and-health-resort areas. The current state of formation and realization of the existing tourism potential, given the Ukrainian tourist services market, can be described as uneven [6]. This situation is caused by the concentration of several attractive regions in the tourist services market, the prerequisites for tourism development in which “lie on the surface”, and their own city is an infrastructure centre and its circumference is often impossible or illogical due to geographical and administrative location, or because of marketing actions and their results.

Ukraine, with its significant tourism and recreational potential, can join the most visited countries in the world. But despite all the favourable territorial and climatic conditions for conducting tourist activities, there are many problems in Ukraine. Economic and political instability, neglected transportation infrastructure, outdated facilities of resorts and poorly qualified service personnel adversely affect the performance and financial state of tourism entities. In the course of economic activity, economic entities need to keep an eye on their existing financial needs, including the search for sufficient financial resources and their rational use and opportunities for their effective functioning and development. In such circumstances, namely the strengthening of financial potential allows solving the important problems of tourism enterprises.

The entities of tourism activity are daily faced with the need to ensure financial efficiency and financial security of activities, strengthen financial autonomy, as well as enhance the competitiveness of the services provided [14, 25, 26]. This forces business entities to pay considerable attention, above all, to the financial potential that should be directed towards its dynamic development [17, 27]. The above circumstances substantiated the relevance of the chosen area of research.

2 Literature Review

The term “potential” was first used in the 1970’s and 1980’s by European researchers who used it to characterize various aspects of problematic issues: economics, scientific and

technological progress, production, investment etc. Despite a rather long time of exploring the potential, the essence of this definition is not uniquely interpreted and is covered by different researchers, depending on the problems they analyze. The general meaning of the concept is revealed in the Encyclopaedia of Businessman, Economist, Manager [3]: “available opportunities, resources, reserves, tools that can be used to achieve, accomplish anything”. The theoretical and applied provisions of financial potential are partially presented in scientific works and monographs of the following researchers: Balabanov I. [1], Blank I. [2], HrubáR. [4], Tanklevska N. [17], Izrayleva O. [7], Khrynyuk O., Bova V. [8], Krasnokutska N. [9], Odum C. [11], Paratsiy O. [13], Petrenko V., Karnaushenko A. [14], Trusova N. [21], Prystemskiy O. [20] etc. The financial potential of enterprises was studied by Kuntsevych V. [10] and Paratsiy O. [13], who use models or use a set of models and techniques to form the concept of their management effectiveness. The monograph “Management of Capital Utilization” [2] deals with the analysis of the efficiency of capital utilization, which is carried out using the coefficients of profitability, turnover and capital efficiency.

Pikkemaat, B. and Zehrer, A. [15] paid attention to the innovative potential of small tourism firms in their works, as well as to estimating relationships between the experience of service and innovations for small family businesses in the tourism industry. An important element in the development of tourism enterprises is financing and gaining financial independence and autonomy. Panasiuk A. [12] places emphasis on the range of financing of the regional tourism economy in the perspective of EU financing. Literature review indicates the importance of the development of tourism activities for both the state and employment of the population, and the subjects of tourism business must achieve high financial security, financial independence and stability in their activity. Particular attention should be paid to the financial security of tourism enterprises as a strategic benchmark for enhancing their financial potential.

3 Purpose of the Study

The aim of this article is the development of theoretical basis and practical recommendations for improving the process of the financial potential management of tourism enterprises.

4 Methodology

The authors used the following methodology to evaluate the financial potential of a tourism enterprise, which consists of the steps as follows: gathering of information that characterizes the financial activity of the enterprise. The main sources for obtaining information are: financial statements, statistical financial statements, information from banking institutions and other information; selection and calculation of key indicators characterizing financial stability, solvency and liquidity of the enterprise. At this stage, it is proposed to perform rapid analysis of key indicators; formation of a system of financial indicators, based on which the thresholds of coefficients will be ranked and determined in order to attribute them to one or another type of financial stability and level of financial potential of enterprises.

Using the rapid analysis (Table 1), we carried out an evaluation of the financial indicators of tourism enterprises, which allowed analyzing the liquidity, solvency and financial stability of the enterprise in order to attribute them to one or another level of financial potential of the enterprise.

Table 1. Rating evaluation of the financial potential of a tourism enterprise by financial indicators.

Indicator name	Calculation formula	Level of evaluation of the financial potential of the enterprise		
		Low	Medium	High
Financial independence ratio (<i>R ind</i>)	Equity and security (line 1495 + 1525 + 1630 + 1690)/balance sheet total (line 1900)	<0.3	0.3–0.5	>0.5
Financial dependence ratio (<i>R dep</i>)	Current liabilities and security (line 1595) + Long-term liabilities and security (line 1695)/Balance (line 1900)	>0.5	0.3–0.5	<0.3
Security ratio of net working capital (<i>R sec</i>)	Net working capital (line 1495) – Fixed assets (line 1095)/Current assets (line 1195)	<0.05	0.05–0.1	>0.1
Self-financing ratio (<i>R s.-fin</i>)	Net working capital (line 1495)/Current liabilities and security (line 1595) + Long-term liabilities and security (line 1695)	<0.5	0.5–1.0	>1
Total liquidity ratio (<i>R tot. Liq.</i>)	Current assets (line 1195) /Current liabilities and security (line 1595)	<1.0	1.0–2.0	>2.0
Quick liquidity ratio (<i>R q. liq.</i>)	Current assets – inventory [(line 1195 – line 1100)]/Current liabilities and security (line 1595)	<0.4	0.4–0.8	>0.8
Absolute liquidity ratio (<i>R abs. Liq.</i>)	Cash and cash equivalents (line 1160 + line 1165)/Current liabilities and security (line 1595)	<0.1	0.1–0.2	>0.2

(continued)

Table 1. (continued)

Indicator name	Calculation formula	Level of evaluation of the financial potential of the enterprise		
		Low	Medium	High
Profitability of total assets (<i>P</i> tot. Ass.)	Financial result before taxation Form No. 2 line 2290 (2295/Form No. 1 Balance sheet (line 1900))	<0.05	0.05–0.1	>0.1
Return on equity (<i>R</i> equity)	Net income from sale of products (goods, works, services) Form No. 2 line 2350/Form No. 1 Equity line 1495	<0.1	0.1–0.15	>0.15
Efficiency of using assets for production of products (<i>E</i> ass.)	Net income (proceeds) from sale of products (Form No. 2 line 2000)/Balance sheet (line 1900)	<1.0	1.0–1.6	>1.6

High level indicates that the activity of the enterprise is profitable and its financial position is stable. Medium level indicates that the activity of the enterprise is profitable, but financial stability is largely dependent on changes in the internal and external environment of the enterprise. Low level indicates that the enterprise is financially unstable. Information on the financial results of tourist enterprises (Balance sheet (Form 1) and the statement of financial results (item 2)) was provided by 12 business entities operating in the field. To determine the importance and weight significance of individual factors influencing the ability of tourist enterprises to generate net cash flows, we used regression analysis methods for resources that form the financial potential of the enterprise.

General and special methods were used, in particular: monograph - for a deep study of individual phenomena, processes of formation of financial potential of tourism enterprises, as well as for identification of the cause and effect relationships of their development; historical and dialectical - for study of the essence of the definition of “financial potential of tourism enterprises”; abstract-logical, induction and deduction - to build the structure of research, identify and justify cause and effect relationships, to formulate theoretical generalizations and conclusions; analysis and synthesis - to study the structure of financial potential of tourism enterprises; systematization and extrapolation - for a comprehensive assessment of individual aspects of the object under study and the matter; comparative analysis and statistical grouping - to study the current state, dynamics and trends of the financial potential of tourism enterprises.

5 Findings and Discussion

It is worth noting that in recent years, the vector of domestic tourism products development has shifted towards finding new destinations. The signing of the Association Agreement of Ukraine with the EU Member States affected the overall geography of inbound tourists (Table 2). It should be noted that the biggest reserve for increasing the financial potential of tourism enterprises lies in the development of innovative activities, which can also be enhanced by attracting investments and introducing international quality and service standards into their business.

Table 2. Top-11 countries, whose citizens visit Ukraine most often, thousand persons.

Names of the countries whose citizens visit Ukraine most often	Number of foreign nationals who came to Ukraine by years								
	2010	2011	2012	2013	2014	2015	2016	2017	2018
Russian Federation	7900.4	9018.5	9526.7	10284.8	2363.0	1231.0	1473.6	1464.8	1539.2
Moldova	4063.5	4071.8	4849.1	5418.0	4368.4	4393.5	4296.4	4435.7	4436.7
Belarus	3058.0	2644.0	3091.8	3353.7	1592.9	1891.5	1822.3	2727.6	2666.7
Poland	2089.6	1720.1	1404.1	1259.2	1123.9	1156.0	1195.1	1144.2	1097.1
Hungary	944.8	862.1	742.4	771.0	874.2	1070.0	1269.7	1119.4	915.8
Romania	910.5	735.2	791.3	877.2	584.8	763.2	774.6	791.1	740.5
Slovakia	610.0	564.3	476.6	424.3	416.2	412.5	410.5	366.2	314.0
Germany	227.7	231.7	274.1	253.3	131.2	154.5	171.1	209.4	237.9
USA	125.9	127.9	134.1	134.7	81.7	108.3	138.0	153.8	184.3
Uzbekistan	105.5	141.1	185.5	235.4	158.0	68.8	135.4	22.8	93.8
Israel	82.0	120.2	107.1	120.9	101.8	149.6	217.2	261.1	317.8

Considering the fact, that the border countries are traditionally the leaders in the visit of Ukraine and make up 82.3% of the total inbound tourist flow in 2018, the fluctuations of the tourist flow indicators mainly depend on these countries. Visits to Ukraine by nationals of border countries decreased, while of non-border ones increased: Britain by 47.3%, China by 38.8%, Lithuania by 23.4%, Israel by 21.7%, the United States by 19.7%, Czech Republic by 16.0%, Italy by 15.4%, Germany by 13.3%, France by 9.2%, Bulgaria by 7.9% [19]. In 2018, the revenues from tourism fee amounted to UAH 90.7 million, which is 29.2% more than in 2017. At the same time, the increase in payment of the tourism fee was 30% in 2017 as compared with 2016 [18]. There is a positive trend

in the payment of tax payments to the State Budget of Ukraine by enterprises engaged in tourism. In 2018, the amount of tax payments from legal entities and individuals - entrepreneurs engaged in tourism activities amounted to 4,222.2 million UAH, which is 20.7% more than in 2017. At the same time, the amount of payments from legal entities increased by 19.2%, and from individuals - entrepreneurs - by 38.1% [17].

Having the great tourism potential of the regions, Ukrainian tourist operators need to rebuild and make more comfortable hotels and sanatoriums, recruit and train employees, thus improving the quality of service. In this regard, tourism enterprises need to find additional financial resources [14, 16].

Managing the financial potential of tourism enterprises is an important and priority task of national science. It also does not lose relevance within the business entity. According to the conditions of the economic system of Ukraine, tourist enterprises should pay special attention to managing their existing financial potential and increasing its volume [20]. According to its nature, the financial potential, among other things, reflects the state of financial support of the tourism enterprise, which is suffering due to the high riskiness of activity and instability of macroeconomic factors. Therefore, it is of great importance to find effective mechanisms for managing the financial potential of tourism enterprises.

First of all, management of the financial potential of tourism enterprises is determined by the peculiarities of the country's financial system. Thus, the US financial system is characterized by a high degree of autonomy, which determines the appropriate algorithm for managing the financial potential of business systems [21]. In contrast, in France, stability of the tourism sector is ensured by high level of centralization and functioning of the extensive system of special purpose funds. The independence of certain structural elements of the UK budgetary system, which provides high functional autonomy of their actions, greatly contributes to the development of economic entities and their financial potential.

Focusing on the state of the financial sector of the domestic economy, we believe that the management of the financial potential of tourism enterprises should be carried out based on the requirements of nowadays, and therefore should be based on the methods and instruments of anti-crisis management of finances. The negative experience gained by the global economy during the crisis testified to the high level of dependence of economic stability of the functioning of business entities on the state of its financial potential. Therefore, it is advisable to solve such problems of anti-crisis management, which are basic in managing the financial potential of tourism enterprises (Fig. 1).

The effectiveness of the anti-crisis management of the financial potential of a tourism enterprise depends directly on: the training quality of the personnel, which must make justified decision in the context of not always complete information, be prepared to act in non-standard conditions, be well trained and possess the necessary knowledge; the clarity of the functioning of the monitoring system, which would provide complete information on the current level, dynamics and possible changes in the level of financial security; the existence and operation of a preventive management system that would allow us to feel timely the signals about formation of internal and external factors and processes that could cause the development of a threat and risk, to foresee their occurrences and possible consequences.

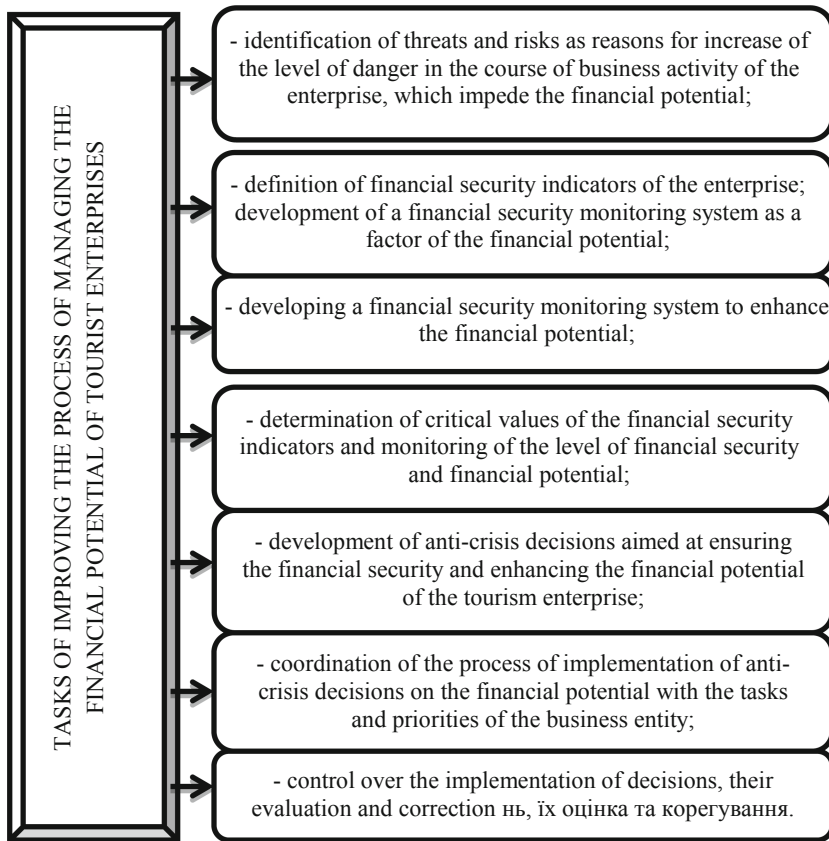


Fig. 1. Main tasks of improving the process of the financial potential management of tourism enterprises.

Given the high level of dependence of the financial potential of tourism enterprises on the quality of anti-crisis management, it is worth focusing on the basic conceptual provisions of management, which form the basis of the mechanism for managing the financial potential of the enterprise [8, 14].

The analysis of the current state of development of the financial potential of tourism enterprises revealed that one of the main problems that hinder its effective development is the violation of financing of the business entity. We believe that in order to increase the financial potential of tourism enterprises by improving its financing, it is necessary to solve the following main tasks: to expand the range of financial resources of the enterprise; to increase the revenue part of the enterprise budget; to optimize enterprise costs (Table 3). In general, the progress made by the entities of tourism activity, show positive growth in all indicators.

Table 3. Progress made by the entities of tourism activity in 2017 and 2018, million UAH.

	Revenue from the provision of tourist services (excl. VAT, excise duties and similar mandatory payments)	Amount of commission fee, agency fee and other remunerations	Operating expenses	Including				Other operating expenses
				Material costs	Salary expenses	Contributions to social events	Amount of accrued depreciation	
2017	20.695	0.902	16.894	13.568	0.541	0.117	0.710	1.958
2018	21.069	0.969	17.925	14.386	0.567	0.123	0.729	2.118
Growth (+, -)	+1.8	+7.4	+6.1	+6.0	+4.8	+5.1	+2.7	+8.1
Operating profitability in 2017			1.225					
Operating profitability in 2018			1.175					

The total amount of the financial resources of tourism enterprises plays an important role in the functioning of the business entity, acting as a catalyst and activator of all its stages. Including the financial potential of the business entity. It is important to emphasize that the equity dominates in the structure of sources of financing of enterprises in Ukraine, and the share of loan and investment resources remains insignificant.

Having determined the degree of dependence between the volume of tourism enterprises' equity as the main source of its financial potential and the main indicators (coefficient of financial independence (X1) and asset utilization efficiency for production of products (X2)), we determined that the regression equation would look like:

$Y = -32,554.1 + 63,805.5 * X1 + 7,881.9 * X2$ (Table 3). The correlation coefficients for both variables exceed the mark of 89%, which determines the high degree of dependence between the indicators. Accordingly, an important role in the formation of promising vectors for enhancing the financial potential of tourism enterprises belongs precisely to the formation of the structure of sources of financing (Table 4).

Table 4. Results of the correlation and regression analysis of equity and main indicators of the financial potential of tourism enterprises (coefficient of financial independence (X1) and efficiency of use of assets for production of products (X2))

<i>Regression statistics</i>								
Multiple R	0.968197544							
R-square	0.937406484							
Normalized R-square	0.906109726							
Standard error	802.1251101							
Observations	7							

<i>Dispersion analysis</i>	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>		
Regression	2	38542761	19271380.49	29.9	0.003917948		
Residual	4	2573618.8	643404.6922				
Total	6	41116380					

<i>Indicators</i>	<i>Ratios</i>	<i>Standard error</i>	<i>t-statistics</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95,0%</i>	<i>Upper 95,0%</i>
Y	-32554.2	14593.2	-2.2	0.1	-73071.4	7963.0	-73071	7963.0
Variable X 1	63805.6	30462.3	2.1	0.1	-20771.4	148382.6	-20771	148382.6
Variable X 2	7882.0	4031.8	2.0	0.1	-3312.0	19075.9	-3312	19075.9

We believe that attracting additional loan resources in today's difficult conditions of functioning of the financial system of Ukraine requires a detailed analysis of its feasibility [10, 20]. The decision-making should be based on the diagnosis of such key blocks of the financial security of the tourism enterprise as: probability of bankruptcy, liquidity of economic activity, determined shares of the attracted capital in the structure of sources of financing of the enterprise and solvency of the economic entity (Fig. 2).

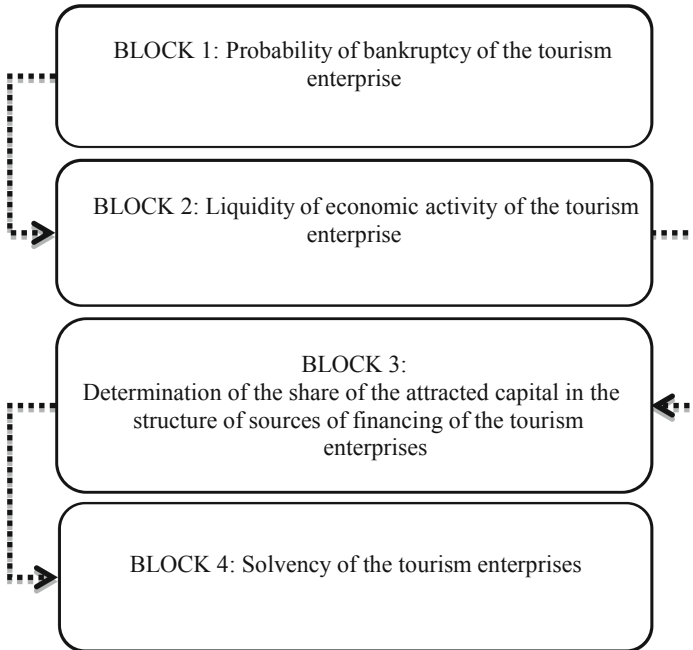


Fig. 2. Algorithm for forming a financing structure for increasing the financial potential of the tourism enterprise.

Before making a management decision about the need to expand the volume of financial resources at the expense of attracted sources in order to increase the financial potential of the enterprise, it is necessary to determine the probability of bankruptcy of the tourism enterprise (block 1, Fig. 3). Common analysis models, including a modified Altman model, should be used for analysis. According to the results of the assessment we will get a result that will correspond to a high, medium or low level of bankruptcy of a tourism enterprise, which directly affects the state of its financial potential.

Thus, the high probability of bankruptcy is a high-risk condition of the financial potential of the tourism enterprise and implies the refusal to attract external borrowed resources. In this case, the tourism enterprise has the choices as follows:

- 1) to refuse to attract borrowed financial resources and optimize the existing volume of financial resources in order to identify possible internal funding reserves;

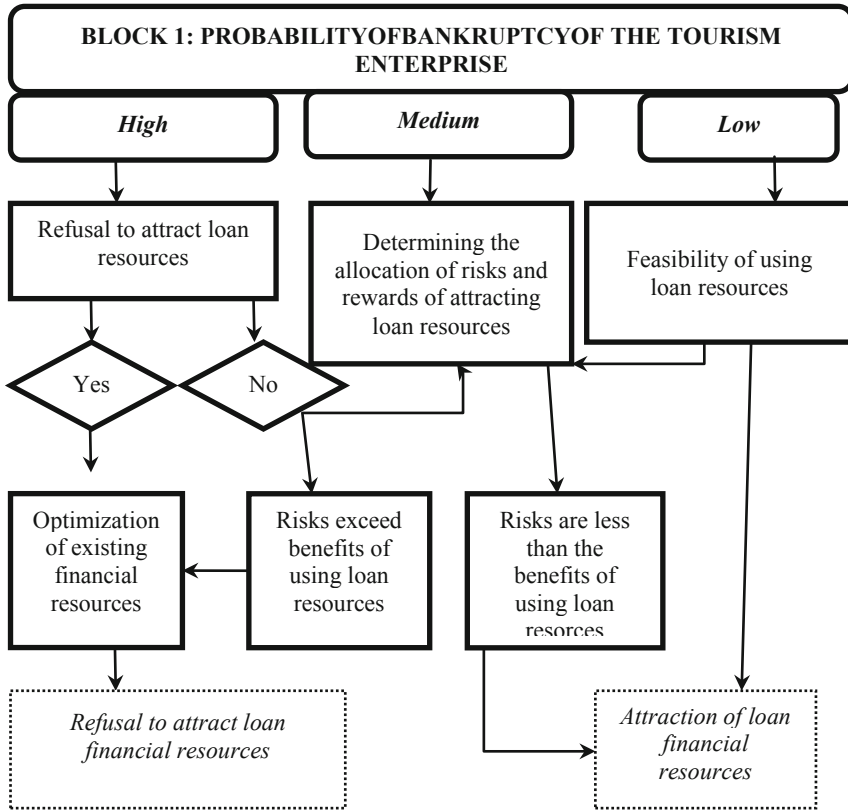


Fig. 3. Algorithm for forming a financing structure for increasing the financial potential of the tourism enterprise

- 2) in spite of the high risk, to decide on the formation of the structure of funding sources of the tourism enterprise at the expense of borrowed financial resources in order to increase the financial potential of the business entity;
- 3) to orient the activity of the tourism enterprise on the search for investment financial resources, grants, alternative low-cost financial resources, to expand the volume of its own financing, etc. [10, 11, 16].

The average level of bankruptcy probability also characterizes the risk of disruption of the financial potential of the tourism enterprise, and therefore involves determination of the allocation of risks and rewards of borrowing financial resources. Provided that the risks are exceeded by the benefits, it is advisable to refuse to attract financial resources, to optimize the existing financial resources of the tourism enterprise and to focus on the use of sources of lower cost. If the benefits exceed the risks of borrowed financing of a tourism enterprise’s activity, it is possible to either refuse such financing or attract borrowed financial resources to increase its financial potential.

The low level of bankruptcy is the most favourable for functioning of the business entity and increasing its financial potential. Therefore, the feasibility of forming the structure of sources of financing at the expense of external borrowed financial resources takes place. In addition, it may be necessary to name in this case the option of diagnosing the allocation of risks and rewards of attracting financial resources, which will help determine the prospects for changing the structure of sources of financing the activities of a tourism enterprise and the dynamics of its financial potential. The high risks of attracting borrowed financial resources are negative for the financial potential, and therefore indicate the need to minimize loan funds in the structure of sources of financing of tourism enterprises. Instead, the high benefits as opposed to the low risks confirm the appropriateness of using loan sources.

The last step in the proposed algorithm for forming a financing structure for increasing the financial potential of the tourism enterprise is the analysis of the fourth block devoted to solvency (Fig. 4). It should be carried out on the ratios of solvency, financing, security with its working capital and manoeuvrability.

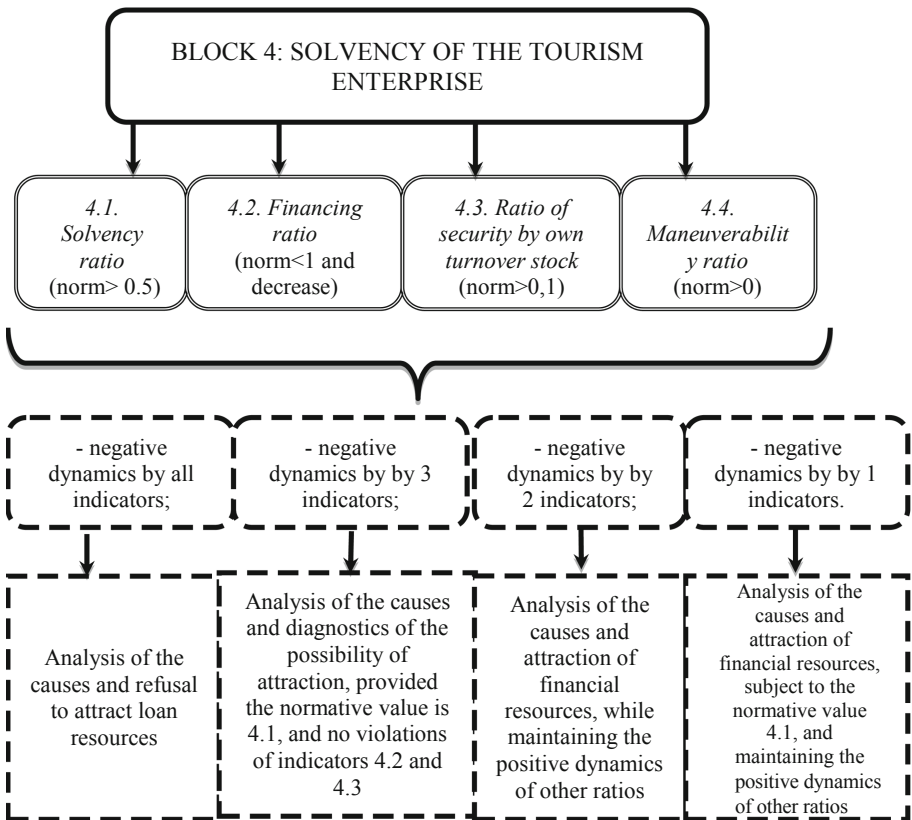


Fig. 4. Algorithm for forming a financing structure for increasing the financial potential of the tourism enterprise (block 4)

Comparison of the obtained results with the normative values will allow revealing the directions of solvency breach of the business entity. We believe that the negative dynamics and non-compliance with the normative value of the indicator by all ratios requires an analysis of the causes and the refusal to attract additional loan resources. If 3 of 4 indicators do not correspond to the normative value, in addition to analyzing the causes of the condition, it is necessary to diagnose the possibility of attracting loan resources provided that there is a normative value of the solvency ratio and no violation due to an increase in attracted sources of security ratios by own turnover stock, as well as the financing ratio. If there is a negative value for one indicator, the expediency of attracting financial resources is possible, provided that compliance with the normative value of the solvency ratio and maintaining the positive dynamics of other factors.

In the context of the carried out study, it should be emphasized that the management of the financial resources of a tourism enterprise in order to increase its financial potential is based on the principle of their rational use, and not hard restriction [14, 16, 21]. In this case, the priority should be the possibility of increasing the profitability of the business entity and its effective operation, since unjustified restriction of financial resources has a significant number of disadvantages, the presence of which should be taken into account by the enterprise when increasing its financial potential.

Studies have shown that the financial potential of tourism enterprises decreases with the negative dynamics of accounts receivable. Therefore, we consider it necessary to increase the solvency of the business entity of the industry by refinancing receivables, which will stimulate an increase in the financial potential. Among other reserves to increase the financial potential of tourism enterprises, an increase in profits should be stated. The most effective directions for increasing the profit of tourism enterprises are as follows: budget control, cash management, profit management and financial analysis of projects. Justification of management decisions in most cases cannot do without effective methods of financial analysis based on cash flows, and not on profit. Decisions are made on the basis of future, incremental and differential, total cash flows.

Equally important is the attraction of investments in the activities of the tourism enterprise, which will increase its financial potential. The needs of tourism enterprises in the available additional sources of financing have an increasing trend, and the preliminary analysis revealed the downward nature of this process. We believe that project financing will help to attract investments, including foreign ones, into the financing of tourism enterprises. In the current context, to attract investment, it is necessary to improve the image of the economy at the state level in order to intensify the process.

Taking into consideration the fundamental importance of the financial potential of tourism enterprises, it should be noted that the achievement of high financial security, financial independence and stability should be the main strategic benchmarks for economic entities of the industry. Particular attention should be paid to the financial security of tourism enterprises as a strategic benchmark for enhancing their financial potential. It should be noted that in our opinion the implementation of this vector should be carried out in the following directions: increase of profitability and decrease of expenses of the enterprise; quality management of working capital; financial management of the enterprise; use of modern benchmarking techniques to enhance competitiveness; controlling activities; cash flow planning.

An important strategic benchmark for enhancing the financial potential of tourism enterprises is financial independence. First of all, providing this vector requires careful attention to current operations carried out by the tourism enterprise. We believe that financial independence requires the refusal of loan financial resources, the optimization of operations to avoid risky transactions, cooperation with reliable suppliers, and also financial literacy of business entities. As to the latter, it is worth noting that the indicators of financial literacy not only of the country's population, but also of economic entities, have grown significantly during 2011–2018, but still do not reach the minimum necessary parameters [20–22].

Enterprises of the tourism sector of Ukraine as a whole are aimed at making profit in the short term, and not focusing on the strategic objectives of the business. Evidence of this is the presence of a high level of accounts payable in foreign currency, the lack of analysis of the financial condition of tourism enterprises, errors in statements and so on. According to a preliminary analysis of tourism enterprises in Kherson region, deterioration in the financial state of most of them was revealed, which affected the financial potential. The objective prerequisites for this state are precisely the deterioration of the financial and economic situation in the country due to the negative impact of the crisis processes, as well as the non-corresponding of the quality of service and hotel comfort. Based on these conditions, the formation of strategic benchmarks for enhancing the financial potential of tourism enterprises should be carried out taking into account these circumstances in the context of their financial stability. That is why we consider it advisable to diagnose the state of bankruptcy possibility, which allowed us to identify the existing problematic issues of the financial potential of tourism enterprises. The most common are the methods of bankruptcy assessment that are based on the characteristics of financial performance of a business entity. Among the existing models common are the models by Altman, Lis, Taffler, Zaitseva, Saifullin-Kadikov.

One of the factors affecting the financial potential is the lack of financial resources, which can be caused by low profits, high costs and inefficient management of working capital. Profit will be an indicator of low level of income and high level of expenditures of tourism enterprises, while inefficient management of working capital is expressed through operating cash flow. We believe that in order to improve the financial potential of tourism enterprises, it is worth adhering to the provisions of the technology of total cash management. The objective of total cash management (TCM) is to ensure efficient cash flows and their efficient use. Therefore, TCM combines the following key elements that enhance the financial potential of tourism businesses: budgeting of investments, management of financial resources, current budgeting, inventory management, receivables collection, cost control and management, ongoing financial management.

Based on the identified strategic benchmarks, we consider the main indicators that confirm the strengthening of the financial potential should be the indicators: 1. Financial security indicators: solvency ratio, financing ratio, profitability ratio, profit growth ratio; 2. Indicators of financial independence: financial independence ratio (autonomy), financial dependency ratio (equity multiplier), ratio of loan capital concentration, financial risk ratio, long-term debt ratio, interest coverage ratio (financial expense coverage); 3. Financial stability indicators: equity concentration ratio, ratio of loan capital concentration, loan to equity ratio, credit security ratio [16, 23].

The enhancement of the financial potential of tourism enterprises should be based on the strategic benchmarks specific to each business entity. Their arsenal must meet the existing requirements and objectives of the enterprise. We believe that it is advisable for tourism enterprises to make management decisions based on a matrix of strategic benchmarks for enhancing the financial potential, which should be calculated according to the data of the business entity. We believe that key scenarios for the development of a business entity may be one of eight, namely: impaired performance of all three strategic benchmarks (C1), favourable performance of all sectors (C2), deficiencies in the operation of one strategic benchmark (C3–C5), or at once in two strategic benchmarks (C6–C8) (Table 5).

Table 5. Matrix of strategic benchmarks for enhancing the financial potential of tourism enterprises

	Scenario-1 (C1)	Scenario-2 (C2)	Scenario-3 (C3)	Scenario-4 (C4)	Scenario-5 (C5)	Scenario-6 (C6)	Scenario-7 (C7)	Scenario-8 (C8)
Financial security								
Financial independence								
Financial stability								

When diagnosing the operation of a tourism enterprise, we get information about the state of its financial potential and as to which of the strategic benchmarks needs to be strengthened. First of all, in our opinion, it is necessary to establish the fact, the effect of which factors the obtained results of diagnostics are. In case of disruption of financial potential due to exogenous factors, it is necessary to focus on business insurance and finding the best solutions. Threats to the financial potential caused by inefficient domestic policies of the tourism enterprise should include severe measures to overcome them: change of management of the enterprise, reorientation of economic activity, etc.

Thus, for the enterprise No. 12 of the studied sample multitude, a high level of the financial potential was revealed, but at the same time, the diagnostics of its indicators through the matrix of strategic benchmarks established the dependence of its financial activity on exogenous factors and the need to strengthen the financial security of the enterprise (scenario C1). Therefore, in this context, we advised to optimize the expenditure and revenue part of the budget, use productive business insurance, and introduce benchmarking. During the diagnostics of the tourism enterprise No. 4 and the assessment of its financial potential, it has been shown that the financial security and financial stability of the enterprise is high, while financial independence requires considerable attention. Therefore, focusing on the developed matrix of strategic benchmarks for enhancing the financial potential, it is advisable to use scenario C4 and optimize the structure of sources of financing of the business entity in the direction of its funds.

When analyzing the indicators of the enterprise No. 7, a low level of the financial potential was established, while identifying the strategic benchmarks with the help of the developed matrix, the violation of financial stability and financial independence was revealed (scenario-7). On the basis of the obtained data, it was recommended to increase the financial literacy of the employees of the tourism enterprise, to refuse using the loan financial resources and the rationalization of the share of loan capital in the overall structure of assets. Based on the results of the tourism enterprises of Ukraine, we have selected promising business entities and tested the effectiveness of strategic benchmarks for enhancing the financial potential (in the context of three states of the financial potential). In particular, the indicators of the strategic benchmarks of the tourism enterprise No. 2, which had a high level of the financial potential, were diagnosed (Table 6).

Table 6. Dynamics of the indicators of strategic benchmarks for enhancing the financial potential of the tourism enterprise No. 2

Indicators	Year			Average level	Deviation, -/ +
	2017	2018	2019		
<i>Financial security indicators</i>					
Solvency ratio	0.148	0.196	0.517	0.29	0.369
Financing ratio	0.171	0.140	0.226	0.18	0.055
Profitability ratio	0.22	0.13	0.44	0.26	0.220
Profit growth ratio	0.17	0.19	0.21	0.19	0.040
<i>Indicators of financial independence</i>					
Financial independence ratio	0.3	0.5	0.7	0.50	0.400
Financial dependency ratio	1.14	2.15	1.9	1.73	0.760
Ratio of loan capital concentration	0.70	0.72	0.45	0.62	-0.250
Financial risk ratio	1.1	1.15	0.9	1.05	-0.200
Long-term debt ratio	0.3	0.4	0.2	0.30	-0.100
Interest coverage ratio	0.12	0.13	0	0.08	-0.120
<i>Financial stability indicators</i>					
Equity concentration ratio	0.4	0.4	0.7	0.50	0.300
Ratio of loan capital concentration	0.6	0.6	0.3	0.50	-0.300
Loan to equity ratio	1.5	1.5	0.4	1.13	-1.100
Credit security ratio	0.4	0.5	0.3	0.40	-0.100

The diagnostic results show that in 2019, the solvency ratio increased more than three times and amounted to 0.517, which indicates an improvement in the indicator, but its average value is below the normative level in 2017–2019. The financing ratio as a financial security indicator was 0.226 in 2019 and 0.14 in the previous year. The

assessment of the indicators identified threats to the financial security caused by a breach of the normative value of the solvency ratio, the financial independence (due to high financial risk) and the financial stability (in a slight deviation of the credit security ratio). Therefore, within the defined strategic benchmarks for enhancing the financial potential, the cash flow planning, debt management and financial risk insurance were recommended.

Thus, the implementation of the strategic benchmarks for enhancing the financial potential of the tourism enterprise No. 2 contributed to the improvement of the qualitative indicators of financial activity of the enterprise. Indeed, the net profit of the enterprise increased by 40% as compared with the previous year, the volume of accounts payable decreased by 22%, and the refinancing of accounts receivable made it possible to return the bad debt of previous years. Subject to the chosen vector of development of this tourism enterprise, it will be possible to preserve the established dynamics of enhancement of the financial potential, strengthening the level of financial stability, reliability and security. An appropriate assessment was carried out for tourism enterprises with medium and low financial potential. It was found that the indicators of the strategic benchmarks for the enterprise No. 7 (Table 7) and No. 4 (Table 8) indicated the need to choose the previously proposed instruments.

Table 7. Dynamics of the indicators of strategic benchmarks for enhancing the financial potential of the tourism enterprise No. 7

Indicators	Year			Average level	Deviation, -/ +
	Year	Average level	Deviation, -/ +		
<i>Financial security indicators</i>					
Solvency ratio	0.149	0.212	0.201	0.19	0.052
Financing ratio	0.016	0.008	0.12	0.05	0.104
Profitability ratio	0.07	0.09	0.12	0.09	0.050
Profit growth ratio	0.01	0.03	0.17	0.07	0.160
<i>Indicators of financial independence</i>					
Financial independence ratio	0.31	0.33	0.65	0.43	0.338
Financial dependency ratio	1.17	1.19	2.1	1.49	0.930
Ratio of loan capital concentration	0.31	0.23	0.37	0.30	0.060

(continued)

Table 7. (continued)

Indicators	Year			Average level	Deviation, -/ +
	Year	Average level	Deviation, -/ +		
Financial risk ratio	1.27	1.01	1.11	1.13	-0.160
Long-term debt ratio	0	0	0	0.00	0.000
Interest coverage ratio	0.11	0.11	0.7	0.31	0.590
<i>Financial stability indicators</i>					
Equity concentration ratio	0.8	0.8	0.8	0.80	0.000
Ratio of loan capital concentration	0.2	0.2	0.2	0.20	0.000
Loan to equity ratio	0.25	0.25	0.25	0.25	0.000
Credit security ratio	0.4	0.4	0.5	0.43	0.100

Table 8. Dynamics of the indicators of strategic benchmarks for enhancing the financial potential of the tourism enterprise No. 4

Indicators	Year			Average level	Deviation, -/ +
	2017	2018	2019		
<i>Financial security indicators</i>					
Solvency ratio	0.149	0.204	0.359	0.24	0.211
Financing ratio	0.094	0.074	0.173	0.11	0.080
Profitability ratio	0.145	0.110	0.280	0.18	0.135
Profit growth ratio	0.090	0.110	0.190	0.13	0.100
<i>Indicators of financial independence</i>					
Financial independence ratio	0.305	0.416	0.674	0.46	0.369

(continued)

Table 8. (continued)

Indicators	Year			Average level	Deviation, -/ +
	2017	2018	2019		
Financial dependency ratio	1.155	1.670	2.000	1.61	0.845
Ratio of loan capital concentration	0.505	0.475	0.410	0.46	-0.095
Financial risk ratio	1.185	1.080	1.005	1.09	-0.180
Long-term debt ratio	0.150	0.200	0.100	0.15	-0.050
Interest coverage ratio	0.115	0.120	0.350	0.20	0.235
<i>Financial stability indicators</i>					
Equity concentration ratio	0.600	0.600	0.750	0.65	0.150
Ratio of loan capital concentration	0.400	0.400	0.250	0.35	-0.150
Loan to equity ratio	0.875	0.875	0.325	0.69	-0.550
Credit security ratio	0.400	0.450	0.400	0.42	0.000

Therefore, the strategic benchmarks for enhancing the financial potential of tourism enterprises should highlight the financial security that is achieved through controlling activities, planning cash flows, increasing profitability; financial independence in the context of promoting financial literacy of business entities, cooperation with reliable partners; and financial stability that can be achieved through the elimination of bankruptcy possibility, financial risk insurance and the management of accounts payable and receivables. Timely and comprehensive implementation of measures will help to strengthen the financial potential, improve the investment attractiveness of the enterprises of the industry and create conditions for the effective development of business entities.

6 Conclusions

Ukraine has significant recreational and tourism potential, but there are many factors that hold it back. Therefore, based on the state of development of the economic system of

the country and the world, this study examines the financial condition of tourism enterprises and defines the prerequisites for the formation of financial potential of business entities. It has been established that macroeconomic indicators speak for a decrease in the efficiency of activity and a deterioration of the financial potential of the enterprises of the industry. While the assessment of the financial condition of tourism enterprises has shown significant prerequisites for developing the financial potential of business entities.

During the collection of empirical data, it was established that the main sources that shape the financial potential of tourism enterprises should include equity, loan, investment, financial resources and profit. Having diagnosed the financial condition of the tourism enterprises of Kherson region by rating, uneven financial performance indicators were found. Such a high level was characteristic in 2017–2019 for the financial independence ratio, the ratio of provision with own working capital, the self-financing and quick liquidity ratio. The data obtained reflect, on the whole, a high level of the financial potential, but at the same time emphasize an ineffective policy regarding its management.

We believe that it is advisable for tourism enterprises to make management decisions based on a matrix of strategic benchmarks for enhancing the financial potential, which should be calculated according to the data of the business entity. Based on the strategic benchmarks, we consider that the main indicators that demonstrate enhancement of the financial potential are financial security indicators, financial independence indicators and financial stability indicators.

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