

VI. ФИНАНСЫ, ДЕНЕЖНОЕ ОБРАЩЕНИЕ И КРЕДИТ. ПРОБЛЕМЫ АНАЛИЗА ФИНАНСОВО-ХОЗЯЙСТВЕННОЙ ДЕЯТЕЛЬНОСТИ. БУХГАЛТЕРСКИЙ УЧЁТ И СТАТИСТИКА

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MODERN APPROACHES TO DETERMINING THE INVESTMENT ATTRACTIVENESS OF A COMPANY FOR THE PURPOSE OF ITS ACQUISITION

The investment attractiveness of a company is an important parameter that investors pay attention to when considering the possibility of acquiring a company. To date, many foreign organizations are selling their business in Russia, which is an excellent opportunity for domestic investors to acquire a profitable and liquid asset. In this regard, the determination of the investment attractiveness of the company is an urgent issue. This article discusses various interpretations of the concept of the investment attractiveness of a company, as well as the factors influencing this indicator. In addition, the paper considers modern methods for determining investment attractiveness.

Keywords: company, investments, investment attractiveness, methods for determining investment attractiveness, acquisition of a company.

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СОВРЕМЕННЫЕ ПОДХОДЫ В ОПРЕДЕЛЕНИИ ИНВЕСТИЦИОННОЙ ПРИВЛЕКАТЕЛЬНОСТИ КОМПАНИИ С ЦЕЛЬЮ ЕЁ ПРИОБРЕТЕНИЯ

Инвестиционная привлекательность компании является важным параметром, на который обращают внимание инвесторы при рассмотрении возможности приобретения компании. На сегодняшний момент большое количество иностранных организаций продают свой бизнес в России, что является отличной возможностью для отечественных инвесторов приобрести прибыльный и ликвидный актив. В связи с этим, определение инвестиционной привлекательности компании является актуальным вопросом. В данной статье рассмотрены различные трактовки понятия инвестиционной привлекательности компании, а также приведены факторы, влияющие на данный показатель. Кроме того, в работе рассмотрены современные методы определения инвестиционной привлекательности.

Ключевые слова: компания, инвестиции, инвестиционная привлекательность, методы определения инвестиционной привлекательности.

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When acquiring a company, any investor must be confident in the stable financial position of the acquired organization, in its prospects and future development. The determination of all these parameters in turn influences the indicator of the investment attractiveness of the company. In today's situation many foreign companies are selling their business in Russia, which can be a good opportunity for domestic investors. That is why determining the investment attractiveness of a company for the purpose of its acquisition is a relevant topic at the present time.

Many foreign companies are currently working to sell their assets in Russia. This raises a few problems for domestic entrepreneurs, investors, and the state. One of the key problems is the general reorientation of business in connection with the departure of companies from Russia and the assessment of the investment attractiveness of organizations that have left the Russian market when considering the possibility of acquiring the assets of these companies. This article will be aimed at solving this problem.

Before we begin to solve the problem posed and consider various approaches to assessing the investment attractiveness of the company when it can be acquired, it is necessary to define what is meant by the investment attractiveness of the company. Many domestic and foreign scientists, economists, and authors, among which it is possible to allocate Guskova T.N., Krylov E.I., Roizman I.I. and others, devoted their works to the study of investment attractiveness of the company and tried to understand the definition of this term. Each of the authors and scientists put different meaning in the definition of investment attractiveness and currently there is no unified definition, as the definition of the term depends on the factors that scientists believe are key in assessing the investment attractiveness, while the type and mentality of investors, as well as the object of investment, so, for example, for a private investor or for the bank need very different financial indicators.

There are several approaches to defining the concept of investment attractiveness of a company. The first approach assumes to consider the investment attractiveness of the organization as one of the conditions of company development. Proponents of this approach include the following authors: Guskova T.N. Krylov E.I. and others. The following approach is the understanding of the concept of investment attractiveness as a condition for investments. The representatives of this approach are Roizman I.I., Mashkin V.A. and other specialists. The third approach to the definition of investment attractiveness is the representation of this concept as a set of various indicators. The supporters of this approach include Putyatin L.M. and other authors. The last direction considers investment attractiveness of the company as an indicator of investment efficiency. The interpretations of the definition of the investment attractiveness of the company according to different approaches and authors are presented in Table 1.

Table 1 – Determination of investment attractiveness Author Definition

Sevryugina Y.V.	Investment attractiveness – a system of qualitative and quantitative factors that characterize the solvent demand of the organization for investment.
T.N. Matveev	Investment attractiveness is a comprehensive indicator that can characterize the feasibility of investing money in a particular company
Smirnova N.V.	Investment attractiveness of the organization – assessment of the objective possibilities of the state of the organization and areas of investment, formed in preparation for decision- making by the investor.
Guskova T. N.	Investment attractiveness – a certain state of economic development of the organization, which can with high probability and in the appropriate timeframe for the investor, to give a positive level of profit or other positive result through investments.
Krylov E.I.	Investment attractiveness – a generalized characteristic of the promise and attractiveness, profitability and minimizing the risk of investing in the development of the organization with the help of investors.
I.I. Roizman	Investment attractiveness of the company – a set of different objective characteristics, properties and attributes that condition the possible solvent demand, manifested in the form of investment in fixed capital.
Putyatin L.M.	Investment attractiveness – is a specific economic category, which shows the effectiveness and efficiency of the use of property of the organization, solvency, and financial stability, as well as the desire for innovative development based on increasing the income index of the organization, the technical level of production, competitiveness of goods and services and their quality.
V.A. Nikitina	Investment attractiveness – an indicator that is considered equal to the ratio of return and risk from investing.

It is possible to generalize that, investment appeal of the organization is the key and important factor of effective and productive functioning of the company of various organizational forms. It is important to note, that high indicator of investment attractiveness of the organization is capable to form and strengthen various latent and visible competitive advantages before its opponents in the market. Also, in the conditions of functioning of modern economy, the level of investment attractiveness of the company will be a very important factor which shows the stabil-

ity of the organization. In our modern era in which there is an active development of technology, modernization, and improvement of production, as well as the introduction of innovation in the production process, will be very relevant the possibility of the organization's development prospects under the influence of the investment process, so it once again shows that the investment attractiveness will be important for every company that seeks to develop.

The concept of investment attractiveness of the organization is a group of different indicators, which characterize the effectiveness and showing the profitability and feasibility of monetary investment in the development of a particular organization. The indicator of investment attractiveness of the organization will include several evaluation data, which may differ from the subject of investment, but in the average version, these are indicators that assess the external environment of the organization, the level of positioning of the organization in the market, its share. Determination of investment attractiveness of the organization is used most often to assess and characterize the objects of investment in the form of comparative analysis and rating measurements.

Having considered the various approaches of the authors to the definition of the concept, investment attractiveness can be noted that all of them are essentially correct, as they depend on the factors that scientists believe to be key in determining the investment attractiveness of the organization. In my opinion, within the limits of the established subject of article and the problems designated in work connected with leaving of many companies from the Russian market and problems with determination of investment attractiveness of the organization for the purpose of possible purchase of this company, the approach of consideration of this concept as one of conditions for investment will be actual. In this regard, we can define the investment attractiveness of the company as an economic category, which characterizes the presence of positive conditions, factors, and financial indicators, which can incline the investor to choose this company for the purpose of acquisition.

The concept of investment attractiveness has many definitions and approaches to this definition. The same can be said about the factors that influence the investment attractiveness, this issue remains the subject of long discussions up to the present moment. It is possible to classify all influencing factors into internal and external factors.

External factors are the factors that can have an indirect influence on the investment attractiveness of the company. These factors include those factors, which the organization itself is not able to influence directly, but on these factors will greatly depend on the investment attractiveness of the company, its development and in general its functioning. Examples of external factors are shown in Figure 1.

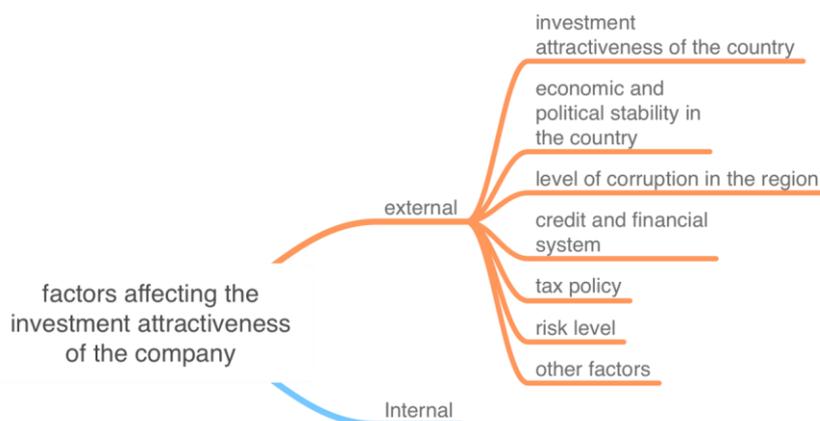


Figure 1 – External factors

Internal factors are factors that the company can directly influence. Such factors include the financial position of the organization, the quality of management, market sustainability and other factors. Each of the above factors consists of a few indicators that assess the factor. These indicators are presented in Figure 2

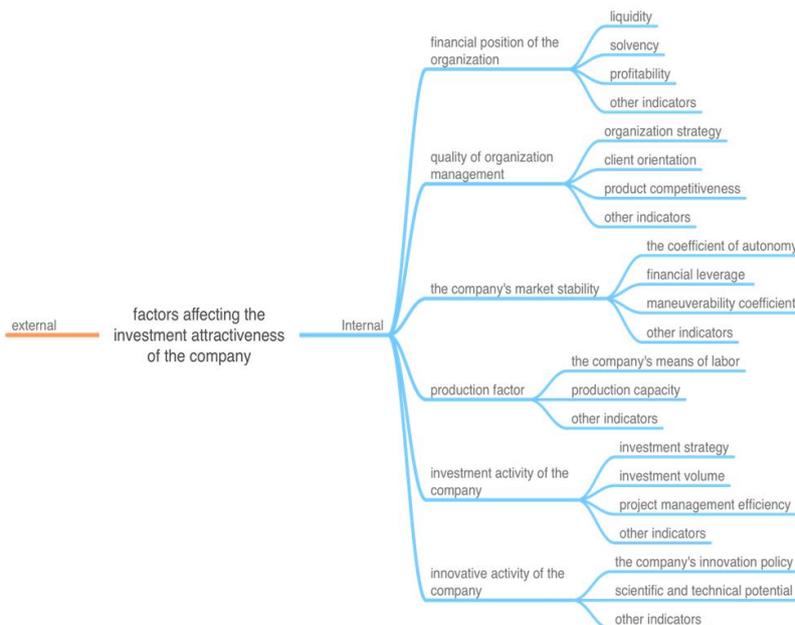


Figure 2 – Internal factors

It is also important to pay attention to various legal factors. The legal form of the company, the structure and shares of ownership, the possible privatization history of the object of investment, judicial history, as well as existing land or property rights of the object are important to the investor.

Having analyzed all the above factors, I concluded that external factors will be key for foreign companies and investors, but in the current situation foreign companies and investors are leaving Russia and in most cases the buyer of their assets will be a Russian citizen or a domestic company, so, in my opinion, foreign companies need to focus on internal factors that affect their investment attractiveness.

The necessity and importance of assessing the investment attractiveness of a company when considering its purchase is beyond doubt for any investor. The procedure of investment attractiveness analysis is a mandatory procedure that will precede the calculation of the expected effect of the money invested in the investment object.

Investment attractiveness is a relatively new area of study and there are many different approaches to defining the term. With this difference in approaches to the definition of the term itself, the methods for assessing investment attractiveness will also differ significantly. Some investors consider it necessary to analyze only the financial indicators of the company, while others consider it necessary to conduct a whole set of studies of various factors and indicators.

Summarizing all the possible methods of assessing the investment attractiveness of the company, they can be divided into two types: methods of assessment of investment attractiveness, where the fundamental factor will be the financial condition of the company, as well as methods of assessment, which analyze various external and internal factors.

Proponents of the first type of assessment of the investment attractiveness of the company include Krylova I.V. Belykh L.P., Fedorovich T.V. and other authors. Krylova and her supporters consider it necessary to evaluate the solvency and liquidity of the organization to assess its investment attractiveness. It is also necessary to find ratios of profitability, financial stability, and turnover. After calculation it is necessary to compare the values obtained with the normative, and then assess the more values obtained in the calculations will satisfy the normative indicators, the higher will be the investment attractiveness of the company. Fedorovich proposes to calculate the indicators of the market value of the company, namely economic value added, goodwill, market capitalization of the company, profit and market value added. After the calculation of the indicators the results of the calculations are evaluated and the higher these indicators are, the higher the level of investment attractiveness of the organization will be.

K.V. Shchiborsch proposes to evaluate the investment attractiveness in several stages. At the first stage the author proposes to calculate the profitability of investment, to evaluate the credit period, and to find the difference between the profit of total assets and the annual interest on the loan. At the next stage it is necessary to analyze what share own funds occupy in the structure of company liabilities, and to find the balance sheet profit of the organization per ruble of production and evaluate its profitability itself. After that it is necessary to determine liquidity

ratios, as well as balance sheet profit to current assets indicator. Investment attractiveness will be defined as the weighted average sum of the calculated indicators. After these stages, this value is already evaluated with the indicators of other organizations and form a rating, and then based on this rating consider the organization for the possible acquisition.

The next method is the discounted cash flow method. This method assumes that the decision to acquire the company by the investor will be laid down from the income forecast, this allows to estimate the future benefit of acquiring the company. This method uses a rate that shows the riskiness of the investment and purchase. Cash flow discounting is used when calculating the choice of organization for investment and acquisition, because this method can help assess the potential future development of the acquired company. This method compares the value of the cash needed to acquire a company with its value when it is returned in the form of cash flows, considering the time factor.

One of the methods to assess the investment attractiveness of the company for the purpose of its acquisition is the use of a seven-factor model to assess the investment attractiveness of the organization. This model consists of determining the investment attractiveness of the company using seven parameters, the basis for which will be the analysis of return on assets. With the use of this method, it is possible to evaluate the structure and efficiency of the use of the available resources of the company. Return on assets in this model is evaluated jointly with return on sales, current liquidity ratio, correlation of accounts receivable and accounts payable and other financial indices. When choosing the final decision on the acquisition of the company, the conclusion is because the higher the value of return on assets, the more effective the company is, and therefore it will be more attractive for acquisition.

Making an intermediate conclusion on this group of methods for assessing the investment attractiveness, it is worth noting that this approach has both strengths and weaknesses, the evaluation of this method is presented in Table 2 in the form of SWOT analysis.

Table 2 – SWOT analysis of the approach to assessing the financial condition of the company

Strengths of the approach to assessing the financial condition of the company	Weaknesses in the approach to assessing the financial condition of the company
<ul style="list-style-type: none"> -The most common method of analysis -The method makes it possible to assess use efficiency of the company's available resources 	<ul style="list-style-type: none"> -The method allows us to conclude only about the current state companies -Set regulatory financial figures may vary depending on from the company's industry - Calculation of indicators is necessary produce in a single measuring system
Threats approach to assessing the financial condition of the company	Possibilities of the approach to assessing the financial condition of the company
<ul style="list-style-type: none"> - Threats due to underestimation company prospects - Threat because of understatement external influences 	<ul style="list-style-type: none"> - Ability to analyze and evaluate the company's financial performance

There is an intermediate group of methods for assessing investment attractiveness. These methods include the integral assessment of internal indicators, as well as the method by the authors Valinurova L.S. and Kazakova O.B.

Evaluating investment attractiveness by the method of integral assessment it is necessary to analyze internal indicators in several stages. Evaluated indicators include indicators of efficiency of use of fixed and circulating assets, indicators that evaluate financial condition of the organization and efficiency of use of labor resources of the company, indicators of investment and economic activity. Each coefficient and indicator are calculated to determine an integral indicator, which will serve to assess the investment attractiveness of the company.

The method of Valinurova and Kazakova is more labor-intensive, according to this method it is necessary to calculate the value of 55 indicators to evaluate the company. These indicators are divided into financial, investment, human resources, and production. By evaluating these data, a conclusion is made as to how attractive the organization is for acquisition. The indicators for assessing the investment attractiveness of the company for the purpose of its acquisition according to this method are presented in Figure 3.

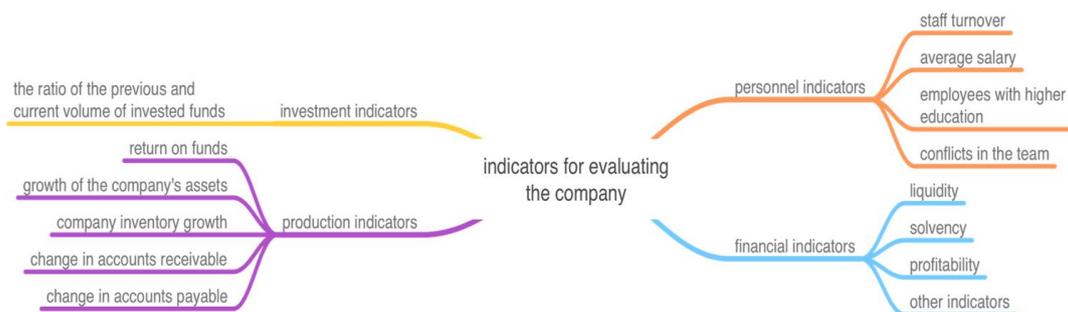


Figure 3 – Indicators for assessing the investment attractiveness of a company

Further in the work we will consider the methods assessing the investment attractiveness of the organization for the purpose of its acquisition in the form of analysis of both internal and external factors. All these methods have in common that they are based on the principle from the private to the general, in the beginning the external and internal factors influencing the investment attractiveness of the company are analyzed, and already based on these indicators the general integral index of the investment attractiveness of the organization is determined. The supporters of these methods include Sevryugin Y.V. and Kozhukhar V.M.

Sevryugin suggests assessing internal factors first and divides them into two groups: factors of financial condition and corporate governance. In assessing the financial condition, it is necessary to calculate current liquidity ratios, equity, and debt ratios, return on sales and capital ratios. When analyzing corporate governance, it is necessary to analyze shares of state ownership, shares of shares in the secondary market and other indicators. Sevryugin considers market environment of the company to be one of the external factors necessary for analysis and suggests assessment of investment climate in the region, investment attractiveness of the industry in which the company operates, stage of industry formation, level of competitiveness in the market, development of infrastructure in the region.

V.M. Kozhukhar's method implies the use of pairwise comparison of values to determine their correlation and to exclude factors that do not strongly affect the final assessment of the investment attractiveness of the organization. In these method internal and external factors are evaluated. The internal factors include assessment of strategic potential and analysis of competitive advantages of the company. To analyze the competitive advantages, they are guided by the assessment of market share, quality of products or services, assess the innovative level of the company, as well as consider the company's suppliers and contractors. To assess the strategic potential of the company, indicators of product diversification, qualifications of employees, technology of equipment and risk level are used. Kozhukhar divides external factors into economic and investment stability of the country, as well as the general attractiveness of the industry in which the company operates. In assessing the attractiveness of an industry, it is necessary to analyze the growth potential of the industry, the potential to increase profitability, as well as the level of innovation. To assess a country's stability, one looks at inflation and deflation rates, the strength of the currency, and evaluates tax laws. Also, this method uses the SWOT analysis of the company to assess the investment attractiveness.

This approach of evaluating investment attractiveness by the result of the analysis of internal and external factors includes a comprehensive method and evaluation. At the first stage of this method the Delphi method is used in order to evaluate and select the main internal and external factors, affecting the company. After that a regression model is built, which reflects the influence of these factors. At the next stage the estimation of investment attractiveness of the company is already made using the obtained model and factors. It can be summarized that the assessment model is a generalized analysis of all areas of the organization, which are divided into several sections. The general section consists of the analysis of personnel, company performance, market position and reputation of the organization. Each factor is analyzed separately and given a certain score. Based on the financial and business activities, the effectiveness of the organization's strategy is evaluated. There is also a separate, special section where the effectiveness of the company is calculated, the innovative and financial strategy is evaluated, as well as the profit of the organization. This stage of analysis is divided into several smaller stages. The first stage is the construction of a matrix based on previously obtained values. At the second stage, there is an analysis of the company and the calculation of financial and operational indicators. The third stage consists of the analysis of solvency and profitability of the company, followed by the summation of points. At the final stage of evaluation, it is necessary to sum up the values of the points and the value of their weighting coefficients and, based on the

values obtained, a conclusion about the investment attractiveness of the company and a decision to purchase it is made.

To evaluate the proposed approach to assess the investment attractiveness of the organization, a SWOT analysis was conducted to establish the strengths and weaknesses of this approach, as well as its opportunities and threats. SWOT analysis of this approach is presented in Table 3.

Table 3 – SWOT analysis of internal and external factors assessment approach

Strengths of the internal and external factor assessment approach	Weaknesses of the internal and external factor analysis assessment approach
-This approach allows for a comprehensive assessment of the investment attractiveness of the company	-For most indicators from this approach, there are no standards for their evaluation -This approach is more time-consuming and complex
Threats assessment approach analysis of internal and external factors	Possibilities of internal and external factor analysis evaluation approach
-Threat to misjudge and misinterpret test results	-An opportunity to assess the prospects of the analyzed company

After considering several approaches to assessing the investment attractiveness of a company, I concluded that it necessary to approach the assessment of companies in more detail and consider both external and internal factors, and domestic investors need to pay special attention to internal factors. In my opinion this approach will be more holistic, up-to-date, and indicative. The evaluation of financial indicators will not show all the opportunities and threats in the acquisition of a company. In addition, an investor often aims not only to acquire a stable and profitable company, but also to make money by reselling the organization in the future. In such a case, the company's poor financial performance will significantly reduce its sale value, but the new owner will be able to change these figures due to the company's prospects and his management skills, which will already enable the company to be resold for a higher value than it was originally purchased.

From the work and research, we can make the following conclusions: the concept of investment attractiveness of the company is a very broad concept, the interpretation of which will depend on the factors that scientists believe are key in assessing the investment attractiveness, while the determination of these factors will be influenced by the type and mentality of the investor, the object of investment and purchase, and other factors. For the organization itself it is necessary to work and consider both external and internal factors, to count on a high assessment of investment attractiveness on the part of the future buyer. In turn, the investor can use various approaches and methods to assess the investment attractiveness, but during the consideration of these approaches, it was concluded that one of the methods of assessment of internal and external factors should be a priority, as this approach can more holistically characterize the investment attractiveness of the company for a possible purchase.

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