

# CHAPTER

## IMPROVING THE MANAGEMENT OF FINANCIAL RESOURCES OF ENTERPRISES IN THE CONTEXT OF ENSURING SUSTAINABLE DEVELOPMENT

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### **Summary**

*This chapter addresses the problem of improving the management of financial resources of enterprises in the context of ensuring sustainable development. It is argued that under conditions of economic instability and increasing environmental and social challenges, traditional approaches to financial management are no longer sufficient. The study identifies key limitations of existing financial resource management practices, including short-term orientation, insufficient integration of sustainability criteria, and low adaptability to external shocks. Particular attention is paid to the role of innovative financial instruments and ESG-oriented approaches in enhancing enterprise resilience. The research proposes a conceptual framework for optimizing financial resource management based on the principles of efficiency, flexibility, and sustainability. Methodologically, the study combines comparative analysis, systematization of scientific approaches, and synthesis of best practices. The results demonstrate that the integration of sustainable development principles into financial management contributes to improving financial stability, investment attractiveness, and long-term competitiveness of enterprises. In addition, practical recommendations for implementing adaptive financial strategies under conditions of uncertainty are developed. The findings can be used by enterprises and policymakers to support sustainable economic development.*

### **Introduction**

In the contemporary global economic environment, enterprises operate under conditions of heightened uncertainty, structural transformations, and increasing pressure to align their activities with the principles of sustainable development. The intensification of globalization processes, rapid technological change, and the consequences of geopolitical instability have significantly altered the traditional paradigms of business functioning. In this context, the management of financial resources is acquiring a fundamentally new role, transforming from

a purely operational function into a strategic instrument for ensuring long-term resilience, competitiveness, and sustainable growth of enterprises.

The relevance of improving financial resource management is further amplified by the growing importance of environmental, social, and governance (ESG) factors, which are increasingly shaping investment decisions and corporate strategies. Enterprises are no longer evaluated solely based on financial performance indicators; instead, their ability to generate sustainable value over time, while balancing economic, environmental, and social objectives, has become a critical determinant of success. This shift necessitates a rethinking of existing approaches to financial management, including the mechanisms of resource allocation, risk assessment, and investment decision-making.

At the same time, the traditional models of financial resource management, which are primarily focused on profit maximization and short-term financial efficiency, demonstrate limited effectiveness in addressing modern challenges. These models often fail to account for the complexity of external shocks, such as economic crises, supply chain disruptions, and, in particular, the consequences of military conflicts that significantly affect national economies and business environments. Under such conditions, enterprises require adaptive, flexible, and forward-looking financial management systems capable of ensuring stability and continuity of operations.

The Ukrainian context provides a particularly illustrative example of these challenges. Enterprises in Ukraine are currently operating in an environment characterized by economic volatility, institutional transformations, and the direct impact of war, which has led to disruptions in production processes, financial flows, and investment activities. These conditions highlight the urgent need for the development and implementation of effective approaches to managing financial resources that would enable enterprises not only to survive but also to maintain their development trajectories in the long term. Consequently, the issue of integrating sustainable development principles into financial management practices becomes not only relevant but essential.

A significant body of scientific research has been devoted to the study of financial resource management, covering various aspects such as capital structure optimization, liquidity management, and investment efficiency. However, despite the considerable achievements in this field, there remains a gap in the integration of sustainability-oriented approaches into the financial management framework at the enterprise level. In particular, insufficient attention has been paid to the development of comprehensive models that would combine financial performance with ESG criteria, as well as to the practical implementation of such models in conditions of economic instability.

In response to these challenges, this chapter aims to deepen the theoretical and methodological foundations of financial resource management of

enterprises in the context of sustainable development. The primary objective of the study is to substantiate the directions for improving financial resource management by incorporating sustainability principles and innovative financial instruments. To achieve this objective, the research focuses on identifying the key shortcomings of existing management approaches, analyzing modern trends in financial management, and developing practical recommendations for enhancing the efficiency and adaptability of financial systems at the enterprise level.

The methodological basis of the study includes a combination of general scientific and specialized methods, such as analysis and synthesis, comparison, systematization, and abstraction. These methods are used to generalize existing theoretical approaches, identify patterns and trends in financial management practices, and develop a conceptual framework for improving the management of financial resources. In addition, elements of a systemic approach are applied to ensure a comprehensive consideration of the interrelationships between financial, economic, and sustainability-related factors.

The scientific novelty of the research lies in the substantiation of a holistic approach to financial resource management that integrates economic efficiency with sustainability objectives. In particular, the study proposes a conceptual framework that emphasizes the importance of flexibility, risk sensitivity, and long-term value creation in financial decision-making. Furthermore, the research highlights the role of innovative financial instruments, such as green financing, impact investing, and digital financial technologies, in enhancing the effectiveness of financial resource management under conditions of uncertainty.

The practical significance of the obtained results is determined by the possibility of their application in the activities of enterprises seeking to improve their financial management systems in line with sustainable development principles. The proposed recommendations can be used to optimize financial strategies, strengthen financial stability, and increase the investment attractiveness of enterprises. Moreover, the findings of the study may be of interest to policymakers and stakeholders involved in shaping the institutional environment for sustainable economic development.

Thus, the improvement of financial resource management in the context of sustainable development represents a complex and multifaceted task that requires a comprehensive and interdisciplinary approach. Addressing this task is essential for ensuring not only the effective functioning of individual enterprises but also the broader stability and resilience of the national economy.

## **1. Directions for improving the financial performance of enterprises in the context of sustainable development**

The issue of enhancing the financial performance of enterprises in modern conditions is gaining particular relevance under the influence of a complex set of interrelated economic, social, and environmental factors. The intensification of competition in both domestic and international markets, the growing requirements for the quality of products and services, as well as the necessity to adhere to the principles of sustainable development, determine the need to transform approaches to financial resource management. This is especially true for enterprises in the agricultural sector, whose activities largely depend on climatic conditions, market fluctuations, and institutional changes [1].

In the current business environment, enterprises are required not only to ensure profitability but also to build long-term financial sustainability, which involves effective management of cash flows, cost optimization, and diversification of financing sources. This necessitates a transition from traditional models of financial management to more flexible and adaptive approaches aimed at ensuring sustainable development.

External factors exert a significant influence on the financial performance of enterprises, among which market instability, legislative changes, inflationary processes, and risks associated with wartime conditions occupy a special place. Under such circumstances, an important task is the timely identification of risks and the development of effective financial strategies aimed at their minimization. This involves the active use of financial planning, forecasting, and control tools.

A key direction for improving financial performance is the implementation of innovative approaches to the organization of production and management processes. In particular, the application of modern technologies makes it possible to increase productivity, reduce costs, and ensure more efficient use of resources. In the context of sustainable development, the introduction of resource-saving technologies, improvement of energy efficiency, and minimization of environmental impact are of particular importance.

Achieving a high level of financial performance requires ensuring an optimal balance between profitability and risk. At the same time, enterprises may choose different development strategies, ranging from profit maximization to ensuring financial stability and liquidity. In particular, maintaining a high level of liquidity enables enterprises to meet their obligations in a timely manner and ensure continuity of operations, even under conditions of declining profitability.

At the same time, an important aspect is the formation of an effective risk management system that takes into account both internal and external factors. These include natural risks, price volatility, legal constraints, and other circumstances that may negatively affect the financial results of the enterprise.

Their consideration is a necessary condition for ensuring economic stability and long-term development.

Profit planning serves as one of the key instruments of financial resource management at the enterprise level. It involves a comprehensive analysis of business conditions, assessment of available resources, and determination of strategic development goals. An important role in this process is played by the integration of strategic and operational planning, which ensures consistency between long-term objectives and current tasks of the enterprise [2].

The main components of the profit planning system include goal setting, budgeting, cost control, and performance evaluation. At the same time, it is important to ensure the active involvement of management in the planning process, clear formulation of goals at all levels of management, and the existence of an effective system of control and monitoring. Professional training of specialists in the field of financial planning is also an important prerequisite for achieving high results [3].

However, in order to improve the effectiveness of profit planning, it is necessary to take into account a number of important aspects. In particular, enterprise goals should be realistic, taking into account available resources, the level of managerial competence, and the conditions of the external environment. It is also important to implement modern systems of budgetary control that enhance the transparency of financial processes and ensure efficient use of resources.

An additional instrument for improving financial performance is the implementation of comprehensive financial analysis and audit, which makes it possible to assess the impact of various factors on enterprise activity, identify weaknesses, and determine reserves for increasing efficiency. Such an approach ensures the possibility of timely response to changes in the external environment and supports informed managerial decision-making.

Within the framework of sustainable development, the integration of ESG approaches into the system of financial resource management is of particular importance. This involves taking into account environmental and social aspects in financial decision-making, which contributes to increasing the investment attractiveness of the enterprise and shaping its positive business reputation. Moreover, the implementation of sustainable development principles enables enterprises to attract additional financial resources, particularly through green financing mechanisms.

An important direction for improving financial resource management is the digitalization of financial processes. The use of modern information systems and analytical tools enhances the accuracy of financial planning, the timeliness of decision-making, and the effectiveness of control over the use of resources. This is especially relevant in the context of increasing volumes of information and the growing complexity of financial flows.

In addition, a significant role is played by the optimization of cost management systems, which involves the rational use of financial and material resources. This includes the introduction of energy-efficient technologies, improvement of logistics processes, optimization of procurement, and enhancement of the efficiency of resource utilization. Such an approach makes it possible to reduce costs and increase the profitability of enterprise activities.

Thus, enhancing the financial performance of enterprises in modern conditions requires a comprehensive approach that combines traditional financial management tools with innovative methods oriented toward sustainable development. The implementation of these directions will contribute to strengthening the financial stability of enterprises, increasing their competitiveness, and ensuring long-term economic growth [4].

An important direction for enhancing the financial performance of enterprises is the improvement of financial strategy formation, which should be based on the principles of adaptability, resilience, and long-term value creation. In modern conditions, financial strategies must take into account not only internal capabilities but also the dynamics of the external environment, including macroeconomic instability, global market trends, and structural changes in the economy. The ability of enterprises to quickly adapt their financial policies to changing conditions becomes a critical factor of competitiveness.

In this context, particular attention should be paid to the diversification of financial resources. Enterprises that rely on a limited number of funding sources are more vulnerable to external shocks and financial constraints. Therefore, the formation of a diversified financial base, including internal funds, bank lending, investment resources, and alternative financial instruments, allows for reducing financial risks and increasing the stability of financial flows. The development of partnerships with financial institutions and investors also plays an important role in expanding access to capital.

Another significant factor in improving financial performance is the effective management of working capital. Rational management of current assets and liabilities ensures the continuity of operational activities and contributes to maintaining liquidity at an optimal level. This includes the optimization of inventory levels, efficient management of receivables and payables, and the acceleration of cash turnover. In conditions of economic instability, enterprises should pay special attention to maintaining a balance between liquidity and profitability.

The growing role of financial risk management requires the implementation of modern analytical tools and approaches. In particular, scenario analysis, stress testing, and financial modeling enable enterprises to assess the potential impact of adverse events and develop appropriate response strategies. The integration of risk management into the overall system of financial

management allows enterprises not only to minimize losses but also to identify new opportunities for development.

In addition, the importance of investment management is significantly increasing. The effectiveness of investment decisions directly affects the financial results and long-term development of enterprises. In this regard, it is necessary to apply comprehensive approaches to investment evaluation, taking into account not only financial indicators but also environmental and social effects. Investments in innovative technologies, energy efficiency, and sustainable production contribute to reducing costs and increasing the competitiveness of enterprises in the long term.

A separate area of improvement is the development of corporate financial governance. Transparent and effective governance mechanisms ensure the rational allocation of financial resources, strengthen control over financial flows, and reduce the risk of inefficient use of funds. The introduction of modern corporate governance standards, including accountability, transparency, and stakeholder engagement, enhances trust in enterprises from investors and partners.

In the context of digital transformation, financial management is undergoing significant changes. The implementation of digital financial technologies, such as automated accounting systems, financial analytics platforms, and electronic payment systems, contributes to improving the efficiency and accuracy of financial processes. Digitalization also enables enterprises to process large volumes of data, identify hidden patterns, and make more informed financial decisions.

Human capital also plays a crucial role in enhancing financial performance. The availability of qualified financial managers capable of applying modern management tools and adapting to changing conditions is an important factor in the effectiveness of financial resource management. Continuous professional development, training, and the formation of analytical competencies among personnel contribute to improving the quality of financial decision-making.

Furthermore, the integration of sustainability principles into financial planning requires the development of appropriate performance indicators. Traditional financial metrics should be complemented by indicators reflecting environmental efficiency, social responsibility, and governance quality. The use of integrated reporting allows enterprises to provide a comprehensive assessment of their performance and demonstrate their commitment to sustainable development.

It is also important to emphasize the role of state regulation and institutional support in enhancing the financial performance of enterprises. Government policies aimed at supporting business, stimulating investment activity, and promoting sustainable development create favorable conditions for improving financial management. In particular, tax incentives, access to financial support

programs, and regulatory stability contribute to strengthening the financial position of enterprises.

In addition, the formation of effective communication with stakeholders is an important component of financial management. Enterprises should ensure transparency in financial reporting, maintain open dialogue with investors, creditors, employees, and society, and take into account their interests in the decision-making process. This contributes to building trust, reducing information asymmetry, and enhancing the reputation of the enterprise.

Thus, further improvement of financial resource management requires a comprehensive transformation of financial approaches, taking into account modern challenges and opportunities. The combination of strategic flexibility, risk orientation, digitalization, and adherence to sustainable development principles creates the basis for increasing the financial performance of enterprises and ensuring their long-term development.

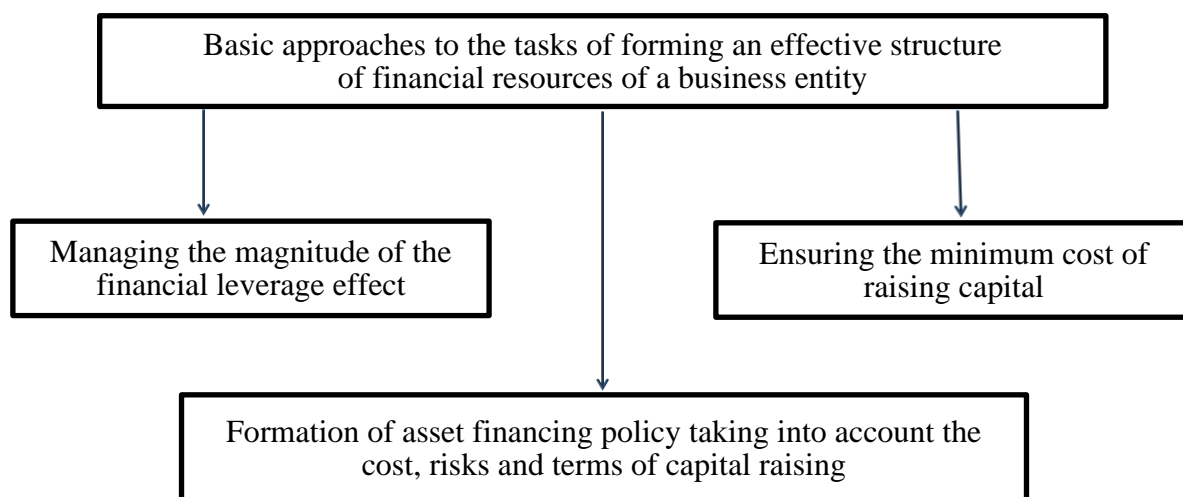
## **2. Capital structure optimization as a key tool for improving the management of financial resources of enterprises**

In the context of war and the instability of economic processes in the country, enterprises face critical challenges related to the sustainability of their operations. These processes significantly affect the structure of their capital. The availability and sufficiency of financial resources determine the ability of enterprises to conduct their economic activities effectively. In the process of managing business operations, financial resources occupy a central position, as their quality directly influences the continuity of operating activities, profitability, solvency, and liquidity of the organization.

An important issue in the formation of enterprise capital is the process associated with achieving an optimal structure of its financial resources. In modern conditions, capital structure optimization is not limited to balancing own and borrowed funds but also involves ensuring financial flexibility, risk resilience, and the capacity for sustainable development.

One of the key elements of enterprise financial management is the process of forming financial resources, particularly the development of their effective structure. An optimal capital structure enables enterprises to maximize returns across all types of activities while ensuring the continuity and stability of their operations. Moreover, a well-balanced combination of funding sources contributes to minimizing the cost of capital and enhancing the overall efficiency of financial resource utilization.

The main approaches to the formation of an effective structure of financial resources of an enterprise are presented in Figure 1 [5].



**Figure 1. Requirements for the formation of an effective structure of financial resources**

*Source: [5]*

The process of forming financial resources of an enterprise constitutes the fundamental basis for ensuring its financial and economic activities. This process is influenced by a range of determinants, which can be classified as external and internal.

External determinants are directly related to the operating environment of the enterprise and are generally systematic in nature. They include macroeconomic conditions, financial market development, regulatory policies, inflationary trends, and access to credit resources. These factors continuously affect the enterprise's ability to attract and allocate financial resources.

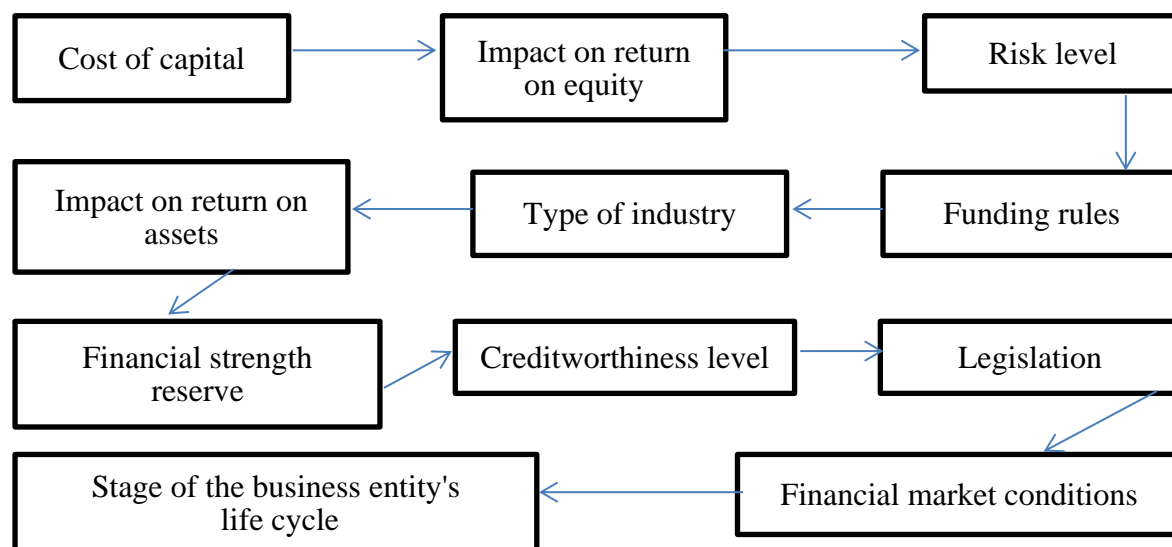
Internal determinants, in contrast, are directly associated with the enterprise's own activities and are typically unsystematic. They include the efficiency of management decisions, the structure of assets, operational performance, profitability, and the level of financial discipline within the organization. These factors largely determine the effectiveness of financial resource utilization and the enterprise's capacity to optimize its capital structure.

The process of forming financial resources also depends on the size of the enterprise and the sector in which it operates. In particular, large enterprises tend to have broader access to diversified sources of financing, while smaller entities often face constraints in attracting external capital. Sectoral characteristics also influence the structure and cost of financial resources, as well as the level of associated risks. Furthermore, the process of financial resource formation is closely linked to the sources from which funds are obtained [3].

The sources of financial resources of an enterprise are traditionally divided into equity and debt capital. The optimal combination of these sources is a key

objective of financial management, as it determines the cost of capital, financial stability, and risk exposure of the enterprise.

The factors influencing the process of optimizing the structure of financial resources of an enterprise, particularly through the lens of lending processes, are presented in Figure 2.



**Figure 2. Factors influencing the structure of financial resources of a business entity**

Source: [3]

At present, the effectiveness of the use of an enterprise's financial resources is significantly influenced by the martial law environment, which represents an external factor that business entities are unable to control.

Given that a large number of factors currently affect the process of providing enterprises with financial resources, it is necessary to systematize them into distinct blocks.

In contemporary conditions, it is advisable to apply a model of the mechanism for ensuring the financial resources of an enterprise, which includes the following blocks: functional, organizational, economic, support, and organizational-technical [3].

The scale of financial resources, their structural composition, and overall condition determine an agricultural enterprise's capacity to finance the process of expanded reproduction; to fulfill obligations to budgets at all levels, banks, and insurance organizations; and to ensure its social, economic, and technological development. The availability of financial resources and the efficiency of their utilization determine liquidity, solvency, and financial stability. Therefore, the process of forming financial resources as the

foundation of financial support for agricultural enterprises' activities requires thorough study [6].

The formation of financial resources in organizations is influenced by various factors, which are generally classified into external and internal. Relying exclusively on own financial resources may constrain the development of an enterprise's financial potential, whereas extensive use of borrowed capital under conditions of an unstable external environment significantly increases the level of financial risk for the business entity.

In order to ensure the continuity of economic and production activities, each organization must maintain a certain volume of financial resources, the structure of which should facilitate the achievement of the required level of profitability and income generation, ensure adequate solvency, strengthen financial stability, and, overall, enhance the market value of the enterprise [7].

The process of forming financial resources in an agricultural enterprise is an integral component of the comprehensive system for managing its income generation and profitability, and it should be based on the following key principles [8]:

- *Integration*, which implies that financial resource management is carried out in conjunction with other types of resources;
- *Comprehensiveness*, which creates conditions for the development and adoption of decisions that influence the overall performance of the enterprise;
- *Systemic approach*, which enables the management of financial resources while taking into account both external and internal business environment factors;
- *Adaptability*, which ensures the management of financial resources within a flexible system capable of adjusting to changing market conditions;
- *Synergy*, which provides coordination of all operations and contributes to achieving a higher economic effect;
- *Dynamism*, which ensures sufficiently rapid movement of financial resources across all subsystems;
- *Scientific approach*, which substantiates the need to implement new approaches and apply scientific analysis in the management of an enterprise's financial resources [4].

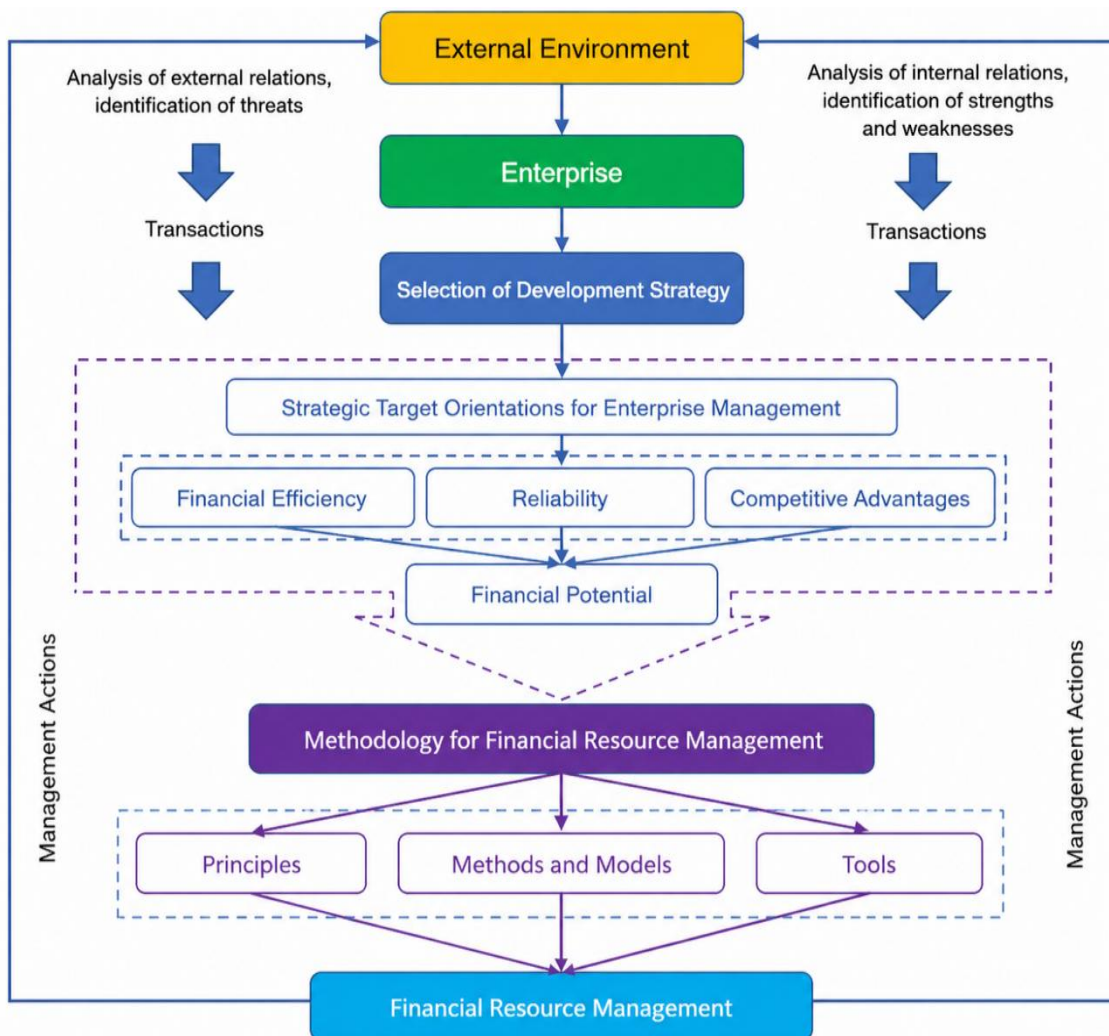
The study of trends in the structure of financial resource formation in domestic agricultural enterprises, as well as their relationship with financial performance, makes it possible to identify the following directions for improving the process of their formation [9]:

- the creation of an accurate information base on the economic and financial activities of an agricultural enterprise;
- the selection of effective financing sources and optimization of the financial structure;

- ensuring the availability of financial resources in the amount necessary to carry out business activities and cover the enterprise's obligations;
- continuous monitoring of the enterprise's financial resources based on criteria such as solvency, liquidity, and financial stability, among others.

The analysis of domestic enterprises' performance indicates that the majority of them face challenges related to the effective formation of financial resources and the selection of an optimal financial structure.

The dynamics of financial performance of Ukrainian enterprises demonstrate that their financial resources are significantly constrained due to declining profitability and limited capacity to repay attracted funds. In order to achieve optimal results in financial and economic activities, a business entity must determine an optimal structure of financial resources, which represents one of the key tasks of modern financial management [10].



**Figure 3. Logical model of management of financial resources of the enterprise**

Source: [10]

The methodology of financial resource management includes financial statement analysis, risk management, budgeting, investment analysis, financial flow planning, cost optimization, and other related components. This methodology enables the efficient allocation of financial resources, reduction of risks, and enhancement of enterprises' income generation and profitability [11].

To ensure optimal use of a business entity's financial resources and reduce the risks of financial expenses, it is necessary to use a comprehensive set of tools and methods. This set will include budgeting, which allows for detailed planning of expenses and income, which reduces the level of risk and helps avoid unnecessary expenses.

This model allows for optimal formation of financial resources, but with a positive impact on the external environment. Effective financial management of financial resources within the enterprise itself provides an opportunity to assess the effectiveness of the invested capital of the enterprise. Financial managers must adhere to the tactics of directing accumulated financial resources from various sources to assets specifically defined by the enterprise development strategy [12].

Also, the process of forming the best possible structure for the formation of financial resources of the enterprise has a risk that arises in the process of forming its capital. For maximum satisfaction with financial resources, financial managers of the enterprise must effectively and rationally form and use them in order to ensure the continuity of its economic activity and achieve development. The key task of financial management of the enterprise is to find effective sources of formation of its financial resources and optimize their structure and directions of use. Thus, a high-quality and complete classification of financial resources will allow to develop a procedure and develop information processing algorithms for the formation of an appropriate effective relationship between indicators that reflect the economic and social capabilities of the enterprise [13].

Effective financial management of an enterprise requires constant updating and adaptation of the strategy to changes in the market and internal factors. Such efficiency should be implemented on the basis of improving the system of their monitoring together with ensuring diversification of sources of formation of financial resources and effective risk management.

### **3. Enhancing the efficiency of financial resource utilization in enterprises under conditions of war economy and instability**

The operation of enterprises under crisis conditions is characterized by a persistent shortage of financial resources. This is largely обусловлено the underdevelopment of the stock market in Ukraine, the prolonged period of low levels of bank lending to domestic enterprises, and an unfavorable investment climate that discourages the inflow of foreign capital. Consequently, Ukrainian enterprises are currently compelled to rely primarily on their own equity and to

involve significant volumes of accounts payable in their circulation, which does not always contribute to the improvement of financial performance.

At the same time, there is a pressing need to implement an effective financial policy on the part of the national government. Such a policy should promote digitalization across all sectors of economic activity, establish a transparent and business-friendly tax system that can help reduce corruption, foster cooperative relationships between public institutions, accelerate the development of the national financial market, and create a favorable environment for economic activity [4].

In light of the above, particular attention should be paid to the processes of capital formation and utilization within enterprises. This necessitates the development of an effective management mechanism that is sufficiently flexible to adapt to the challenging conditions of economic activity in the context of war and instability.

The successful performance of an enterprise in an open economy—regardless of the type of economic activity, ownership form, or sectoral orientation—is largely determined by the sufficiency of attracted capital, its structural components, and the optimality of the financial resource structure. At the same time, the effective accomplishment of both operational objectives and long-term strategic goals is possible only through the establishment of a comprehensive and efficient capital management mechanism that incorporates all necessary structural elements [14].

Economic entities mobilize financial resources prior to the commencement of their operations, primarily during the formation of initial (authorized) capital. Subsequently, these resources are allocated to finance operating processes, their expansion and modernization, as well as the growth of the enterprise's productive capacity. In the course of business activity, capital serves both as an investment and an operational instrument, containing essential information for the implementation of effective financial management. Financial resources occupy a central position within the management system, as they directly influence production and overall business processes and ultimately determine the financial stability of the enterprise.

The formation and investment of capital across various types of entrepreneurial activity are carried out with the aim of generating an adequate level of profit, achieving high profitability, and ensuring long-term financial stability. These objectives can be attained through the efficient allocation of financial resources, particularly by investing in the implementation of innovative digital technologies, increasing the turnover of current assets, and enhancing the efficiency of non-current asset utilization [5].

The circulation of enterprise capital provides financial support for operating, investment, and production activities. When directed into production, capital is primarily allocated to core business operations, including the provision of

services, execution of works, and manufacturing of goods. A substantial share of capital invested in operating activities is reflected in current assets, as these assets gradually transfer their value to the cost of produced goods or rendered services over the course of the production cycle.

At the same time, current assets may lose value due to a decline in their utility, exposure to inflationary pressures, deterioration of qualitative characteristics, and the need to incur additional costs related to storage and processing. Under conditions of war and heightened economic instability, these risks are significantly intensified due to supply chain disruptions, logistical constraints, and increased uncertainty in market demand.

Given the above, the attracted capital of an enterprise is primarily directed toward financing operating current assets in order to prevent interruptions in business activity and to maintain planned sales volumes in the market [13].

The implementation of capital investments across various sectors of the economy requires the accumulation of substantial financial resources. However, enterprises often lack the capacity to initiate project financing within the specified timeframes due to their inability to accumulate the required volume of investment capital. Under such conditions—particularly in the context of war and heightened economic instability—it is advisable to establish investment funds through the use of modern digital platforms, which facilitate the mobilization of the necessary financial resources.

The formation and implementation of capital investment projects should follow a structured sequence of stages. These include: substantiating the need for capital investments, driven by the emergence of untapped market niches or the necessity to modernize fixed assets and introduce innovations; estimating the demand for investment resources required for production expansion and equipment modernization; developing and evaluating the investment project within the enterprise structure; identifying potential sources of financing for the proposed project; ensuring the phased attraction of financial resources; implementing capital investment projects using the accumulated funds; and organizing operational activities based on upgraded non-current assets resulting from such investments.

Ultimately, these measures are aimed at generating sufficient profit, ensuring the full recovery of invested capital, and increasing the enterprise's market value in the long term. In a war-affected economy, the use of digital financial instruments and flexible investment mechanisms becomes particularly important for enhancing the efficiency of financial resource utilization and strengthening the resilience of enterprises.

Modern business entities form their capital from all available sources in accordance with their accessibility and cost. Managers allocate financial resources in line with the expected duration of use of the assets in which these resources are invested, thereby ensuring a more efficient capital structure.

Taking this into account, fixed assets and intangible assets should be financed primarily through permanent capital (equity and long-term liabilities), as they are utilized over an extended period. In contrast, current liabilities should be directed toward financing current operating assets, since these assets are consumed within a single operating cycle, typically ranging from several days to one year.

In addition, such components of equity as additional paid-in capital and retained earnings should also be allocated to current operating assets. This approach supports the continuity of the production cycle and enhances the efficiency of financial resource utilization, which is particularly critical under conditions of war and economic instability [5].

The use of borrowed financial resources in enterprise activities offers several advantages. First, such resources demonstrate a significant capacity for attraction, particularly when the enterprise maintains a high share of equity capital and is able to secure guarantees or collateral. Second, debt financing stimulates the expansion of production capacity and facilitates rapid entry into new markets within relatively short timeframes.

Moreover, the cost of attracting borrowed funds is generally lower compared to the use of equity financing instruments available in financial markets. Borrowed capital also possesses a substantial potential to enhance the profitability of core operations in general and return on equity in particular. In addition, it enables the use of a tax shield effect, as interest payments on borrowed funds reduce the taxable financial results of enterprises.

Under conditions of war and economic instability, these advantages become particularly relevant, as access to alternative sources of financing remains constrained, thereby increasing the importance of optimizing the structure and efficiency of borrowed capital utilization [15].

It should be emphasized that, taking into account all advantages and disadvantages, enterprises develop their own policy for attracting credit resources in accordance with defined strategic objectives and goals, as well as the specific features of their business operations.

In a generalized form, the sources of enterprise capital formation under current conditions are presented in Table 1.

The expansion of the production potential of a business entity with the aim of entering a new market niche requires the accumulation of substantial financial resources, which is often achieved through the use of borrowed sources. It should be noted that, particularly in the context of wartime conditions in Ukraine, the availability of credit resources within the capital structure, when operational processes are efficiently organized, has a significant impact on the profitability of equity and contributes to the growth of financial performance results.

Table 1

### Sources of formation of financial resources of the enterprise

Category	Type of Sources	Elements
<i>Own financial resources</i>	Internal sources	Retained earnings (profit kept at the enterprise disposal) Depreciation (amortization) of fixed and intangible assets Other internal sources
	External sources	Additional share (equity) capital attraction Non-repayable financial assistance Other external sources
<i>Borrowed financial resources</i>	Internal long-term borrowed funds	Deferred and overdue lease liabilities Restructured loan debt Deferred and overdue bond debt Deferred tax liabilities Other internal long-term borrowings
	Internal short-term borrowed funds	Overdue short-term loans and borrowings Overdue trade credit Accounts payable (not yet due) Overdue accounts payable
	External long-term borrowed funds	Long-term bank loans Long-term bond borrowings Loans from non-bank financial institutions Government targeted loans Financial leasing Long-term tax credit and benefits
	External short-term borrowed funds	Short-term bank loans Short-term loans from non-bank institutions Trade (commercial) credit Short-term tax credit

*Source: the table was formed based on materials [16]*

Most of the aforementioned problems are difficult to resolve, as they arise under the influence of macroeconomic factors that are beyond the control of individual enterprises and are associated with the complex political, economic, and social situation in the country.

Thus, in the current wartime conditions, enterprises have experienced a deterioration in their financial structure, as they primarily form capital from own and quasi-equity sources. To improve the accessibility of domestic

enterprises to financing sources during the post-war economic recovery period, the following measures should be implemented [9]:

- develop preferential lending programmes for business entities with the involvement of international partners and financial institutions;
- create preconditions for the development of the Ukrainian financial market;
- improve the country’s investment climate and establish a more favourable tax regime for taxpayers;
- supply the labour market with qualified specialists through cooperation with Ukrainian educational institutions;
- strengthen anti-corruption efforts and reduce the scale of the shadow economy;
- establish effective mechanisms of financial support for business entities, among others.

In the current conditions, the state applies financial levers and instruments to support entrepreneurial activity among small and medium-sized enterprises through the banking system. In order to support agricultural production, amendments have been introduced to the lending conditions for farmers within the framework of the state programme “Affordable Loans 5–7–9%” during the period of martial law. Agricultural enterprises are eligible to obtain loans at 0% interest in the amount of up to UAH 60 million for a period of up to six months for agricultural operations, including the purchase of fertilizers, fuel, seeds, and machinery [17].

A decisive prerequisite for the effective development of the agricultural sector under martial law conditions is the support of small and medium-sized businesses, as they are able to adapt flexibly to rapidly changing circumstances and ensure national food security.

Positive trends in the field of state support for the agricultural sector include:

- the opportunity for agricultural enterprises to receive assistance, targeted subsidised credit programmes, state subsidies, loans, and technical assistance from the European Union and other international donors through the online platform of the State Agrarian Register;
- the simplification by banking institutions of the conditions for obtaining credit resources for agricultural producers [16].

The financial resource management system of a business entity is considered effective when it ensures the rational use of available resources while also enabling the active and continuous identification of opportunities for enterprise development.

In the context of agribusiness, particular attention should be paid to the management of own, attracted, and borrowed funds.

Investment in production modernization and technological innovation plays a key role in strengthening the competitive position of an enterprise.

Accordingly, effective financial resource management contributes to financial stability and supports long-term development, taking into account both social and environmental dimensions.

Therefore, strategic financial resource management is a crucial component for achieving sustainable development and enhancing the resilience of the agricultural sector under contemporary economic challenges, especially in the context of ongoing war-related disruptions.

### **Conclusions**

The conducted research on improving the management of financial resources of enterprises in the context of ensuring sustainable development allows us to conclude that the efficiency of financial management is a key determinant of business stability, adaptability, and long-term growth. In modern economic conditions, enterprises operate under increased uncertainty, which is significantly intensified by the ongoing war in Ukraine. This has led to disruptions in financial flows, deterioration of investment activity, and limited access to both internal and external sources of financing.

It has been substantiated that the formation and use of financial resources should be based on a balanced structure of own, borrowed, and attracted capital. However, wartime conditions have forced many enterprises to rely primarily on internal financing sources, which reduces their investment capacity and slows down innovative development. At the same time, the availability of credit resources, when properly managed, remains an important factor in maintaining liquidity, expanding production capacities, and ensuring competitiveness.

The study has shown that sustainable development of enterprises is directly linked to the implementation of modern financial management tools, including strategic planning, risk management, diversification of funding sources, and optimization of capital structure. Particular importance is attached to investments in modernization, digital transformation, and environmentally oriented production processes, which form the basis of long-term competitiveness.

In addition, it has been established that state financial policy and international support mechanisms play a crucial role in stabilizing the financial condition of enterprises during wartime. Programmes aimed at concessional lending, grant support, and guarantees for business financing contribute to maintaining entrepreneurial activity and supporting the real sector of the economy. However, further improvement of these instruments is required, particularly in terms of accessibility, transparency, and targeting.

It is also important to emphasize that sustainable financial management in the post-war recovery period should focus on strengthening the resilience of enterprises to external shocks, restoring investment potential, and creating

favourable conditions for integration into global markets. This requires coordinated efforts of the state, financial institutions, and the private sector.

Thus, improving the management of financial resources is a strategic prerequisite for ensuring the sustainable development of enterprises and the resilience of the Ukrainian economy as a whole, especially in the context of war and the future post-war recovery phase.

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