

SOME ASPECTS OF IMPROVING THE MANAGEMENT SYSTEM OF ENTERPRISES OF THE BAKING INDUSTRY IN UKRAINE

Introduction. Food security implies such a state of the economy, in which every citizen is guaranteed access to food, drinking water and other food products in quality and volume sufficient for the physical and social development of the individual, as well as ensuring health.

The bakery industry is an important strategic component of the Ukrainian food industry, the main purpose of which is to provide the population with food. The activity of bakery enterprises is of great socio-economic importance, therefore, it requires timely identification of the problems faced by enterprises in the industry, as well as the search for ways to improve the efficiency of their activities and determine the prospects for further development.

In conditions of the COVID-19 pandemic, the containment of which involves the use of certain measures for social restrictions, as well as other complications of economic activity, the issues of improving the management system of enterprises in the bakery industry are of particular importance.

The issues of regulating food markets, including socially significant ones, were studied by such scientists as A. N. Vasilchenko, V. I. Vlasov, E. I. Goychuk, T. M. Lozinskaya, V. B. Rodchenko, A. A. Shevchenko and others. Despite the huge number of theoretical and applied developments, the issues of managing food industry enterprises, in particular, the bakery industry, including those associated with the use of various tools to improve the efficiency of economic activity, do not lose their relevance.

The purpose of this research is to substantiate the expediency of popularizing the use of some management accounting tools to improve the efficiency of the economic activity of enterprises in the baking industry of Ukraine.

The statement of basic materials. Baking of bread and bakery products belongs to the processing industry (Section C, Section 10, Group 10.7) [1]. Bread and bakery products are goods that have significant social significance [2]. The sale price of such goods in retail chains is subject to state regulation by way of their declaration. The list of enterprises engaged in baking

bread is approved by order of the Ministry of Agrarian and Food Policy of Ukraine [3].

Today, the production of bread and bakery products in Ukraine is carried out by commercial enterprises that carry out this activity at their own risk to make a profit and achieve other economic and social results [4]. There are about 5.5 thousand such enterprises in Ukraine, according to the State Statistics Service of Ukraine, 80% of which operate as individuals – business entities. Table 1 shows that the number of enterprises that bake bread is gradually decreasing. At the same time, the proportion of private entrepreneurs is increasing.

Up to 60% of bread and bakery products on the territory of Ukraine are produced by several large companies, including, Private Joint-Stock Company «Kyivklib», Ltd «Klibni Investitsii», Private Joint-Stock Company «KONTSEK KHLIBPROM», Lauffer Group. Up to 30% - less powerful bakery plants. About 10% of bread and bakery products are baked by mini-bakeries located in food retail chains [5].

The data in Fig. 1 indicate a decrease in the production of bread and bakery products in Ukraine, the production of which in physical terms has decreased by more than 2 times over the past 10 years. Also noteworthy is the reduction in the production of wheat flour, the production of which forms the main cost part in the production of bread. There is a close functional relationship between the production volumes of wheat flour and fresh bread, the correlation coefficient is 0.96.

The production of bread and flour products is a low-profit economic activity. This explains the low investment attractiveness of this type of activity. Large enterprises of the bakery industry demonstrate high profitability, more than 10%. At the same time, there is a positive trend in the reduction of unprofitable enterprises in this area.

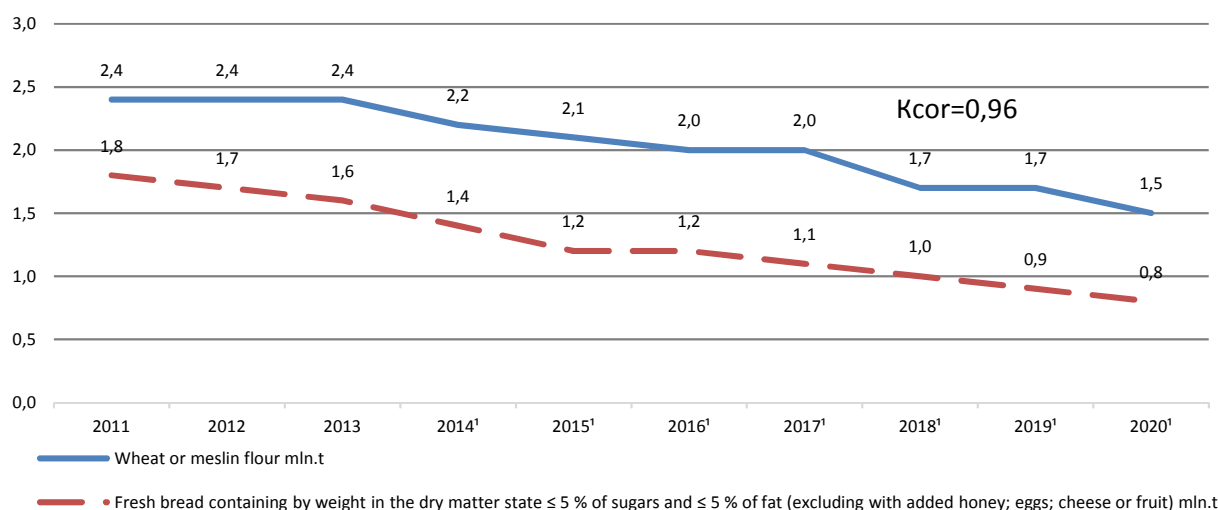
Among the main factors for the decline in the level of production of bakery products in Ukraine are the rise in prices for raw materials and energy resources and the increase in social standards. Also, there is an impact on the development of craft production of bakery products in network mini-bakeries and at low-capacity

Table 1

Number of active business entities by type of economic activity in 2010-2020

Years	10.71 manufacture of bread; manufacture of fresh pastry goods and cakes			10.72 manufacture of rusks and biscuits; manufacture of preserved pastry goods and cakes			10.73 manufacture of macaroni, noodles, couscous and similar farinaceous products		
	total, units	including natural entities-entrepreneurs, units	in % to the total of business entities of corresponding type of economic activity	total, units	including natural entities-entrepreneurs, units	in % to the total of business entities of corresponding type of economic activity	total, units	including natural entities-entrepreneurs, units	in % to the total of business entities of corresponding type of economic activity
2010	4410	3352	76,0%	1070	743	69,4%	253	139	54,9%
2011	3460	2431	70,3%	882	539	61,1%	208	101	48,6%
2012	3644	2753	75,5%	894	610	68,2%	192	114	59,4%
2013	3873	2902	74,9%	957	643	67,2%	197	120	60,9%
2014	4188	3363	80,3%	977	714	73,1%	199	129	64,8%
2015	4206	3400	80,8%	963	708	73,5%	213	141	66,2%
2016	4055	3338	82,3%	906	669	73,8%	192	139	72,4%
2017	4020	3285	81,7%	867	629	72,5%	173	110	63,6%
2018	4250	3501	82,4%	895	638	71,3%	157	88	56,1%
2019	4491	3722	82,9%	911	644	70,7%	150	84	56,0%
2020	4450	3699	83,1%	852	595	69,8%	140	79	56,4%

Source: State Statistics Service of Ukraine.



¹ Excluding the temporarily occupied territory of the Autonomous Republic of Crimea, the city of Sevastopol and a part of temporarily occupied territories in the Donetsk and Luhansk regions.

Fig. 1. Production of some types industrial products in 2011–2020, mln t

Source: State Statistics Service of Ukraine.

enterprises, and an increase in the percentage of home-baked products. The dynamics of production was negatively affected by the loss of sales markets, including in the temporarily occupied territories, and the decline in the purchasing power of the population. In addition, there is a discrepancy between domestic standards and technical regulations (normative and technical documentation) of the technological process and technological equipment with European Standards. Among other factors, the excessive tax burden and state regulation of the selling price of bakery products, the simplification of customs procedures in the trade of crop

products, and the promotion of a healthy lifestyle are distinguished [6-7].

In the weight structure of the consumer price index, bread occupies 3%, and flour products – 0.5%. Thus, changes in the retail price of bread and flour products affect, albeit slightly, the inflation index [8]. As can be seen from the figure, the average consumer prices in Ukraine over the past 5 years have increased: for wheat bread from premium flour, wheat bread from first grade flour, rye bread, rye-wheat bread – 2.2 times, long loaf – 2.1 times, pasta and wheat flour – 1.8 times.

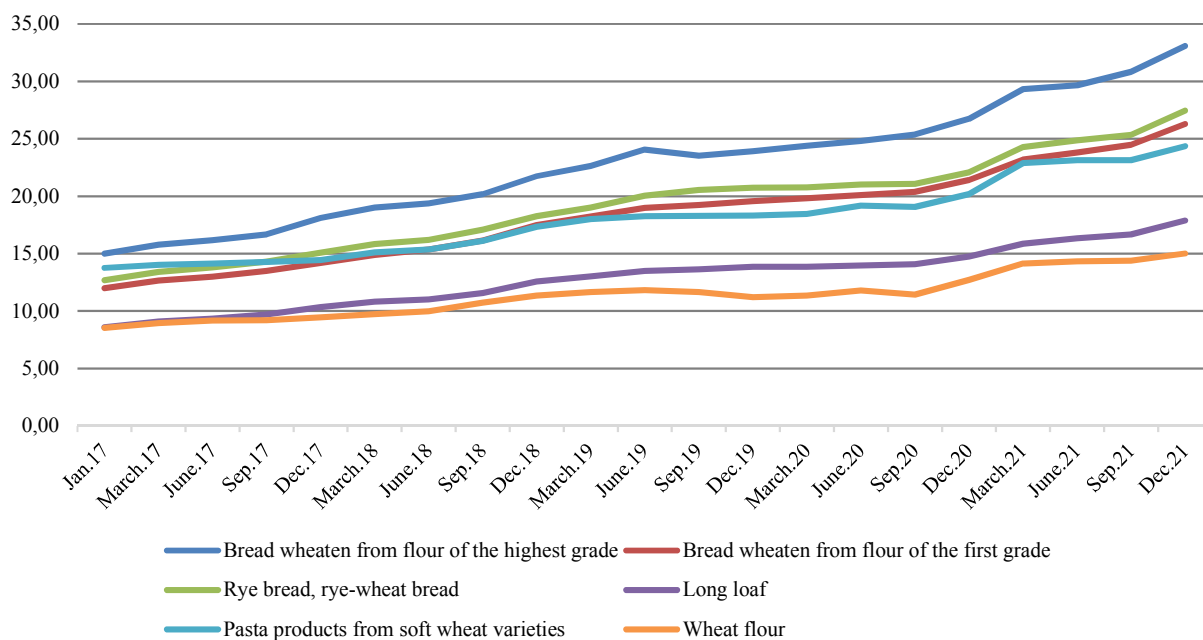


Fig. 2. Average consumer prices for goods (services) in Ukraine in 2017-2021, UAH

Source: State Statistics Service of Ukraine.

The variability of the modern market environment, which is determined by a number of factors that form the modern landscape of entrepreneurial activity, determines the improvement of enterprise management technologies that ensure its sustainable socially responsible development. The basis of such approaches is to ensure the adaptability of the enterprise to changes in the external environment, maintaining and increasing its competitiveness, as well as expanding the ability to quickly respond to diverse threats, including economic ones.

The effectiveness and timeliness of any management decision is directly dependent on its information and analytical support, formed on the basis of verified statistical data that are accumulated in the tax accounting and management accounting system.

The main indicators for managing the economy of an enterprise are revenue from the sale of finished products, costing, profit and profitability. Planning and forecasting of these indicators, taking into account various factors of influence, allows reducing the factor of the uncertainty of the future and the risks of possible losses, including when entering new markets, expanding the market share in already developed ones, and releasing new types of goods (services).

Effective management is carried out on the basis of detailed information on the volumes, directions and conditions for the implementation of expenses, which allows them to be optimized and to find additional reserves for increasing profits, including on an innovative and investment basis.

Therefore, the main task in managing an enterprise is the formation, storage and systematization of information about the results of the economic activities

of the enterprise, which, after regrouping and preparation, form the basis for the development and adoption of management decisions.

The key indicator for managing the economic activity of any enterprise, including the baking industry, is the cost of products. To account for and calculate the cost, a variety of methods have been developed that are characterized by different classification features.

One of these features is the completeness of the inclusion of costs in the cost of production and sales of products, goods (services). Therefore, in practice, the following management accounting methods are distinguished:

- full inclusion of costs in the cost of products (works, services);
- limited (incomplete) inclusion of expenses by any criterion.

Costing is a key element in the company's accounting policy instruments. The calculation is usually made at the stage of launching products into production, followed by tracking deviations of actual indicators from those that were taken into account in the process of planning the production period [9].

The procedure for the formation of the cost of production when applying national accounting standards is regulated by the Ukrainian Accounting standard No. 16 [10]. Manufacturing enterprises are also guided by special methodological recommendations [11], in the field of transportation [12], in the field of construction [13].

In practice, enterprises use several types of product costing. The simple calculation is carried out by the selling price method (coefficient method), according to which production costs are distributed among individual

objects in proportion to the cost of production at the selling price.

In the case of production to order, the order-by-order costing method is used, which is more often used in the manufacture of single products. In organizations with a continuous cycle of mass production, a process-by-process method of costing is used, according to which direct and indirect costs are distributed over the entire output.

A preventive costing method is also used, in which costs are taken into account depending on the stage of the production process. Recently, in the practice of domestic enterprises for the purposes of cost

administration, progressive modern methods of management accounting, in particular, the ABC method, as well as direct costing, standard costing and JIT systems are gaining popularity [14].

An example of a simple calculation of one unit of Long loaf and Bread wheaten from flour of the highest grade is shown in Table 2.

In theory, the calculation of the cost of production (works, services) is considered as a set of techniques and methods that ensure the calculation in monetary terms of the unit cost of certain types of products (works, services) produced by an enterprise in the context of cost items. Allocate planned and actual (reporting) costing.

Table 2

The structure of the selling price of bakery products

Cost items	Long loaf, 0,5 kg		Bread wheaten from flour of the highest grade, 1 kg	
	Structure, %	Amount, UAH	Structure, %	Amount, UAH
Raw materials	75,7%	9,084	73,2%	16,836
Fuel and energy	3,6%	0,432	4,7%	1,081
Wage	2,2%	0,264	2,4%	0,552
Single social contribution	1,0%	0,12	1,1%	0,253
General production costs	6,9%	0,828	7,7%	1,771
Selling costs	7,0%	0,84	8,0%	1,84
Administrative costs	3,6%	0,432	2,9%	0,667
Full cost	100%	12	100%	23
profit	10%	1,2	10%	2,3
Total		13,2		25,3
VAT	20%	2,64	20%	5,06
Factory price		15,84		30,36
Retail		18		33

Source: compiled by the author of Shpyrko O. M., Semenova S. M. (2018). Accounting of production stocks and analysis of the effectiveness of their use [monograph]. Kyiv, Artek. 239 p.

Planned costing is compiled before the start of the planning period on the basis of predictive, technically justified norms and economic standards. Planned costing determines the level of costs associated with the production of products (works, services), which must be achieved on average for the planned period (year or quarter). The actual (reporting) cost estimate is compiled at the end of the reporting period. Actual costing allows to evaluate the effectiveness of planning and forecasting at the enterprise, as well as identify and analyze the causes of deviations of planned indicators from actual ones.

The calculation is given in table 2 assumes the sale of products through business entities – individuals who are not payers of value added tax. As can be seen from Table 2, the bulk of the cost of baking bread is the cost of purchasing raw materials and materials, i.e. flour, margarine, vegetable oil and other components of the recipe for making bread. Therefore, the increase in purchase prices for these products has the greatest impact on the formation of the selling price. Thus, in order to ensure sustainable development, an enterprise in the baking industry must first of all monitor the dynamics of price changes in the flour-grinding industry, as well as in crop markets in the segments of interest to it.

The monitoring of changes in the components of the sale price of bread and bakery products and its comparison with price dynamics in the commodity markets is possible organizing in various management accounting systems. Recently, due to the expansion of the application of international financial reporting standards, Direct-Costing-System is gaining popularity in practice.

Direct-Costing-System is based on the distribution of costs into fixed and variable, which involves accounting and analysis of costs by their types, place of origin and carriers. Variable costs are directly linked to the products produced, while fixed costs are taken into account in the financial result. The key indicator of the direct costing system is marginal income, which is calculated as the difference between sales revenue and variable costs.

Direct-Costing-System allows to determine the forms and degree of dependence of costs on production volumes based on information about the results of economic activity, calculate the critical point of sales volumes, regulate pricing policy, predict costs depending on various impact factors and solve several other tasks, including information support of the economic security system of the enterprise [15].

Direct-Costing-System allows to quickly identify and track the negative dynamics of marginal income both for the enterprise as a whole and in the context of the range of goods (services) and product distribution channels. This allows taking timely measures to neutralize the identified threats, including the negative impact of environmental factors (expansion of competitors, changes in consumer sentiment, macro-economic shifts, etc.). In practice, for this purpose, a type of product is determined (distribution channel, region, Centre of economic activity) with high profitability rates, which are recognized as "standard". In the future, other structural elements of the enterprise are compared with such a "standard".

Modern software and computing systems, which are an integral part of the infrastructure of any enterprise (accounting programs, in particular, 1C, as well as ERP class systems (Enterprise Resource Planning), CAFM (Computer Aided Facility Management), IWMS (Integrated Workplace Management System), BI (Business Intelligence) allows management accounting at the enterprise with Direct-Costing-System. An integral part of such complexes is the formation and storage of information in a form convenient for use.

Direct-Costing-System is also an effective marketing tool that is focused on improving the efficiency of product promotion in the face of market uncertainty and free competition. The detected undesirable deviations from the main economic guidelines for the development of the enterprise make it possible to optimize and restructure the marketing policy. An accurate calculation of production costs simplifies the processes of rationing, planning, accounting and cost control. The cost price becomes more transparent, and certain types of costs are better controlled.

The system allows tracking the relationship between the output of finished products (production volume), profit, cost, profitability at any time. Comparison of the results achieved with the reporting data of previous reporting periods in the context of geography, Centre of economic activity, product range and distribution channels allows to make conclusions and reduce the uncertainty of the future. Direct-Costing-System allows controlling the company's break-even

point in real-time, as well as quickly assessing the threshold level of fixed costs that the company can afford while maintaining a given level of profitability.

Direct-Costing-System, like other management accounting methods, has its advantages and disadvantages. In this regard, the management of the enterprise should analyze and evaluate each method, taking into account the specifics of the enterprise, and organize and use at the enterprise the method that would maximize the effectiveness of management decisions. The main problem of implementing and administering a Direct-Costing-System is the difficulty of determining and separating fixed and variable costs. Difficulties arise in their classification and assignment to any specific group of costs in the process of real production activities.

Conclusions. In Ukraine, there is a decrease in the production of bread and bakery products in physical terms against the backdrop of a constant increase in prices for products of the bakery industry. The production of bread and bakery products is a low-profit type of entrepreneurial activity. The number of bread-baking enterprises is gradually decreasing. At the same time, there is an increase in the share of bread producers who carry out their economic activities on a simplified taxation system.

The main indicator for managing the economic activity of any enterprise, including the baking industry, is the cost of products. Costing is a key element in the company's accounting policy instruments. The calculation of the cost is developed at the stage of launching products into production, followed by tracking deviations of actual indicators from those that were taken into account in the process of planning the production period.

In theory, the calculation of the cost of production (works, services) is considered as a set of techniques and methods that ensure the measurement of the cost of a unit of production in monetary terms in the context of cost items. It is advisable to organize monitoring of changes in the components of the sale price of bread and bakery products and its comparison with price dynamics in commodity markets in the Direct-Costing-System management accounting system, which is gaining popularity due to the expansion of the use of international financial reporting standards.

References

1. Classification of economic activities of the DC 009:2010. (2010). State Committee of Ukraine for Technical Regulation and Consumer Policy National Classifier of Ukraine. Retrieved from <https://zakon.rada.gov.ua/rada/show/vb457609-10#Text>.
2. Decree of the Cabinet of Ministers of Ukraine of April 22, 2020 № 341 "On measures to stabilize prices for goods of significant social importance, anti-epidemic goods". Retrieved from <https://zakon.rada.gov.ua/laws/show/341-2020-%D0%BF#n13>.
3. Order of the Ministry of Agrarian Policy and Food of Ukraine dated 05.01.2022 № 3 "On approval of the list of economic entities whose main activity is, in particular, the production of food products of significant social importance." Retrieved from <https://zakon.rada.gov.ua/rada/show/v0003932-22#Text>.
4. Economic Code of Ukraine of January 16, 2003 № 436-IV. (2003). *Information of the Verkhovna Rada of Ukraine (VVR)*, № 18, № 19-20, № 21-22, Art. 144. Retrieved from <https://zakon.rada.gov.ua/laws/show/436-15#Text>.
5. *Information Bulletin "Bakery Industry"*, № 5 (26), October-December 2020.
6. Navolska, N. V. (2016) Research of the market of bread and bakery products in Ukraine. *Global and national economic problems*, Vol. 11. Retrieved from <http://global-national.in.ua/archive/11-2016/93.pdf>.

7. Novoitenko, I. V., Malinovsky, V. V. (2020). Status and main trends in the development of the bakery industry of Ukraine. *Efficient econom*, №11. Retrieved from http://www.economy.nayka.com.ua/pdf/11_2020/54.pdf, DOI: <https://doi.org/10.32702/2307-2105-2020.11.52>.
8. State Statistics Service of Ukraine. (2022). Weight structure for calculating the CPI according to the Classification of Individual Consumption by Purpose. Retrieved from <http://www.ukrstat.gov.ua/>.
9. Gnylytska, L. V. (2020). Customer-oriented approaches to cost accounting: the essence and prospects of implementation in Ukraine. *Development Strategy of Ukraine: Financial, Economic and Humanitarian Aspects: Proceedings of the VII International Scientific and Practical Conference*. (pp. 153-156). Kyiv, Information and Analytical Agency,
10. National Accounting Regulation (Standard) 16 "Expenditures". (1999). Order of the Ministry of Finance of Ukraine dated 31.12.99 № 318 "On approval of the National Regulation (standard) of accounting". Retrieved from <https://zakon.rada.gov.ua/laws/show/z0027-00#Text>.
11. Order of the Ministry of Industrial Policy of Ukraine dated 09.07.2007 № 373 "On approval of Methodical recommendations for the formation of the cost of products (works, services) in industry". Retrieved from <https://zakon.rada.gov.ua/rada/show/v0373581-07#Text>.
12. Order of the Ministry of Transport of Ukraine dated 05.02.2001 №65 "On approval of Methodical recommendations for the formation of the cost of transportation (works, services) on transport". Retrieved from <https://zakon.rada.gov.ua/rada/show/v0065361-01#Text>.
13. Order of the Ministry of Regional Development and Construction of Ukraine dated 31.12.2010 №573 "On approval of a new version of the Guidelines for the formation of the cost of construction and installation work". Retrieved from <https://zakon.rada.gov.ua/rada/show/v0573738-10#Text>.
14. Onishchenko, O. V., Kurenna, O. O., Krikunenko, A. S. (2017). Methods of cost accounting and costing of products: domestic and foreign experience. *Scientific Bulletin of the International Humanities University. Series: Economics and Management*, 25 (2), pp. 153-157.
15. Svistun, L. A., Levkova, R. M. (2017). Improving the cost management system of the enterprise in an unstable economy. *Economy and region*, 4, pp. 57-62.

Островецький В. І. Деякі аспекти вдосконалення системи управління підприємствами хлібопекарської промисловості України

У статті розглядаються окремі питання щодо вдосконалення системи управління підприємствами хлібопекарської галузі України. Зазначається, що хлібопекарська галузь є важливою стратегічною складовою харчової промисловості України. Проблеми, що виникають у цій галузі, негативно впливають на продовольчу безпеку України, а також погіршують макроекономічну динаміку, стимулюючи інфляцію. Обґрунтовується, що ключовим елементом забезпечення сталого розвитку підприємств хлібопекарської галузі України є калькулювання собівартості продукції. Калькуляція дозволяє здійснювати моніторинг та відслідковувати відхилення фактичних показників від тих, що були враховані у процесі планування виробничого періоду. Організацію моніторингу зміни складових ціни реалізації хліба та хлібобулочних виробів та її порівняння з ціною динамікою на сировинних ринках доцільно здійснювати у системі управлінського обліку Direct-Costing-System, яка набирає популярності у зв'язку з розширенням застосування міжнародних стандартів фінансової звітності.

Ключові слова: хліб та хлібобулочні вироби, ринок хліба та хлібобулочних виробів, калькуляція собівартості.

Ostrovetskyy V. Some Aspects of Improving the Management System of Enterprises of the Baking Industry in Ukraine

The article deals with certain issues of improving the management system of the enterprises of the baking industry in Ukraine. It is noted that the baking industry is an important strategic component of the Ukrainian food industry. Problems arising in this industry have a negative impact on the food security of Ukraine, as well as worsen macroeconomic dynamics, stimulating inflation. It is substantiated that the key element in ensuring the sustainable development of the enterprises of the baking industry in Ukraine is the calculation of the cost of manufactured products. Costing allows to monitor and track deviations of actual indicators from those that were taken into account in the planning process of the production period. It is advisable to organize monitoring of changes in the components of the sale price of bread and bakery products and its comparison with price dynamics in commodity markets in the Direct-Costing-System management accounting system, which is gaining popularity due to the expansion of the use of international financial reporting standards.

Keywords: bread and bakery products, bread and bakery products market, costing.

Островецький В. І. Некоторые аспекты совершенствования системы управления предприятиями хлебопекарной промышленности Украины

В статье рассматриваются отдельные вопросы совершенствования системы управления предприятиями хлебопекарной отрасли Украины. Отмечается, что хлебопекарная отрасль является важной стратегической составляющей пищевой промышленности Украины. Проблемы, возникающие в этой отрасли, негативно влияют на продовольственную безопасность Украины, а также ухудшают макроекономическую динамику, стимулируя инфляцию. Обосновывается, что ключевым элементом обеспечения устойчивого развития предприятий хлебопекарной отрасли Украины есть калькулирование себестоимости выпускаемой продукции. Калькуляция позволяет осуществлять мониторинг и отслеживать отклонения фактических показателей от тех, которые были учтены в процессе планирования производственного периода. Организацию мониторинга изменения составляющих цены реализации хлеба и хлебобулочных изделий и ее сравнения с ценовой динамикой на сырьевых рынках целесообразно осуществлять в системе управленческого учета Direct-Costing-System, которая набирает популярность в связи с расширением применения международных стандартов финансовой отчетности.

Ключевые слова: хлеб и хлебобулочные изделия, рынок хлеба и хлебобулочных изделий, калькуляция себестоимости.

Received by the editors: 30.11.2021
and final form 16.12.2021