Analysis of business activity management in the oil and gas production enterprise development system

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Abstract
The scientific work reveals the theoretical, methodological and practical aspects of business management of the oil and gas industry enterprise “Boryslavnaftogaz”. Business activity management is the impact on the business activity of the enterprise through the development of a set of measures aimed at expanding existing and conquering new markets; attracting new suppliers of raw materials and supplies; optimization of inventories; accelerating the turnover of assets and capital; elimination of the influence of internal and external factors that reduce the efficiency of resources used; contribute to the survival of the enterprise in a competitive environment, stimulate the development of production, promote sustainable economic growth – in order to maximize the company’s profits. The analysis of the financial condition and financial activity of Boryslavnaftogaz oil and gas production department is carried out and the level and dynamics of indicators of business activity of the researched enterprise are analyzed. The main indicators of assessment of business activity of the enterprise (internal and external) are characterized. A SWOT-analysis of the financial and economic condition of the Boryslavnaftogaz oil and gas production department was conducted. Proposals for increasing the efficiency of the Boryslavnaftogaz oil and gas industry enterprise have been developed and substantiated. An in-depth analysis of the structure of receivables (causes and repayment) and accounts payable (search for sources of repayment). The economic results of design decisions are estimated.

Keywords: oil and gas industry, business activity management, liquidity, receivables and payables, business activity.

Introduction
Modern market relations require businesses to increase production efficiency, competitiveness of products and services, efficiency of management and production management, which ultimately leads to the main goal – to obtain the maximum profit that can be achieved provided a stable financial condition. The correct definition of the financial condition of the enterprise is of great importance not only for himself but also for shareholders and potential investors. Fluctuations in world oil and gas prices largely determine the pace of development of the global energy economy, the long-term structure of the fuel and energy balance, the direction and pace of R&D in relevant areas. At the moment, the oil market is not experiencing the best of times, as its price has dropped significantly. Ukrainian oil and gas companies are not living in the best of times. In such conditions, the topic of increasing the business activity of oil and gas companies is relevant.
Purpose. Evaluation and analysis of business activity management in the system of development of oil and gas production enterprise (on the example of NGVU «Borislavnaftogaz»).

To achieve this goal, the following tasks were set: to analyze the financial condition and financial activities of the oil and gas production department of NGVU «Borislavnaftogaz»; to analyze the level and dynamics of business activity indicators of «Borislavnaftogaz» oil and gas production department; to conduct a SWOT-analysis of the financial and economic condition of NGVU «Borislavnaftogaz»; to develop and substantiate proposals to increase the efficiency of the oil and gas industry «Borisylnavaftogaz».

Material and methods

The following methods were used in the scientific work: analytical, comparison method, financial analysis method. SWOT-analysis and generalization methods were performed.

Results and discussion

Analysis of the financial condition and financial activity of the oil and gas industry enterprise «Borislavnaftogaz». The subject of activity of NGVU «Boryslavnaftogaz» is the development and operation of oil, gas and gas condensate fields, preparation for the sale of oil, gas condensate and gas; construction and overhaul of facilities for production, collection, preparation, transportation and utilization of oil, gas, condensate and water in fields. In order to draw conclusions about the financial condition of NGVU «Boryslavnaftogaz» we have calculated the main indicators of financial activity, the presentation of which is given in Table 1.

Table 1 – The main analytical indicators of the financial condition of NGVU «Boryslavnaftogaz» for 2017-2019

| Indicator                                      | 2017   | 2018   | 2019   |
|------------------------------------------------|--------|--------|--------|
| Depreciation rate of fixed assets              | 0,22   | 0,34   | 0,09   |
| The coefficient of suitability of fixed assets | 0,78   | 0,66   | 0,91   |
| Return on assets                               | 0,13   | 0,00   | 0,20   |
| Capital intensity                              | 7,69   | 231,66 | 48,98  |
| Own working capital                            | 234716,4 | -314064,6 | 209957,6 |
| Providing stocks with the total size of the main sources | -15338,5 | -56846,9 | -35923,4 |
| Ratio of current assets with own funds         | -1,58  | -2,95  | -2,12  |
| Coefficient of providing own working capital of stocks | -1,79  | -3,06  | -2,29  |
| Coefficient of autonomy                        | 0,39   | 0,25   | 0,43   |
| Funding ratio                                  | 0,66   | 0,37   | 0,76   |
| The most liquid assets                         | 28,1   | 2,3    | 2,8    |
| Quickly realized assets                        | 14206,4 | 374,6  | 6228,5 |
| Slowly realized assets                         | 134123,3 | 106059,8 | 145729,2 |
| Hard-to-sell assets                            | 488767,4 | 456324,8 | 684011,1 |
| The most urgent obligations                    | 32041,7 | 59051,2 | 46912,7 |
| Short-term liabilities                         | 1485,1 | 1741   | 81,8   |
| Long-term liabilities                          | 359709,1 | 347596,3 | 427059,0 |
| Permanent liabilities                         | 142260,2 | 154373,0 | 361918,1 |
| Indicator | 2017     | 2018     | 2019     |
|-----------|----------|----------|----------|
| Absolute liquidity ratio | 0,0008   | 0,00004  | 0,00006  |
| Rapid liquidity ratio    | 0,49     | 0,55     | 0,21     |
| Current ratio            | 9,83     | 1,74     | 3,20     |

**Profitability indicators**

| Indicator                                                        | 2017 | 2018 | 2019 |
|-----------------------------------------------------------------|------|------|------|
| Return on capital (assets), %                                     | 0,0  | 0,0  | 0,0  |
| Return on assets for approx. to oopod. and interest payments, %  | 0,0  | 0,0  | 0,0  |
| Return on current assets, %                                      | 0,0  | 0,0  | 0,0  |
| Return on equity                                                 | 0,0  | 0,0  | 0,0  |
| Profitability of production assets                               | 0,0  | 0,0  | 0,0  |
| Profitability of sales                                           | 0,0  | 0,0  | 0,0  |
| Profitability of the main activity                               | 0,0  | 0,0  | 0,0  |

Liquidity ratios. Analyzing the results, we note that the failure to meet the first inequality throughout the analyzed period (2017-2019) indicates a lack of term liquidity. Ways out of this situation for NGVU «Boryslavnaftogaz»: transfer of less liquid assets to a more liquid form; contractual extension of the terms of repayment of the next obligations. It is also worth noting that the non-fulfillment of the first inequality is due to two reasons: first, it is impractical to keep a significant share of highly liquid assets, cash and short-term securities, as they are depreciated in the first place, so it makes sense to transfer them to others inflation types of assets, i.e., stocks of raw materials, equipment, etc.; secondly, in conditions of high inflation, it is unprofitable to repay accounts payable by the company in a timely manner.

In turn, the implementation of the second and fourth inequalities in 2017-2019 indicates the availability of working capital in NGVU «Boryslavnaftogaz». However, the non-fulfillment of the third inequality for the analyzed period indicates that the oil and gas industry does not comply with the minimum condition of financial stability in the financial market.

The absolute liquidity ratio of the studied enterprise is quite low. This indicates that a fairly small part of the current debt may be repaid in the near future until the balance sheet. The quick liquidity ratio is less than the normative value, NGVU «Boryslavnaftogaz» does not cover current liabilities with highly liquid and quickly sold assets.

The current liquidity ratio in the analyzed period is above the normative value of 1.5-2, which indicates that NGVU «Boryslavnaftogaz» is fully provided with its own funds for industrial activities and timely repayment of term liabilities. However, the high rate indicates that during the operating cycle, the company has the opportunity to repay its long-term liabilities.

Calculation of profitability indicators. A negative trend for the return on assets of NGVU «Boryslavnaftogaz» is the zero indicator during the studied years, as it characterizes the level of profit generated by all assets of the oil and gas industry. In 2017-2019, this indicator was 0%. Return on assets before income tax and interest payments as well as return on capital in 2017-2019 was 0%, which characterizes not the best performance of NGVU «Boryslavnaftogaz» in these years, as it shows the efficiency of its property.

The return on current assets in 2017-2019 was 0%, which characterizes the negative efficiency of the use of assets of the analyzed industrial enterprise. Return on equity characterizes the efficiency of investing in this enterprise of the oil and gas industry in 2017-2019, this figure, like all previous ones, was also 0.
Profitability of production assets is used to assess the efficiency of use of production assets of the enterprise. In 2017-2019, we see an indicator of 0. Profitability of sales characterizes the efficiency of the industrial enterprise. According to the data, this indicator in 2017-2019 was 0. During 2017-2019, the profitability of the main activity was also 0. This value means that the company is not profitable.

Indicators of property status. The depreciation rate of fixed assets in 2019 decreased by 0.25 compared to 2018. This trend is negative for NGVU «Boryslavnaftogaz», as it characterizes the share of the value of fixed assets written off for production costs in previous periods. The coefficient of suitability of fixed assets reveals the share of their residual value from the original cost and in 2019 increased compared to the previous year which was analyzed by 0.25 and decreased by 0.12 in 2018.

Return on assets – an indicator that characterizes the output of 1 UAH. fixed assets of the enterprise. In 2019, we can see an increase in this figure from 0 to 0.20, which is positive for the company, as it means that it has become more productive. However, in 2018 we see a decrease in the indicator to zero. Capital intensity shows the needs of fixed assets to ensure the implementation of a unit of work. Positive for NGVU «Boryslavnaftogaz» is the tendency to reduce this indicator, as the reduction of needs increases production. But the calculations show a decrease in capital intensity from 231.66 to 48.98 in 2019 compared to the previous year, and an increase in 2018 to 231.66.

Indicators of financial stability. Own working capital shows the availability of working capital for a certain analyzed period. In 2017, this indicator was -234716.04 thousand UAH, in 2018 – -314064.6 thousand UAH, in 2019 – 209957.6 thousand UAH. For NGVU «Boryslavnaftogaz» this means that for two years (2017-2018) the company had no working capital. The indicator of providing stocks with the total value of the main sources during the analyzed years had negative values and amounted to: in 2017 – -15338.5 thousand UAH, in 2018 – -56846.9 thousand UAH, in 2019 – -35923.4 thousand UAH.

The ratio of current assets to own funds characterizes the absolute possibility of converting assets into liquid funds. This ratio in 2017 was -1.58; in 2018 – -2.95; in 2019 – -2.12. The downward trend negatively characterizes the activity of an industrial enterprise. The ratio of own working capital of stocks characterizes the extent to which stocks are provided with long-term stable sources of financing. Like the previous ratio, this ratio has become negative, which is negative for this company: in 2017 it was -1.79; in 2018 – -3.06; in 2019 – -2.29.

The coefficient of autonomy shows what part of the total investment of the enterprise is equity. In 2017-2019, this indicator was less than its normative value of 0.5 and amounted to 0.39, 0.25, 0.43, respectively. The financing ratio characterizes the ratio between own and borrowed funds. During 2017-2019. It was 0.66; 0.37; 0.76, which is not close to the normative value, which must be greater than 1.

From all the calculated indicators in general, it can be concluded that NGVU «Boryslavnaftogaz» is in a bad financial position, needs more efficient management and use of available assets. In 2017-2019, NGVU «Boryslavnaftogaz» did not make a profit, respectively, did not allow to get out of a loss-making situation and be able to compete at a sufficient level with other industrial enterprises in this industry.

Analysis of business activity management of NGVU «Boryslavnaftogaz». Let's analyze the indicators of business activity of the oil and gas industry «Boryslavnaftogaz», the results of which are presented in table 2. The calculation is made on the basis of balance sheet data and the report on financial results of the enterprise.
Table 2 – Indicators of business activity of NGVU «Borislavnaftogaz»

| Characteristic                                              | Years     | Absolute deviation |
|-------------------------------------------------------------|-----------|--------------------|
| indicators that characterize the turnover of working capital| 2017      | 2018               |
| Working capital turnover ratio                              | 0,02      | 0,36               |
| Period of one turnover of working capital (days)            | 948,69    | 21070,17           |
| Fastening factor                                           | 2,64      | 58,52              |
| Inventory turnover ratio (turnover/year)                    | 0,02      | 0,41               |
| Period of one stock turnover (days)                        | 838,78    | 20363,9            |
| indicators that characterize the turnover of receivables and accounts payable | 2018      | 2019               |
| Receivables turnover ratio (vol.)                           | 4,65      | 2,05               |
| Receivables repayment period (days)                         | 90,85     | 175,01             |
| The share of receivables in total current assets            | 0,09      | 0,04               |
| Current assets ratio (transformation)                       | 0,08      | 0,01               |

The analysis of indicators of business activity of the enterprise of the oil and gas industry «Borislavnaftogaz» allows to draw the following conclusion.

In the analyzed period there was a decrease in the value of the turnover ratio of working capital by 0.3 percentage points in 2019 compared to 2018. This shows that the studied company has a decrease in working capital turnover, which can be considered a negative trend. This dynamic led to an increase in the period of turnover of working capital in 2017 by 21070 days, and in 2019 by 17748 days decrease.

The consolidation factor determines the amount of working capital per unit of output. In 2018, this indicator increased from 2.64 in 2017 to 61.16, and in 2019 decreased to 11.86, which positively characterizes the work of the oil and gas industry.

The decrease in the value of the inventory turnover ratio in 2019 was 0.09, but in 2018 it was 0.43. In 2019, compared to 2018, the company reduced the period of inventory turnover to 3958 days, which indicates a decrease in demand for products.

The decrease in the turnover ratio of receivables in 2019 by 1.91 and the increase in the maturity of receivables by 98 days is a negative trend for the studied enterprise. In 2018, the value of the receivable’s ratio decreased by 0.69, which led to a decrease in its turnover period by 14 days.

The share of receivables in total current assets for 2 years tended to increase, which negatively characterizes the activities of the enterprise and it was 0.09 in 2017, in 2018 – 0, in 2019 – 0.04.

Asset turnover ratio (transformation) characterizes the number of asset turnovers for the period; how much net revenue is received per unit of funds invested in assets. The increase in the indicator is positive, but the calculations show an increase in 2019 from 0.00 to 0.01, in 2018 – a decrease to 0.

During the analysis of the working capital of the oil and gas industry enterprise «Borislavnaftogaz» the following problems were revealed: increase in the share of receivables in the structure of current assets and increase in the value of receivables.

When forming the working capital of NGVU «Borislavnaftogaz» adheres to the approach, which is expressed in the full provision of all needs for current assets and the creation of a normal level of insurance reserves in case of failure during the industrial activity of the enterprise. This approach to the formation of working capital provides the optimal ratio between the level of risk and the level of efficiency of financial resources for real economic conditions.
In the field of working capital management NGVU «Borislavnaftogaz» it is necessary to introduce the following goals: to create conditions for sustainable development and growth of capitalization and increase the efficiency of working capital management.

To achieve these goals requires the solution of the following tasks: reducing the duration of the operating cycle of capital; determining the optimal size of working capital structure; accelerating the turnover of working capital; definition of bases of principles of financing of separate components of current assets of the investigated industrial enterprise; optimization of the structure of sources of financing, but with preservation of liquidity and profitability of current assets of the industrial enterprise.

**SWOT-analysis of «Borislavnaftogaz» oil and gas industry enterprise.** To better understand the financial and economic situation of the oil and gas industry «Borislavnaftogaz» we will analyze a number of internal and external factors and build a SWOT-analysis. At the first stage, we will identify the strengths and weaknesses of NGVU «Borislavnaftogaz» using the following evaluation parameters: finance, marketing, organization, production, personnel management, investment and innovation (Table 3).

**Table 3 – Identifying the strengths and weaknesses of the oil and gas industry «Borislavnaftogaz»**

| Evaluation parameters | Strengths | Weak sides |
|-----------------------|-----------|------------|
| **Finances** (assessment of financial condition, financial stability of the enterprise, corporate liquidity, business profitability, production costs, capital turnover rate) | - financial stability of the oil and gas industry enterprise «Borislavnaftogaz». | - illiquid structure of the balance sheet of the oil and gas industry enterprise «Borislavnaftogaz»; - unprofitable enterprise (during 2017-2019). |
| **Marketing** (strategy, concept, tactics, product sales, competitors) | - strategy and concept for new deposits, exploration and drilling; - research and development. | |
| **Organization** (organizational structure of management, level of qualification of workers, interest in development of the enterprise, interaction between divisions) | - quality staff; - staff training and development; - high level of qualification and persistence of the management; - restructuring of the warehouse logistics function and creation of a centralized Logistics Department; - transformation of the transport function and the creation of a centralized Department of Transport. | |
| **Production** (organization and efficiency of production, production capacity, quality and degree of operation of equipment, quality of finished products, labor protection in production) | - products that meet the best world standards; - introduced the best practice in the field of labor protection; - the corporate motivational program «Remuneration for activity in the field of labor safety» is developed. | - high degree of depletion of deposits. |
| **HR** (recruitment and selection of staff, training and development of staff; staff motivation) | - introduced a system of grades for management and engineering positions of all structural units and a salary scheme based on grades (the level of wages is now focused on market | |
| Evaluation parameters | **Strengths** | **Weak sides** |
|------------------------|--------------|---------------|
| **Indicators** | - indicators, its size has increased by more than 30%, and remuneration is tied to employee performance; | |
| | - monthly bonus for employees (including KTU) and semi-annual bonus for managers and ITP (taking into account corporate results and close binding to the results of individual KPIs); | |
| | - social benefits for employees (at the birth of a child, large families and families with children with disabilities, for the burial of the employee / relatives, relatives of the employee). | |
| **Investments** | - part of last year's capital expenditures, was aimed at extending special permits for extraction; | - investments in construction of new wells decreased by 76% (no direct drilling was performed). |
| (expansion of production, licenses, special permits, conclusion of contracts) | - concluding contracts for the purchase of long-supply goods where preparatory work was carried out for drilling 3 new wells. | |
| **Innovations** | - depreciation of fixed assets (buildings, structures, machinery and equipment, tools). | |
| (management of enterprise development, frequency of introduction of new products and services in production, degree of their novelty (insignificant or cardinal changes), terms of payback of means invested in development of novelties) | | |
| **Marketing** | increase and increase the efficiency of production through the implementation of various categories of organizational and technical measures. | |
| (the presence of various distribution networks, distribution channels to address the formation of a sales network, terms of supply of components and materials) | | |
| **Economic factor** | remove the restrictive burden, which will significantly expand the opportunities for enterprise development and attract investment capital. | - tax debt on a regular basis. |
| (inflation rate, taxation system, financial and credit policy in the country, changes in the structure of consumer consumption) | | |
| **Political and legal factor** | - quite frequent changes in the legal framework, as well as a high degree of contradiction between existing acts, which has a | |
Evaluation parameters | Strengths | Weak sides
--- | --- | ---
markets, state economic policy) | negative impact on the company. |

**Demand**
(market capacity, growth or contraction)

- transition to more alternative fuels (falling demand);
- with declining incomes, less oil and gas products are used by the population.

**Natural and environmental factors**
(state of the environment, level of its pollution, public attitude to environmental protection)

- to introduce the best world practices in the field of environmental safety; take measures that can reduce the negative impact of environmental factors.
- growth of gassiness in the city of Boryslav;
- oil manifestations in places of termination of operation.

**Scientific and technical factors**
(degree of introduction of new technologies in industrial production)

- involvement in the operation of new development facilities;
- introduction of new technologies in deposits;
- application of forced liquid extractions due to effective introduction of mechanized extraction on deposits;
- optimization of capital and current repairs of promising wells.

**Socio-cultural factor**
(level of education, people’s attitude to work)

- improvement of corporate culture;
- introduction of highly specialized professional training courses;
- development of expertise and knowledge exchange.

**Table 5 – Influence of factors on development of activity of the enterprise of the oil and gas industry «Borislavnaftogaz»**

| Factor | Rating (probability of impact) |
|---|---|
| Financial stability of the enterprise | 4 |
| Strategy and concept for new deposits, exploration and drilling | 4 |
| Research and development | 3 |
| Qualitative staff | 2 |
| Staff training and development | 2 |
| High level of qualification and perseverance of the management | 5 |
| 4 | Restructuring of the warehouse logistics function and creation of a centralized Logistics Department |
| 4 | Transformation of the transport function and the creation of a centralized Transport Department |
| 3 | Products that meet the best world standards |
| 3 | Best practices in the field of labor protection have been introduced |
| 2 | The corporate motivational program «Remuneration for activity in the field of labor safety» is developed |
| 3 | The system of grades for managerial and engineering positions of all structural units and the scheme of salaries on the basis of grades is introduced |
| 3 | Monthly bonus for employees and semi-annual bonus for managers |
| 3 | Social benefits for employees |
| 3 | Capital expenditures are directed to the extension of special mining permits |
| 4 | Concluding contracts for the purchase of long-supply goods where preparatory work was carried out for drilling 3 new wells. |
| 4 | The illiquid structure of the balance sheet of the oil and gas industry enterprise «Borislavnaftogaz» |
| 2 | Unprofitable enterprise (during 2017-2019). |
| 5 | High degree of depletion of deposits |
| 4 | Investments in construction of new wells decreased by 76% (no drilling was carried out directly) |
| 4 | Depreciation of fixed assets (buildings, structures, machinery and equipment, tools) |
| 3 | Increasing and increasing the efficiency of production through the implementation of various categories of organizational and technical measures |
| 1 | Remove the restrictive burden, which will significantly expand the opportunities for enterprise development and attract investment capital |
| 1 | Introduce the world’s best practices in the field of environmental safety |
| 3 | Take measures that can reduce the negative impact of environmental factors |
| 5 | Commissioning of new development objects |
| 5 | Introduction of new technologies in deposits |
| 3 | Application of forced liquid extractions due to effective introduction of mechanized extraction at deposits |
| 4 | Optimization of capital and current repairs of perspective wells |
| 3 | Improving corporate culture |
| 2 | Introduction of highly specialized professional training courses |
| 2 | Development of expertise and knowledge exchange |
| 3 | Tax debt on a regular basis |
| 3 | Quite frequent changes in the legal framework, as well as a high degree of contradiction between existing acts, which has a negative impact on the company. |
| 3 | Transition to more alternative fuels (falling demand) |
| 3 | As the income of the population decreases, less oil and gas products are used by the population |
| 3 | Growth of gassiness in the city of Borislav |
| 3 | Oil manifestations in places of decommissioning |
| 4 | High degree of depletion of deposits |
We apply the method of positioning each specific feature on the capability matrix (Table 6).

**Table 6 – Matrix of possibilities of activity of the enterprise of the oil and gas industry «Borislavnaftogaz»**

| Probability of use | Influence |
|--------------------|-----------|
|                     | Strong | Moderate | Small |
| High                | -     | Application of forced liquid extractions due to effective introduction of mechanized extraction at deposits | - |
| Average             | - Increasing and increasing the efficiency of production through the implementation of various categories of organizational and technical measures. - Optimization of capital and current repairs of perspective wells. - Introduction of highly specialized professional training courses. | - Take measures that can reduce the negative impact of environmental factors. - Improving corporate culture. | - Introduce the world’s best practices in the field of environmental safety |
| Low                 | - Commissioning of new development objects. - Introduction of new technologies in deposits. - Development of expertise and knowledge exchange. | Remove the restrictive tax burden, which will significantly expand the company’s development opportunities and attract investment capital. | - |

We will compile a similar matrix for threat assessment (Table 7).

**Table 7 – Matrix of threats to the activity of the oil and gas industry enterprise «Borislavnaftogaz»**

| Probability of implementation | Можливі наслідки |
|-----------------------------|------------------|
|                             | Destructive | Critical condition | Severe condition |
| High                        | -          | - Oil manifestations in places of decommissioning. - Growth of gassiness in the city of Borislav. | - |
| Average                     | High degree of depletion of deposits | - | - |
| Low                         | -          | - Falling demand due to the transition to more alternative fuels. - With declining incomes, fewer products are used. - Quite frequent changes in the legal framework. - Tax debt on a regular basis | - |

In the profile table we will enter the factors, each of which is given an assessment (Table 8).
### Table 8 – Environment profile of the oil and gas industry «Borislavnaftogaz»

| Environmental factor | Importance for the industry ("A") | Impact on the enterprise ("B") | Direction of influence ("C") | Degree of importance ("D") |
|----------------------|-----------------------------------|-------------------------------|-------------------------------|---------------------------|
| **Strengths**        |                                   |                               |                               |                           |
| 1. Financial stability of the enterprise | 2 | 3 | +1 | +6 |
| 2. Strategy and concept for new deposits, exploration and drilling | 4 | 4 | +1 | +9 |
| 3. Research and development | 3 | 3 | +2 | +8 |
| 4. Qualitative staff | 3 | 3 | +1 | +7 |
| 5. Staff training and development | 2 | 3 | +1 | +6 |
| 6. High level of qualification and perseverance of the management | 3 | 3 | +2 | +8 |
| 7. Restructuring of the warehouse logistics function and creation of a centralized Logistics Department | 3 | 3 | +2 | +8 |
| 8. Transformation of the transport function and the creation of a centralized Transport Department | 3 | 3 | +2 | +8 |
| 9. Products that meet the best world standards | 3 | 3 | +2 | +8 |
| 10. Best practices in the field of labor protection have been introduced | 2 | 3 | +1 | +6 |
| 11. Developed a corporate motivational program «Remuneration for activities in the field of occupational safety» | 2 | 2 | +1 | +5 |
| 12. A system of grades for managerial and engineering positions of all structural units and a scheme of salaries based on grades have been introduced | 2 | 2 | +2 | +6 |
| 13. Monthly bonus for workers and semi-annual bonus for managers | 2 | 2 | +2 | +6 |
| 14. Social benefits to employees | 2 | 2 | +2 | +6 |
| 15. Capital expenditures are directed to the extension of special permits for extraction | 4 | 4 | +1 | +9 |
| 16. Concluding contracts for the purchase of long-supply goods where preparatory work was carried out for drilling 3 new wells. | 4 | 4 | +2 | +9 |
| **Weak sides**       |                                   |                               |                               |                           |
| 1. Unprofitable enterprise (during 2017-2019) | 3 | 3 | -1 | -9 |
| 2. High degree of depletion of deposits | 3 | 3 | -1 | -9 |
| 3. Investments in the construction of new wells decreased by 76% (no direct drilling was carried out) | 3 | 3 | -1 | -8 |
| 4. Depreciation of fixed assets (buildings, structures, machinery and equipment, tools) | 3 | 3 | -1 | -9 |
| **Opportunities**    |                                   |                               |                               |                           |
| 1. Increasing and increasing the efficiency of production through the implementation of | 3 | 3 | +1 | +8 |
Environmental factor | Importance for the industry ("A") | Impact on the enterprise ("B") | Direction of influence ("C") | Degree of importance ("D")
--- | --- | --- | --- | ---
various categories of organizational and technical measures | | | +1 | +9
2. Remove the restrictive tax burden, which will significantly expand the opportunities for enterprise development and attract investment capital | 2 | 2 | +1 | +9
3. Introduce the world's best practices in the field of environmental safety | 2 | 2 | +1 | +6
4. Take measures that can reduce the negative impact of environmental factors | 2 | 2 | +1 | +6
5. Involvement of new development objects in operation | 4 | 4 | +2 | +9
6. Introduction of new technologies in deposits | 4 | 4 | +2 | +9
7. Application of forced liquid extractions due to effective introduction of mechanized extraction at deposits | 2 | 2 | +2 | +9
8. Optimization of capital and current repairs of promising wells | 4 | 4 | +1 | +9
9. Improving corporate culture | 2 | 2 | +1 | +6
10. Introduction of highly specialized professional training courses | 3 | 3 | +1 | +6
11. Development of expertise and knowledge exchange | 3 | 3 | +1 | +9

**Threats**

1. Tax debt on a regular basis | 3 | 3 | -1 | -9
2. Quite frequent changes in the legal framework, as well as a high degree of contradiction between existing acts, which has a negative impact on the company. | 3 | 2 | -1 | -6
3. Transition to more alternative fuels (falling demand) | 3 | 2 | -1 | -6
4. With declining incomes, less oil and gas products are used by the population | 3 | 3 | -1 | -6
5. The growth of gassiness in the city of Boryslav | 3 | 3 | -1 | -6
6. Oil manifestations in places of decommissioning | 3 | 3 | -1 | -6
7. High degree of depletion of deposits | 4 | 4 | -1 | -9

D – integrated assessment, which shows the degree of importance of the factor (Grigoruk P.M., Tkachenko I.S., 2012) on the activities of the oil and gas industry «Borislavnaftogaz». From the results of table 8, we observe that the most important are the following factors: strategy and concept for new fields, exploration and drilling, contracts for the purchase of long-supply goods where preparatory work was carried out for drilling 3 new wells, capital expenditures to extend special permits for
extraction (+9). The loss of the enterprise (during the analyzed period of 2017-2019), the high degree of depletion of deposits, depreciation of fixed assets (-9) – deserve the most serious attention.

Comparing strengths and weaknesses with market opportunities and threats has the opportunity to build a SWOT-analysis (table 9).

Table 9 – Matrix of SWOT-analysis of sales of products of the oil and gas industry enterprise «Boryslavnaftogaz»

| OPPORTUNITIES                                                                 | THREATS                                                                 |
|------------------------------------------------------------------------------|------------------------------------------------------------------------|
| 1. Increasing and increasing the efficiency of production through the implementation of various categories of organizational and technical measures (+8) | 1. High degree of depletion of deposits (-9)                           |
| 2. Introduce world best practices in the field of environmental safety (+9)  | 2. Quite frequent changes in the legal framework, as well as a high degree of contradiction between existing acts, which has a negative impact on the company (-6) |
| 3. Commissioning of new development facilities (+9)                          | 3. Switching to more alternative fuels (falling demand) (-6)           |
| 4. Introduction of new technologies in deposits (+9)                         | 4. With a decrease in household income, less oil and gas products are used by the population (-6) |
| 5. Optimization of capital and current repairs of perspective wells (+9)    | 5. Growth of gassiness in the city of Boryslav (-6)                     |
| 6. Introduction of highly specialized professional training courses (+6)     | 6. Oil manifestations in places of decommissioning (-6)                 |
| 7. Development of expertise and knowledge exchange (+9)                      | 7. Tax debt on a regular basis (-9)                                    |

| STRENGTHS                                                                 | Increase production through funding (invest more in innovation).        | Take measures to eliminate the growth of gassiness in the city of Boryslav. |
|----------------------------------------------------------------------------|------------------------------------------------------------------------|--------------------------------------------------------------------------|
| 1. Strategy and concept for new deposits, exploration and drilling (+9)     | Increase production through funding (invest more in innovation).        | Take measures to eliminate the growth of gassiness in the city of Boryslav. |
| 2. Research and development (+8)                                           | Increase production through funding (invest more in innovation).        | Take measures to eliminate the growth of gassiness in the city of Boryslav. |
| 3. Staff training and development (+6)                                      | Increase production through funding (invest more in innovation).        | Take measures to eliminate the growth of gassiness in the city of Boryslav. |
| 4. High level of qualification and perseverance of the management (+8)     | Increase production through funding (invest more in innovation).        | Take measures to eliminate the growth of gassiness in the city of Boryslav. |
| 5. The system of grades for managerial and engineering positions of all structural units and the scheme of salaries on the basis of grades (+6) is introduced | Increase production through funding (invest more in innovation).        | Take measures to eliminate the growth of gassiness in the city of Boryslav. |
| 6. Conclusion of contracts for the purchase of long-supply goods where preparatory work was carried out for drilling 3 new wells (+9) | Increase production through funding (invest more in innovation).        | Take measures to eliminate the growth of gassiness in the city of Boryslav. |
WEAK SIDES
1. Unprofitable enterprise (during 2017-2019) (-9).
2. High degree of depletion of deposits (-9).
3. Investments in the construction of new wells decreased by 76% (no drilling was carried out directly) (-8).
4. Depreciation of fixed assets (buildings, structures, machinery and equipment, tools) (-9).

Due to the depreciation of fixed assets of the «Boryslavnaftogaz» oil and gas industry, the industrial development of the company is declining, and further production will fall.

The most dangerous is the depletion of fluids from the rocks.

Having developed and analyzed the SWOT-analysis, we see that one of the most influential weaknesses is the depreciation of fixed assets and losses of the company during 2017-2019, respectively, we develop proposals to improve the use of fixed assets and profitability.

**Development of proposals to increase the efficiency of the oil and gas industry «Boryslavnaftogaz»**. The analysis showed that Boryslavnaftogaz oil and gas companies have significant problems with the liquidity of the balance sheet, which is caused by a significant amount of accounts payable. It should be noted that in most cases, the amount of accounts payable is determined by the number of receivables, as the timeliness of payment by customers of their accounts, depends on the need to raise loans. Thus, in order to develop recommendations, it is first of all expedient to conduct an analysis of receivables and payables.

Analyzing the debts of the surveyed company, you can determine the position of commercial lending, ie to determine whether the company is a net lender or it is a net borrower. If this type of debt of the enterprise is more than receivables, it is profitable in terms of costs for financing the oil and gas industry (Lesyuk A.S., 2020).

The analysis of the net monetary position of NGVU «Boryslavnaftogaz» for 2017-2019 is presented in table 10.

| Characteristic                                      | Years    | Absolute deviation |
|----------------------------------------------------|----------|---------------------|
|                                                    | 2017     | 2018    | 2019     | 2017/2018 | 2018/2019 |
| Payables                                           | 8499,3   | 25179,7 | 15960,3  | 16680,4   | -9219,4   |
| Receivables                                        | 16388,5  | 3334,4  | 9649,5   | -13054,1  | 6315,1    |
| The ratio of excess accounts payable over receivables, the share of units | 0,52     | 7,55    | 1,65     | 7,03      | -5,9      |
| Own working capital                                | 115844,2 | 115831  | 45644,5  | -13,2     | -70186,5  |
| Net monetary position                              | 123733,4 | 93985,7 | 39333,7  | -29747,7  | -54652    |

In 2019, the ratio of accounts payable and receivable indicates an excess of accounts payable over receivables by 2.24, in 2018 by 7.55. At the same time, for the period of 2017-2018, the ratio increased by 7.03. And for the period 2018-2019 it decreased by 5.9.

The excess of accounts payable over accounts receivable in 2018-2019 gives NGVU «Boryslavnaftogaz» advantages, and does not increase the need for working capital to ensure current industrial activities, but at the same time increases the company’s dependence on external sources, and deteriorating liquidity and solvency. The company’s own working capital for 2018-2019 is not enough to form current
assets, and therefore, the company needs a loan.

NGVU «Boryslavaftogaz» has a positive net monetary position (monetary assets exceed monetary liabilities) for the period 2017-2019, the net monetary position is positive, therefore, the company is a net lender. However, the reduction of accounts payable for 2018-2019 from 25179.7 thousand UAH. to 15960.3 thousand UAH, positively characterizes the company, as it reduces credit risk, which could not be said in the period from 2017 to 2018.

Consider the impact of accounts payable on the duration of the financial cycle of NGVU «Borislavaftogaz» (Table 11).

| Characteristic                                           | 2017  | 2018  | 2019  | 2017/2018 | 2018/2019 |
|----------------------------------------------------------|-------|-------|-------|-----------|-----------|
| Receivables turnover ratio (vol.)                        | 4,65  | 3,96  | 2,05  | -0,69     | -1,91     |
| Period of turnover of receivables, days                   | 90,85 | 77,49 | 175,01| -13,36    | 97,52     |
| Accounts payable turnover ratio (vol.)                    | 5,93  | 0,07  | 0,8   | -5,86     | 0,73      |
| Period of turnover of accounts payable, days              | 60,72 | 158,68| 448,47| 97,96     | 289,79    |

Thus, in 2018-2019, the period of repayment of accounts payable significantly exceeds the period of repayment of receivables, which confirms the financing of activities through borrowed funds. At the same time, this situation indicates the need for integrated management of receivables and payables, as it is due to an effective policy of receivables management, the company will be able to reduce accounts payable.

Reduction of accounts payable is possible as a result of:

1. Repayment of accounts payable by issuing promissory notes. A promissory note is a commitment that must be made on time and often at a lower interest rate. The advantage is the possibility of deferred payment, and the disadvantage - the account may not be accepted by counterparties.

2. Assignment of ownership of fixed assets. The Boryslavaftogaz oil and gas industry enterprise may agree with the creditor to repay part of the accounts payable in exchange for fixed assets. Before offering any assets as compensation, it is necessary to assess whether they are important to the company and whether they are collateral for other liabilities. It is advisable to offer this method to creditors who can use or sell the assets received.

Reduction of receivables has a positive impact on liquidity, solvency, business activity and reduces accounts payable.

Conclusions

Calculating the main indicators of financial activity of the oil and gas industry «Boryslavaftogaz» during 2017-2019, we can say that the analyzed company is in a bad financial position and needs more efficient management and use of existing assets. In 2017-2019, NGVU «Boryslavaftogaz» did not make a profit, respectively, did not allow to get out of a loss-making situation and be able to compete at a sufficient level with other industrial enterprises in this industry.

In the course of the analysis of the working capital of the oil and gas industry enterprise «Boryslavaftogaz» it was revealed an increase in the share of receivables in the structure of current assets. A decrease in the turnover ratio of receivables in 2019 by 1.91 and an increase in the maturity of receivables by 98 days is a
negative trend for the studied enterprise. The share of receivables in total current assets for 2 years tended to increase, which negatively characterizes the activities of the enterprise and it in 2017 was 0.09, in 2018 - 0, in 2019 - 0.04.

Analyzing the SWOT-analysis, we observe that the most important are the following factors: strategy and concept for new fields, exploration and drilling, contracts for the purchase of long-supply goods where preparatory work was carried out for drilling 3 new wells, capital expenditures to extend special permits for extraction. The loss of the enterprise (during the analyzed period of 2017-2019), the high degree of depletion of deposits, depreciation of fixed assets – some of the most influential weaknesses and deserve the most attention.

An in-depth analysis of the structure of receivables (causes and repayment) and accounts payable (search for sources of repayment). Reduction of receivables has a positive impact on liquidity, solvency, business activity and reduces accounts payable.

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