

COMPLEX APPROACH TO THE PROCESS OF MANAGEMENT OF REAL INVESTMENTS

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Key words: investments, investment activity, systematic approach, investment projects, capital budgets, financial control.

Complex approach in management of real investments is considered in the article. The author suggests the ways how to organize activity and recommendations that contribute to make efficient managerial decisions.

Administration of real investments appeared as many-sided and difficult process demand application of system access. A system access is a concept consideration any other kind of variety, allowing deeply and better comprehend their essence and finding optimum ways and methods influence on development complex and system control them.¹

System access suppose all round consideration specific characteristics conform object, determine his state and consequently organization. Every system have her own specifics, own reaction on administration, own forms possible frictions out of the program, own ability to react on any other kind of influence. System access towards administration real investments suppose consideration him like a procedure, processes making management decision or risk decisions.

The process making management decisions and risk decisions involve next stages:

- ◆ dissection variants;
- ◆ estimation achievement and indemnity of each variant;
- ◆ estimation effective fruition decisions.²

Taking administrative decision and risk decision precede economical dissection, running on study variants. Criterion of taking decision is a choice most economical variant. The rise of role economical assay in taking decisions bring into using system assay, what was conditional upon by native changes in administrative of real placements of funds, namely:

- ◆ change-over from instant administration processes to strategic, perspective;
- ◆ change-over from separate private subset to complex system;
- ◆ promotion changeability and operational efficiency in time of assimilation processes, markets;
- ◆ Change-over from calculation disconnected elements effectiveness to total evaluator of all kind of agency³.

System approach by governance process real investments involve following details (see picture).

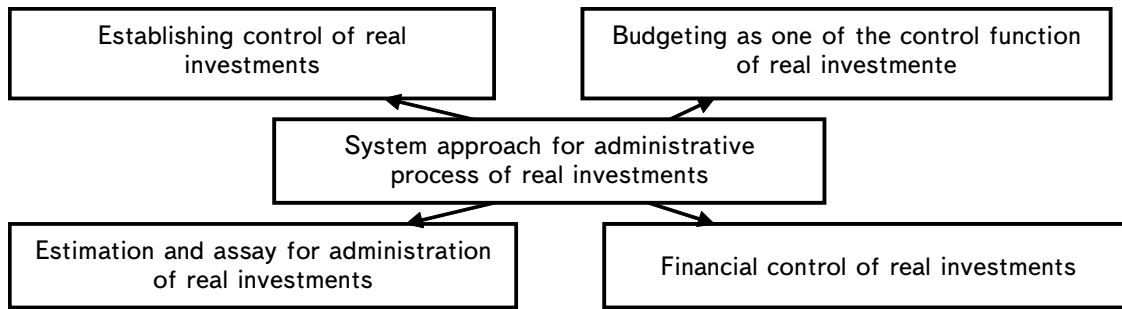
Process structure administration real capital spending project focused on their actualization in provided time towards securing timely return committed facilities by way of net cash flow. For capital investment project, which realize on the shop floor must be set leader give project. Basic functions of leader appear training the plans; documents which provide developments and attainment the intended effect basic index give project. For successful realization of capital spending project necessary compose plan calendar of realization the capital spending project which conceive one of from operating plan investing activities of factory reflecting volume time and performer individual work item. Calendar plan must be composed with taking into account engineering of calendar plan.

There are four principles of the engineering philosophy plan calendar realization of capital spending project:

- ◆ principle temporary differentiation of calendar plan;
- ◆ principle functional differentiation of calendar plan;
- ◆ principle creation of reserves calendar plan;
- ◆ principle liability distribution for work in progress.⁴

Realization principle temporary differentiation calendar plan provide various level of detail calendar plan actualization capital spending project through time and on its face development. Basic form given by implementation plan of capital spending project act one year project timeline come original and main document reflect fruition's operational planning quarterly plan work by realization of a project comprise concrete extents as part of specify time slots basis their work plan by realization of a project

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Pic. Elements of system approach in investment management

both quarter but with other time slice decade task on prosecution upon the project appear from following specification monthly project execution plan provide realization of a project.

Realization principle functional differentiation plan calendar provide necessity actualization differentiate planning individual work item on various functional package composition which depend on stage realization and size of capital spending project. For basic form relate project formulation toward realization involve action area plan at the choice contractor and contracting as part of give package come such work type as planning preparation contract selection and assay citing data choice challenger preparation both distribution request getting and selection suggestion contracting; research and development there will be only on chapter capital spending project by which they absent carry out at start up them in investment program; material support takes the form itemize list supplies and materials with term their supply shell and core works give package reflect starting date and very kind both milestone, movement machinery use both work force stuff; placing in service provide training of the stuff for start with exploitation object procurement and delivery required materials planning testing and commissioning processes and other action reclamation rated power finished functional scheduling realization of capital spending project involve action provide way out investment object on provided rated rower.

Realization principle creation of provisions plan calendar is by way of adjective maximum allowable size failure to meet a date single included in its works and distribution this reserve between members of implementing of capital spending project.

Realization principle liability for prosecution define assignment of responsibility execution in stages works on concrete contracting officer or contractor as consistent with their spheres of action exposed in contract.

For efficient administration real investments necessary budget capital spending project which called capital budget realization capital spending project. This budget developed on independent year

then get even through quarter and along month. Appreciate next type of forms capital budget versus stage realization capital spending project.

1. Capital budget by reinvestment project stage. In this budget affect costs for research and development activity training expenses individual section business plan.

2. Capital budget on investment stage of a project. In such a budget affect acquisition expense space training expenses original enabling documentation costs for shell and core works acquisition expense main assets.

3. Capital budget on operations degree capital spending project. This budget involves purchase costs circulating assets.

Besides the above listed budget type prevail others kind of capital budget which recited bass planned capital budget is compiled before source realization capitals spending project account capital budget compiled upon completion each implementation haze capital spending project or else throughout project at large previous capital budget compiled with intent discussion mainstream application and sources of financing realization capital project final binding. Capital budget developed for decision ensue problem: securing essential stream of resource in order to meet the expenditures associated with realization capital project; cubing expenditure according to plan calendar for realization capital project.

Informational background for preparation of the budget capital investment project work next documents and facts:

- ◆ Plan calendar realization capital project;
- ◆ Tentative schedule investment flow composes on development cycle business plan project;
- ◆ Estimate on achievement individual work item and attainment of crude materials mechanism both faculty developed by separate functional package planning calendar;
- ◆ Global strategy and funding model of capital project;
- ◆ Financial investor in running period.

Extent and breakdown of capital expenditure defined with taking into account securing realizing capital project in provide extent state of the art

both technique by avoidance excessive extent this charge. Extent and out-structure investment expenditures preliminary governed still at the stage foundation business plan capital project and development process decision capital outlays budget add up to following procedure: amputation from gross volume capital outlays setting business plan that their part which behave to investigate running period (if lead time of realization capital project exceed one year); specification extant investment expenditures running period with taking into account correction bringing in by contractor in work technique; specification extant and out-structure capital outlays with change in the index price upon approval exponent business plan project; specification primary extent capital outlay taking into account reserve financial assets covered by contract with contractor on cover incidental expenses (as internal insurance investment risks).

Receipt of funds by development capital budget involve planning flow investment assets in section individual source own funds investor (profit annual depreciation amount proceeds drop out property etc), appeal paid in capital credit bank, leasing, selling etc.

Development of capital budget allow operationally proofread cash flow realize efficient policy realization capital project in running period estimation and assay for administration real investments. Economic analyses appear one of most important measuring method of basic and economical variable estimated by realization capital project. Facts, receive by economical analyses possess one grand property, this one is veracity.

Invert of analyze is findings and estimation possible to compose retrospective and perspective analyses also movement both prognoses development various test objects. That is why by realization capital project great role play performance analyses and estimation factors which work on success of realization of the background projects.

Method choice assay depend on the type analyze and subjects which organize his construction. On the ground of analytical results the manager decisions are developed and settled down. Economical analyses precede decisions and actions prove them and form the basis of scientific management capital project provide his objectivity and efficiency.

Economical analyze is a function of management which provide scientific character decision-making.⁵ As function of administration assay finances and business operations closely associated with planning and forecasting control flow and realization capital project because without deep analyses the actualization of this

function is not possible. The role of the analyses for finance and business operations in compilation with planning, guilty evaluation and justification planning variable, is very important.

One of essential of common system project management is a control of their realization bringing into action on all periods of project cycle. The control of the realization of a capital project conceive the organized of its trial participants checking and secure obligations all of managerial decisions on timely conclusion design work and achievement provided index his effectiveness⁶. In the general control system of the realization of the capital project stand out one of the central package of his financial control which confers on finance function enterprise-project proponent.

The principal functions of financial control realization of the capital project are:

- ◆ Monitoring of the most important financial measures project implementation connected with securing of his effectiveness;

- ◆ Dimension degree of meandering real financial measures of project under development from provided;

- ◆ Diagnosis in order of size defection of degree violation course project finance work upon expediency realization and achievement predicted efficiency of project;

- ◆ Development operational managerial decision on normalization cash flows upon the project as consistent with provided their characteristics.

System constrictions of financial control project implementation operate from particular principles main of which are:

- ◆ Trend system of financial control on securing achievement provided measures of efficiency capital project;

- ◆ Multifunctionality financial control project implementation.

By realization of financial control system carry out monitoring and control a range of exponents which work upon the progress of the project implementation of the capital project.

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³ *Barton T., Shenkir U., Worker P.* Complex approach in risk management. Translation from English, M., 2003. 219 p.

⁴ *Zimin I. A.* Real investments. M., 2000. 197 p.

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