

Directions for Improving the Investment Policy of an Industrial Enterprise

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Abstract—The effectiveness of the activities of metallurgical companies is directly dependent on the investment policy of enterprises, the key issue of which is the choice of areas requiring modernization and financing of the relevant investment projects.

The investment policy of PJSC MMK is currently aimed at renewing the steelmaking and rolling capacities, which is due to the increased demand for products with high added value and the need to strengthen the company's competitive positions. Focusing on production processes, as a rule, other aspects of the company's economic activities, including transport logistics, are still ignored, which also has the potential to increase the efficiency of the company's operations.

The main share of commercial expenses of PJSC MMK is transportation costs. The increase in demand for goods with high added value (cold-rolled coils) in the external and domestic markets leads to an increase in the cost of the delivery of metal products, which is carried out mainly by rail. As a result of the transportation of rolled steel in gondola cars and platforms, the products are exposed to atmospheric phenomena, there is a possibility of damage to the presentation and even its loss as a result of repeated loading and unloading procedures, as a consequence, consumer complaints against the supplier grow.

The article proposes the use of container transportation during the transportation of rolled steel, the calculation of the efficiency indicators of the implementation of the event is given on the example of PJSC MMK.

Keywords—*Investment policy, transport logistics, transportation costs, commercial expenses, container transportation.*

I. INTRODUCTION

A. Relevance and Scientific Significance

Increasing the efficiency of domestic metallurgical enterprises is in direct connection with the investment policy being formed and implemented by them, the key issue of which is the choice of directions requiring modernization and financing of the corresponding investment projects.

The work of many economists is devoted to the formation and implementation of the investment policy of industrial enterprises [1-11,14,15,19,20,22,24,25].

At present, there is no unified approach to the definition of investment directions in science that are managed within the framework of investment policy. Depending on the conditions in which the enterprise operates, the phases of the life cycle and the strategic objectives of the direction of the investment policy will be different. Focusing on production processes, they often ignore the logistics, which has a significant potential for increasing efficiency.

The analysis of scientific works on investment policy makes it possible to judge that there is no clear idea of its content, including the issues of investment management in the logistics subsystem as an obligatory element of the investment policy of metallurgical enterprises have not been studied. In this regard, the development of the theory of investment policy, which reveals the possibility of increasing the efficiency of the enterprise through permanent management of investment in logistics is relevant and practically meaningful.

B. Statement of the Problem

Using the accumulated experience and theoretical basis, formed in science by now in the field under study, to develop an organizational and managerial mechanism for the formation of the investment policy of a metallurgical enterprise, based on the management of investments in the logistics subsystem.

II. THEORETICAL PART

The content of investment policy is treated differently by researchers [18,12,13]. Summarizing the opinions of the authors, it can be concluded that the investment policy of the metallurgical enterprise is a system of goals and priority directions of investments, the implementation of which is provided by a management system that includes principles, methods and management structure.

According to the authors [3,4,8-11,14,15,19,20,25] definitions of investment policy in the sources have common features:

- investment policy is an investment management system;
- the key points of the investment policy are setting goals and determining the direction of investment.

The investment policy should take into account the features of the enterprise, among which for metallurgical enterprises the following can be noted:

- city-forming - emphasizes the importance of scientific justification of investment policy, because the activities of such enterprises have a strong impact on the city;
- old - high depreciation of the basic production assets, which requires a more careful approach to justifying the investment, because high volumes of financing are needed, and it is important to distribute them correctly between investment directions;
- logistic systems that do not meet modern conditions of management. Metallurgical enterprises were built in the era of

the USSR, and their location was not always economically justified. Optimum for that time transport and modes of transportation is not always beneficial in these conditions.

Inadequate logistics increases the costs of the enterprise and therefore requires a radical restructuring, which should be reflected in the investment policy of the metallurgical enterprise:

- logistics - should act as an object of investment management;

- the system of investment policy objectives should include the objectives of the development of the logistics subsystem;

- directions of investments in logistics should be coordinated with general directions of the enterprise development.

The management of investments in logistics is based on the use of principles and approaches common to investment policy. An exception is the evaluation of efficiency, because if the logistics for the enterprise is not the main activity and does not generate revenues, then it is more expedient to estimate the efficiency of investments in its development in terms of the amount of cost savings.

III. PRACTICAL SIGNIFICANCE

The investment policy of PJSC MMK is aimed at increasing the competitiveness of the enterprise by increasing the efficiency of production and increasing the output of products with high added value. The use of the developed organizational and management mechanism of the investment policy, including the management of investments in logistics, made it possible to determine that the key objective of the enterprise under research in this area is to save on transportation costs. In the course of the study, various options were considered, container transportation was the most promising option.

Container transportation is one of the most productive, reliable and economical ways of moving goods over significant distances.

Advantages of container transportation:

- saving costs for rail transportation by 40% due to the change of the tariff class;

- no need to maintain and "return" multi-turn means of attachment;

- refusal of packing or essential reduction in price;

- savings on intermediary services and intermediate warehouses due to direct sales;

- avoiding downtime in the port;

- safety of goods;

- convenience of loading-unloading;

- delivery of products without trans-shipment and intermediate warehouses to anywhere in the Russian Federation;

- expansion of the sales market.

A prerequisite for the use of container transportation is the availability of containers (owned or leased). Therefore, the company has two options for switching to the use of container transportation.

The first option is to purchase containers in the company's ownership. This option should be reflected in the investment policy of the enterprise, because it requires capital investments, which are associated with various investment risks [16,17,26]. For the implementation of the second option, it is necessary to conclude an agreement with a container transportation company

on the organization of transportation of products in its containers.

Next, the economic effect was calculated from the use of container transportations, subject to the conclusion of an agreement with a container transportation company.

The calculation of the annual economic effect as a result of the implementation of the activity is presented in Table 1.

TABLE I. ECONOMIC EFFECT FROM THE USE OF CONTAINER TRANSPORTATION, MLN. RUB

| Name | Before the activity | After the activity |
|--|---------------------|--------------------|
| Payment for the use of wagons | 3043 | 1826 |
| Metallic means of packing | 574 | 287 |
| Services for equipping wagons | 72 | 0 |
| Services of metal warehouses for storage of products | 20 | 0 |
| Transportation company services | 0 | 213 |
| Total savings | | 1384,39 |

Thus, as a result of the use of container transportation, the cost of delivering commercial products will decrease by 7.4%, the annual savings of PJSC MMK will amount to 1,384.4 million rubles, the profit from sales will increase by 1.7%.

In addition, the safety of cargo will increase, the convenience of loading and unloading will increase, the sales markets will expand, which, ultimately, will lead to an increase in the company's competitiveness.

IV. CONCLUSION

The investment policy of an industrial enterprise should be aimed not only at improving the production process and updating production capacities, but also at other aspects of the company's economic activities, including transport logistics, which also has the potential to increase the efficiency of the company's operations. It is important to approach this issue in a comprehensive manner and to seek ways to increase the efficiency of the company's activities in all areas of its business.

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