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Research

Article

SALES AND STORAGE MANAGEMENT: DECISION- MAKING WITH ACCORDANCE TO INVESTMENT AND MANAGEMENT ACCOUNTING

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Abstract:

Due to the current political and economic events in the world economy, the main goal of all commercial organizations is to make a profit. The optimal organization of sales activity is one of the most important components of effective management, as it provides the organization with the cash flow, necessary for normal activities. The aim of the study is the development of criteria for assessing the level of sustainable development of agricultural enterprises. The subject of the study is the improvement of management in terms of developing the necessary mechanisms for the sale and storage of agricultural products (cattle meat), through investment in agricultural organizations.

Consequently, the success or failure of agricultural enterprises depend on formulation and development of marketing activities of agricultural enterprises in a market economy.

Keywords: *management, economy, planning, strategy, slaughtering, cattle, agricultural enterprise.*

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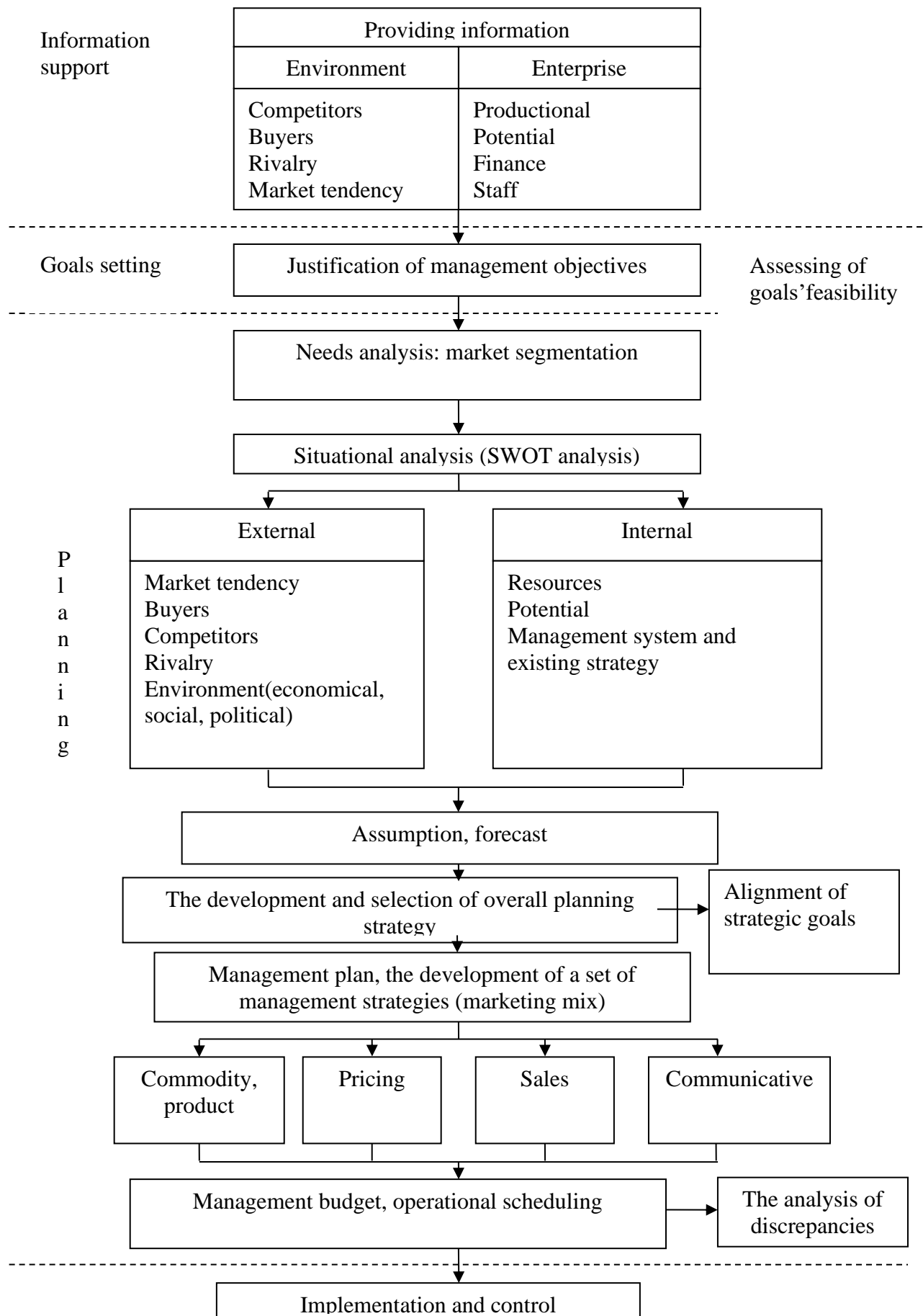
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INTRODUCTION:

When assessing the market environment, it is necessary to make a strategic decision to determine the target market segment[19]. In this case, the management strategy is an early decision, which determines the directions and guidelines of individual organizational, economic and social management activities to achieve certain goals (sales of cattle meat). Although in the management

of the organization, the implementation of the choice of strategy is limited to external and internal conditions.

Management objectives form the basis for the development of the strategic management accounting process and sales planning of cattle meat (picture 1).



Picture 1- The Process of Strategic Management Accounting and Planning

Determining the prospects for a strategic approach to management accounting and planning, it is safe to say that new types and ways of forming strategies will become widespread [15,16,18]. In particular, the strategic competitive advantage will manifest itself in a new quality: instead of advantages in quality and price of the specific goods (products), special social value will gain advantage in the core competence of the firm, the organization's ability to work with clients and other partners [10].

It is proposed to put the main emphasis in the formation of management strategy not on priorities in relation to products (goods) and markets, but on business processes (this approach is now being implemented by firms-system integrators), with a focus on a set of solutions of specific consumers' problems.

The organization of sales of cattle meat is a time-consuming process. Studies show that, on average, the costs of farms for the delivery of livestock to processing enterprises reach up to 6% or more of the total costs for the production of 1 kg of meat [1,11,13].

During long-distance transport, the cost after weight loss of calves may exceed the transport cost. According to the calculations of American experts, cattle lose 2% of the mass for the first hour of the trip and about 4% - for 3 hours. Then weight losses slow down, at 25-30-hour transit they are equivalent to 8-8, 5%. Each percentage loss of mass is equivalent to 1% reduction in price [20,21]. The storage of products with minimal loss of mass and without deterioration of quality is possible if they are kept in optimal conditions. The study of

such conditions, the development and improvement of modes and methods of products' storage is the most important task of the theory and practice of storage. While solving this problem, we refer to the properties of the product as a storage object, and then determine the principles of storage [12,14,16,17].

METHODOLOGY:

It is proposed to purchase a mobile modular slaughterhouse to expand the range of cattle meat in the agricultural enterprise and to reduce the cost of storage and processing of cattle meat as well.

Mobile modular slaughterhouse is a full-fledged slaughterhouse with a full set of professional equipment, providing he slaughtering according to all requirements and of slaughtering standards [7].

The cost of mobile slaughterhouse together with a set of additional equipment and taking into account the delivery and installation is 2500 thousand rubles.

The source of financing, supposedly, is the net profit of the agricultural enterprise.

The planned sales volume in 2018 amounted to 1037 tons, which is 333 heads per year, the capacity of the slaughterhouse allows to slaughter such a number of cattle.

Let's calculate the cost of 1 centner of cattle meat, taking into account the purchase of the slaughterhouse.

The organization of work of the slaughterhouse requires a staff of (employees of the organization who will combine work) in the amount of 2 people, the expenses on payment for the staff are presented in table 1.

Table 1- The Salaries of the Staff (per month)

№	The category of employees	The number of people	Salaries per month, thousand roubles	Insurance contributions, thousand roubles	The total amount of payment, thousand roubles
1	Slaughterhouse workers	2	15	4,5	39,0
2	In total	2	x	x	39.0

Annual labor expenses will amount to 468 thousand rubles.

The calculation of depreciation is presented in table 2.

Table 2- The Calculation of Depreciation

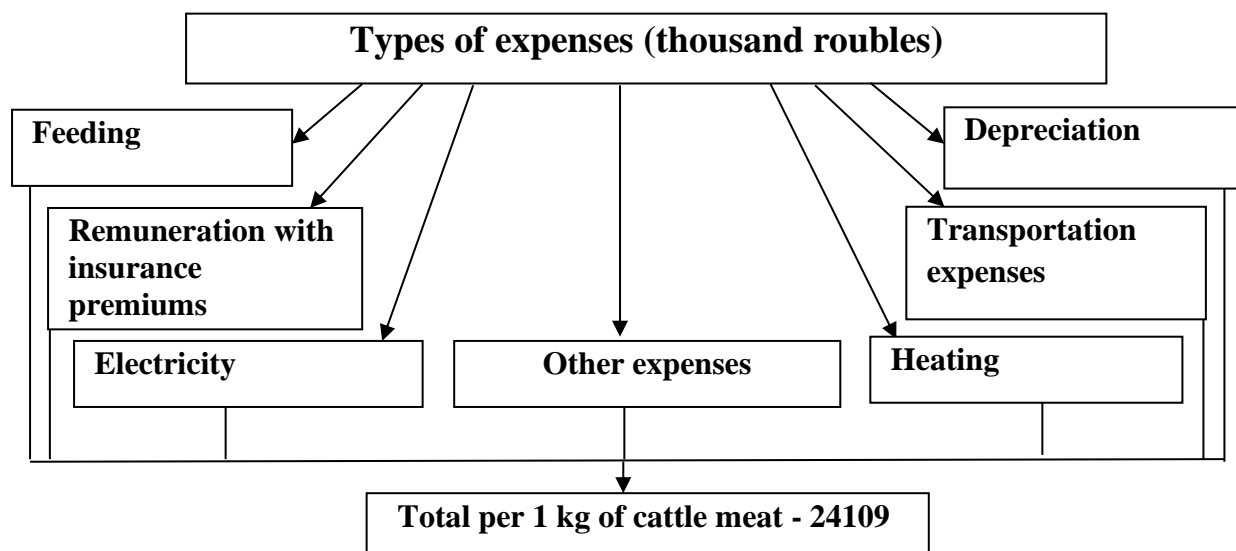
№	Type of depreciable property	Cost, thousand roubles	Useful lifetime, years	The annual depreciation charges, thousand roubles
1	Mini-slaughterhouse	2100	10	210
2	Additional equipment	200	10	20
3	In total	x		230

The calculation of other expenses is presented in table 3.

Table 3- The Calculation of Other Expenses (per year)

№	Indicators	Costs per month, roubles.	Costs per year, thousand roubles.
1	Electricity	3750	45
2	Heating	1875	22,5
3	Transportation costs	4000	48
4	Other expenses including:	x	1703
	The costs of activities for the organization of communications with consumers	x	360
	The costs for implementation of sales control	x	59,8

There are the calculations of annual costs for the production of cattle meat in Picture 2.



Picture 2- The Expenses on Cattle Meat Production per a Year

Thus, the total cost of 1 centner of cattle meat, taking into account the slaughter in the agricultural enterprise will be 24109 rubles, which is lower than the total cost of 1 centner of cattle meat in the analyzed year by 12.4%.

RESULTS:

When determining the sale price of cattle meat, we focus on the expenses of production and on the prices of competitors as well. We will also take into account that the meat of cattle is planned to be sold to retail consumers, the former sales channels will also remain.

Let's calculate the revenue from the sale of cattle meat through sales channels.

Table 4-The Calculation of Revenue from Sales of Cattle Meat per a Year

№	Distribution channels	Sale price for 1 centner, rubles	Sales volume, centner	Revenue, thousand rubles
1	Enterprise worker	18420,0	24,2	445,764
2	Buyer 1 (LLC)	22514,0	298	6709,172
3	Buyer 2 (LLC)	22011,0	170	5392,695
4	Market	21520,0	100	3249,52
5	Other channels	19319,2	161,8	3125,847
6	Retail channels	27000	283	7641
7	In total	25616,2	1037	26564

Thus, the proceeds from the sale of cattle meat will reach 26564 thousand rubles, the average selling price will increase and exceed the cost of 1 centner of cattle meat.

In this regard, it is proposed to purchase the program "Universal Accounting System", the cost of which is 10 thousand rubles.

Universal Accounting System is a unique and the best program for product sales management, which does not require subscription fees, has extensive functionality suitable for each enterprise and which will help to increase sales revenues and to reduce expenses of the enterprise [2,5,6].

Universal Accounting System is an ideal solution for automation, which combines all the functions of accounting, control of production and sales. Universal Accounting system helps to manage sales of products, sales channels, and to optimize sales channels [8,9].

In connection with the acquisition of the program at the enterprise, it is necessary to introduce an additional employee to the staff, the program will be used as a whole for the entire agricultural enterprise.

The total expenses of implementing the program, as well as hiring an employee and equipping his workplace, are presented in table 5.

Table 5- The Calculation of Expenses for Implementation of Sales Control

№	The names of expenses	Thousand rubles
1	Acquisition of the programm	10
2	Subscription fee	0
3	Remuneration of a specialist with insurance premiums per a year	226,8
4	Equipment of a workplace	29,1
5	In total	265,9

The total expenses on this event are 265.9 thousand rubles., but since the program will be applied to all sectors of the enterprise, it is necessary to determine the costs that will fall on beef cattle.

The share of cattle meat in revenue is 22.5%, thus the amount of expenses attributable to this industry will be 59.8 thousand rubles.

DISCUSSION:

- Communication with consumers in an agricultural enterprise should include:
- informing consumers about the properties and a quality of the offered products;
- organization of sales promotion activities [3,4,23-29].

Within the first direction it is offered to organize informing about properties and quality of production in those places where the consumers' production is sold. It should be done with the help of leaflets' distribution that is a low-cost action which is important in the conditions of the loss of meat sales.

As part of the second event, it is proposed to use promotions in those places where meat is sold to encourage the purchase of more products for one acquirement.

The total expenses for the implementation of measures for the organization of communications with consumers are presented in table 6.

Table 6-The Calculation of the Expenses on the Implementation of Measures for the Organization of Communication with Consumers

№ п/п	The names of expenses	Thousand rubles
1	Printing and distribution of leaflets	225
2	The cost of promotions to stimulate sales	135
3	In total	360

Let's calculate the financial results from the sale of cattle meat, taking into account the proposed measures in table 7.

Table 7- The Financial Results from the Sale of Cattle Meat, Taking into Account the Proposed Measures of the Organization of Cattle Meat Sales Improvement.

№	Indicators	Year 2018 In fact	Year 2020 project	Year 2020 in % to 2018
1	Cattle meat sales volume, centner	880	1037	117,8
2	Revenue, thousand rubles	18923	22537	140,4
3	The cost of 1 centner of cattle meat, rubles.	27510	24109	87,6
4	Sale price of 1 centner of cattle meat, rubles.	21500	21500	119,1
5	The Cost of sold meat, thousand rubles.	24209	25001	103,3
6	Profit (loss) from meat sales, thousand rubles	-5286	1563	X
7	The profitability (loss-making) from sales, %	-27,93	5,9	+33,83
8	Profitability (loss) of expenses, %	-21,83	6,3	+28,13

SUMMARY:

Taking into account the proposed measures for improving marketing of cattle meat, the enterprise will come out from losses on the sale of these products, as a result, the profit from the sale of beef will be 1563 thousand rubles, therefore the proposed activities are cost effective and can be implemented in the enterprise.

In general, for the continuous improvement of the organization of the production sales, the following actions must be carried out at the enterprise: the monitoring, which allows to carry out timely and constant control of sales' activity at the enterprise; the search of new developments and expansion of the range of production; the situational analysis of position of the enterprise in sales markets; the improvement of production, the introduction of new technologies; the definition of strategic directions of innovative policy of the enterprise.

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