

To cite this paper:

Volkova Y.V. (2019) Cost factors and performance indicators in business value management. *Human Progress*. 5 (4): 3. URL: http://progress-human.com/images/2019/Tom5_4/Volkova.pdf. DOI 10.34709/IM.154.3

COST FACTORS AND PERFORMANCE INDICATORS IN BUSINESS VALUE MANAGEMENT

Yulia Volkova

Master student of Financial University under the Government of the Russian Federation
Moscow, Russia

Abstract: The article discusses the factors that affect the value of the company, as well as cost indicators, on the basis of which one can judge the effectiveness of business management. The author attempts to define the term “company value factors”, determines the principles that must be considered for the correct determination of the company value factors. The classification of factors is studied further in the article; external and internal cost factors are singled out, as well as financial and non-financial ones. Concluded that the company's management mainly affects the internal financial factors, so they are the basis for creating the market value of the business and for its further increase. The cost indicators are arranged in a hierarchy, which consist of four levels, each of which characterizes the impact on the value of the business. Such a hierarchy allows building a company's value management system both at the operational level and at the strategic level. The article may be of interest to professionals involved in managing the business cost in companies, as well as for students of economic faculties.

Keywords: company value; cost factors; VBM concept; cost indicators; P/S multiplier.

JEL codes: D04; G32.

References

1. Ittner, C.D.; Larcker, D.F. Assessing empirical research in managerial accounting: a value-based management perspective // *Journal of Accounting and Economics*, 2001, Volume 32, Issues 1–3, P. 349-410.
2. Alferov, D.V.; Barkalov, S.A.; Kryukov, S.V.; Khorokhordina, N.V. Identification of key cost factors in managing a holding company // *Vestnik VSTU*, 2010, №8, Pp. 140-144.

3. Appelbaum, D.; Kogan, A.; Vasarhelyi, M.; Yan, Z. Impact of business analytics and enterprise systems on managerial accounting // *International Journal of Accounting Information Systems*, 2017, Volume 25, P. 29-44.
4. Gryaznova, A.G.; Fedotova, M.A. *Business Assessment. Tutorial*. M. 2008, 736 p.
5. Damodaran, A. *Investment appraisal. Tools and techniques for evaluating any assets*. M. 2008. 1340 p.
6. Teplova, T.V. *Investment leverage to maximize the value of the company. The practice of Russian enterprises*. M.: Vershina, 2007. 272 p.
7. Kaviani M., Biabani S., Solemani A. Study of and Explain the Relationship between the Financial Leverage and New Performance Metrics (EVA, MVA, REVA, SVA, CVA) // *Journal of Risk and Diversification*, 2012 , Volume 4 , P. 10-16.
8. Shah, A.; Sengupta, S. A Study on Financial Performance and Valuation Metrics: Application of EVA, MVA, CVA and TSR Techniques / In *Twelfth AIMS International Conference on Management*, 2015, P. 538-546.
9. Zolotukhina, N.O. Identification of key factors in creating company value // *Actual problems of economics and management*, 2015, № 3 (7), P. 10-18.
10. Kandrashina, E.A.; Troshina, E.P.; Shvets, D.A. Analysis of the key factors of company value // *Bulletin of the GUU*. 2014. №13. Pp. 113-118.
11. Kazakova, K.Yu. Identification of factors of business value // *Problems of Science*. 2015. № 6 (36). Pp. 137-141.
12. Hrdý, M. Valuation Standards for Commercial Banks in the Financial Theory and their Analysis // *Prague Economic Papers*, 2018, Issue 5, P.: 541-553.
13. Fedorova, T.A. The system of market and domestic indicators of the strategy of forming the value of the enterprise // *Finance and credit*, 2009, № 18 (354), P. 16-25.
14. Stupicheva, Ya.G.; Vershinina, O.V. Building a company's value management system using business valuation results // *PSE*, 2012, №2, P. 123-127.

Contact

Yulia Volkova

Financial University under the Government of the Russian Federation

7B, Muranovskaya str., Moscow, 127349, Russia

y.v.v94@mail.ru