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Development of a System of Financial and Economic Indicators Characterising the Efficiency of Public Catering Companies

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Abstract: This study examines the development of a system of financial and economic indicators to evaluate the efficiency of public catering enterprises, addressing the growing need for effective financial resource utilization in the sector. While previous studies have explored general financial efficiency, a gap remains in defining specific indicators tailored to public catering. The research aims to establish a comprehensive framework for assessing efficiency, emphasizing the optimal use of financial resources. Using a systematic analysis of financial performance metrics and their criteria, the study identifies key indicators and proposes a structured scheme for their application. The findings provide actionable recommendations for improving financial resource management, contributing to enhanced operational efficiency and strategic decision-making in public catering enterprises. These insights offer valuable implications for industry stakeholders and policymakers in optimizing financial practices.

Keywords: Efficiency of services, Financial resources, Criteria for assessing enterprises' indicators, Quality of service, Costs, Growth reserves, Income, Own products

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1. Introduction

One of the main areas of analysis of the enterprise performance is the assessment of the efficiency of its activities, the implementation of which is possible only with the help of a system of indicators representing a set of interrelated values reflecting the financial state and development of a given entity or phenomenon[1]. The term "system of financial indicators" is widely used in economic research. The complexity of the analysis requires the use of whole systems in the work, rather than individual indicators. However, not every set of financial indicators can be considered a system[2-5].

The system is a qualitatively new formation compared to individual indicators. It is always more significant than the sum of its individual parts, since in addition to information about the parts[6], it carries certain information about what is new that appears as a result of their interaction[7]. To assess the efficiency of a catering enterprise in the conditions[8] of competition and dynamic development of the economy as a whole, it is necessary to develop an appropriate system of financial indicators[8].

2. Materials and Methods

The study employed a systematic approach to develop a robust framework for evaluating the efficiency of public catering enterprises. Existing literature on performance measurement, including economic and social efficiency theories, formed the theoretical foundation. Data were collected from public catering enterprises through structured surveys, financial reports, and interviews with management personnel[10]. The analysis involved identifying and categorizing efficiency indicators into general and specific types, considering financial, economic, and social aspects [9].

A resource-based approach was applied to evaluate the utilization of fixed assets, working capital, labor, and information resources. Simultaneously, a cost-based approach measured the impact of expenditures on resource efficiency[10]. Indicators such as return on assets, profitability, labor productivity, and service quality were assessed for their applicability in real-world scenarios[11]. Analytical tools, including descriptive statistics and comparative analysis, were used to validate the proposed indicators. This methodology ensures a comprehensive understanding of operational efficiency and provides actionable insights for management to optimize resources and improve service quality in the competitive public catering sector[12].

3. Results and Discussion

To assess the efficiency of the enterprises under consideration at the macro-level, we propose the following system of indicators:

Based on the criterion of practicability:

- a. the total number of catering enterprises, including those selling their own products and purchased food and non-food goods;
- b. the structure of catering enterprises by specialization in a territorial context;
- c. provision of the population with catering enterprises per 1000 residents in the conditions of market settlement;
- d. the structure of catering enterprises by type and distribution by districts in case of market specialization;
- e. average size of serviced area per one catering establishment in terms of sales of own products and purchased goods, taking into account their territorial location;
- f. average size of area of catering establishments per 1000 residents;
- g. provision of the population with catering establishments depending on the average size of their area, taking into account specialization;
- h. number of catering establishment networks, including in terms of sales of own-produced products and purchased goods, national and foreign chain operators [13].

Based on the criterion of economy:

- a. time spent on searching for own-produced products and semi-finished products;
- b. time spent on delivery of products and goods from a catering establishment;
- c. cash costs for the purchase of products and consumer goods necessary for the production of own products;
- d. operating costs [14].

Based on the criterion of satisfaction:

- a. consumer satisfaction with the development of the catering establishment network and their accessibility to the population;

- b. population satisfaction with the range and quality of additional services at catering establishments;
- c. satisfaction with the choice of the manufacturer of own products;
- d. population satisfaction with the development of catering establishment formats [15].

Based on the performance criterion:

- a. the volume of budget revenues from catering establishments;
- b. financial performance indicators of catering establishments (production and distribution costs, gross profit, sales profit, net profit, profitability, etc.).

Current approaches to assessing the performance of catering establishments. The following system of indicators of the socio-economic efficiency of catering establishments can be proposed to assess the performance of catering establishments (Fig. 1). It is proposed to create a system of efficiency of catering establishments in the context of two groups of indicators: specific and general, in economic and social aspects.

We propose to include in the general indicators of the efficiency of the public catering enterprise three main indicators characterizing the social aspect of this category:

- 1) the degree of satisfaction of population demand;
- 2) consumer satisfaction with the state and development of public catering enterprises and a general indicator of service quality;
- 3) general integral indicator of the efficiency of the public catering enterprises, which allow for a comprehensive assessment of the financial performance of the public catering enterprise in both financial and economic and social aspects.

Considering specific indicators of the financial efficiency of the public catering enterprises in the financial-economic, social and organizational aspects is proposed. In the financial aspect - development of a system of indicators of the efficiency of formation of funds of cash, distribution of income (profit), etc.; in the economic aspect, great importance should be given to the development of a system of indicators of the efficiency of use of the main types of resources of the public catering enterprise (labor, fixed assets, working capital, information resources) from the standpoint of the financial and resource and cost approaches; in the social aspect, indicators of assessing the efficiency of the public catering enterprise of private, individual indicators of service quality are included in the system [16].

Scheme of a system of indicators of financial and socio-economic efficiency of public catering companies

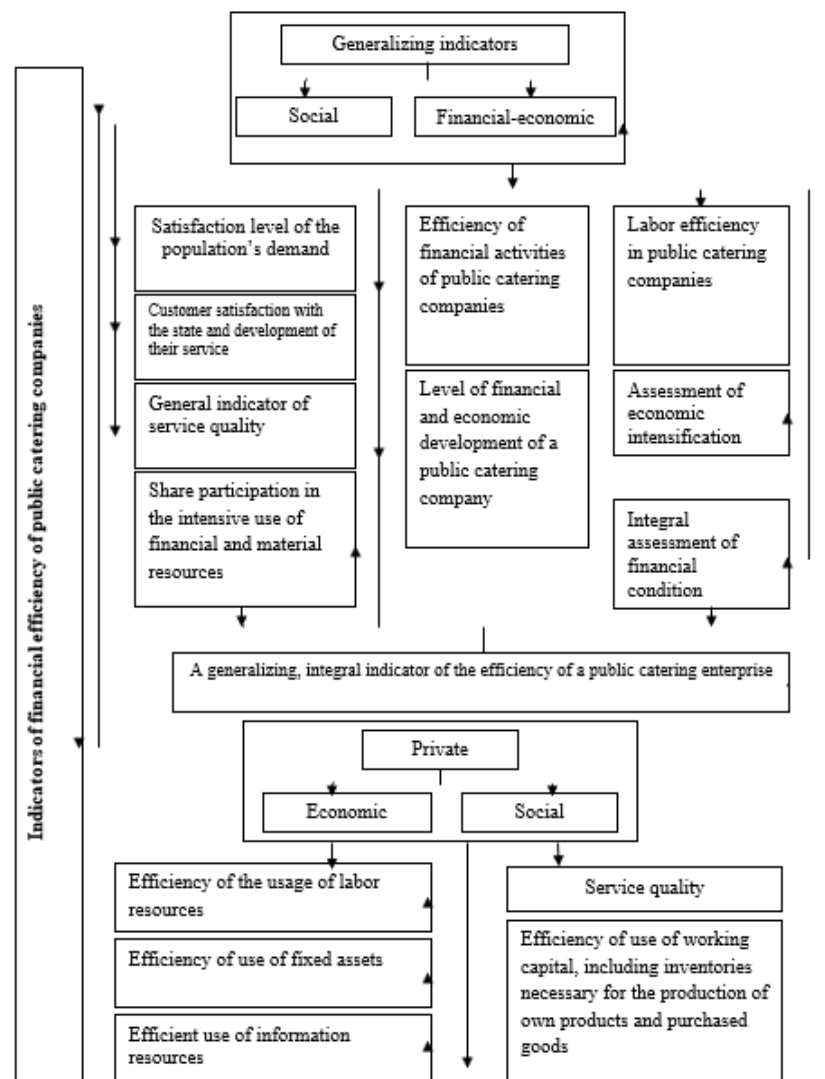


Figure 1. Chart of a system of indicators of financial and socio-economic efficiency of public catering enterprises

Organizational efficiency, from our point of view, combines some criteria of economic activity (achieving a certain level of profitability and efficiency of using individual types of resources for preparing food products), social efficiency (satisfaction of employees with their work and its conditions: sanitary and hygienic, technical and organizational, socio-psychological, etc.) and improving the culture of organizing public services [17].

Suggestions and recommendations on the topic of research. An important area of assessing the performance of a catering enterprise is the analysis of the efficiency of using individual types of financial resources of a catering enterprise. In our opinion, it should be carried out from the standpoint of the resource and cost approaches. The resource approach allows us to characterize the efficiency of using all types of resources available to a catering enterprise, or individual types of them, and reflects the result of its activities per unit of resources.

The cost approach is based on the characterization of the effect of the catering enterprise's activities, obtained from each unit of total costs or separately from the costs of

live or embodied labor. The resource and cost approaches to assessing the efficiency of using individual types of resources do not contradict each other and, on the contrary, the use of these two approaches in combination allows for a more in-depth study of efficiency and the identification of reserves for its growth [18].

Not all resources included in the potential of a catering enterprise can be divided into applied and consumed. Only elements of the economic potential of a catering enterprise are subject to this. Therefore, in the future, the use of the resource and cost approaches to assessing the efficiency of a catering enterprise will be considered specifically in relation to fixed assets, working capital, labor and information resources of a catering enterprise [19].

From our point of view, when assessing the economic efficiency of a catering enterprise, it is necessary to distinguish between costs and measure the efficiency of the advanced and consumed cost [20]. This leads to the identification of two main approaches to constructing indicators for assessing the efficiency of using individual types of resources of a catering enterprise (Fig. 2).

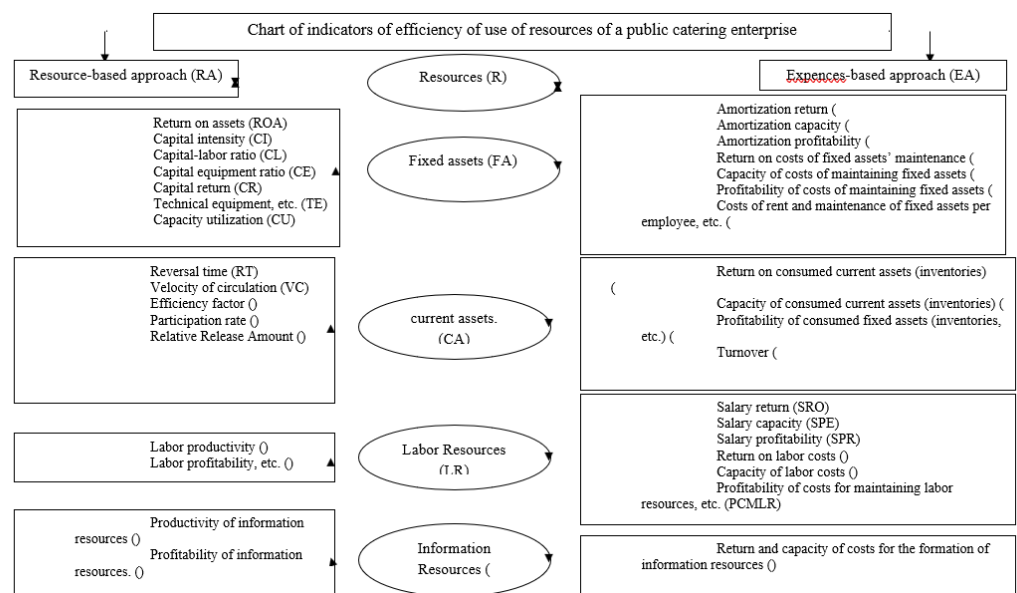


Figure 2. Chart for constructing indicators for assessing the financial efficiency of using individual types of resources of public catering companies.

4. Conclusion

Thus, the system of indicators of the efficiency of using the main types of financial and economic resources (fixed assets, working capital, labor and information resources, etc.) proposed by us based on the resource and cost approaches to constructing indicators allows us to conduct a complete economic analysis of these resources and make operational financial decisions on their effective management in public catering companies. This study highlights the critical role of integrated financial and economic indicators in evaluating the efficiency of public catering companies. The findings reveal that resource-based and cost-based approaches significantly improve decision-making processes, leading to better resource utilization and enhanced financial performance. These insights are vital for optimizing management practices and addressing operational inefficiencies. The study underscores the need for further research to adapt and refine these indicators for broader application in other service industries, ensuring sustainability and competitive advantage in dynamic market environments.

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