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IDENTIFICATION AND ACCOUNTING OF STRATEGIC ASSETS IN THE FORMATION OF COMPETITIVE POTENTIAL OF THE ENTERPRISE

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The article examines the essence of strategic assets in accounting. The system of strategic financial accounting is substantiated by developing theoretical principles of accounting for strategic assets. There are two types of strategic assets of the enterprise (capitalized strategic assets that are reflected in the balance sheet of the enterprise in the form of traditional assets of the enterprise; non-capitalized strategic assets that are not separate objects of accounting). The method of identification of strategic assets of the enterprise in the accounting system is developed. The main reasons for the impossibility of imitating strategic assets by competitors have been identified and analyzed. The procedure for recognizing strategic assets in the narrow sense in financial accounting has been developed. A model of compliance of certain types of strategic assets with the types of competitive advantages they provide has been formed. It is proposed to consider strategic assets as a set of resources of the enterprise, which ensure the formation of its competitive potential. The concept of strategic assets in the accounting system in a broad and narrow sense, depending on the types of competitive advantages provided by them.

ІДЕНТИФІКАЦІЯ ТА ОБЛІК СТРАТЕГІЧНИХ АКТИВІВ ПРИ ФОРМУВАННІ КОНКУРЕНТНОГО ПОТЕНЦІАЛУ ПІДПРИЄМСТВА

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Ключові слова:

стратегічні активи, стратегічні
ресурси, стратегічний
фінансовий облік, потенціал
підприємства

У статті досліджено сутність стратегічних активів в бухгалтерському обліку. Обґрунтовано систему стратегічного фінансового обліку шляхом розробки теоретичних засад обліку стратегічних активів. Виділено два види стратегічних активів підприємства (капіталізовані стратегічні активи, що відображаються в бухгалтерському балансі підприємства у вигляді традиційних активів підприємства; некапіталізовані стратегічні активи, що не є окремими об'єктами бухгалтерського обліку). Розроблено методику ідентифікації стратегічних активів підприємства в системі обліку. Визначено та проаналізовано основні причини неможливості імітації стратегічних активів конкурентами. Розроблено порядок визнання стратегічних активів у вузькому розумінні в фінансовому обліку. Сформовано модель відповідності окремих видів стратегічних активів видам конкурентних переваг, які вони забезпечують. Запропоновано розглядати стратегічні активи як сукупність ресурсів підприємства, які забезпечують формування його конкурентного потенціалу. Виділено поняття стратегічних активів в системі обліку у широкому та у вузькому розумінні в залежності від видів забезпечуваних ними конкурентних переваг.

Formulation of the problem

For a full and transparent understanding of the enterprise to external users in today's environment is not enough traditional indicators provided in the financial statements, as they do not disclose the specifics of available resources and do not assess their role in shaping the company's competitive advantage. The availability of such information from capital suppliers is the main source for making investment and borrowing decisions, the disclosure of which in general from the standpoint of the company will reduce its costs for raising additional capital. The emergence of such information needs from external users is an example of the emergence of the latest institutional demand, which is an example of limited accounting in providing the latest institutional transformations and needs to be addressed. As a result, the problem of ensuring the strategic orientation of the financial accounting system, improving its theoretical and methodological tools so that it provides the generation of accounting information that would allow effective strategic decisions to external stakeholders is becoming increasingly important for some researchers in the field of accounting.

One of the ways to solve this problem is to disclose accounting information about the strategic assets of the enterprise, which should be understood as a set of resources of the enterprise, which ensure the formation of its competitive advantages. The development of the financial accounting system as a means of strategic accounting communications should be carried out by deepening and additional classification of existing financial accounting objects, including assets of the enterprise, identification of strategically important assets, the use of which in the enterprise generates its main competitive advantages. Lead to significant losses and cause significant damage to the enterprise. From the standpoint of enterprise management and capital suppliers, the availability of relevant and reliable information about such assets is important, so they should be given closer attention – from the standpoint of their consideration as an object of management, and should consider all possible risks of disposal/destruction. positions of consideration of the enterprise by suppliers of capital as an object of investment/lending.

Analysis of research and publications

Theoretical aspects of the identification of strategic assets in the accounting system are revealed in the works of D. Aaker, R. Amit, J. Bernie, S. Bobrishev, O. V. Vostryakova, R. C. Dos Santos, T. H. M. Pinho, C. K. Prahalad, G. Hemel, P. J. Shoemaker and others. The need to improve the system of financial accounting, which does not take into account the growing demands of external users in the information about the strategic aspects of the enterprise reveal in their work R. F. Brukhansky, S. F. Holov, N. Yu. Yershova, I. I. Kryshptopa, O. P. Kundrya-Vysotska, A. A. Pilipenko, M. S. Pushkar, V. Z. Semanyuk, A. V. Shaykan. At the same time, the improvement of financial reporting on the disclosure of strategically important objects that play a key role in maintaining the competitive advantages of the enterprise, almost no attention is paid to researchers. This is

due to the lack of agreement among researchers as to which objects should be disclosed in such additional strategic reports of enterprises, how they should be evaluated, and how such additional disclosure of accounting information should be carried out.

Highly appreciating the scientific contribution of these scientists, it should be noted that the outlined issues require further intensification of research to reveal the essence of strategic assets in accounting and consider them as a set of enterprise resources that ensure the formation of its competitive potential.

Formulation of goals

The main task of the study is to identify the essence of strategic assets in accounting based on the use of the provisions of resource theory of strategic management. Consideration of strategic assets as a set of resources of the enterprise, which ensure the formation of its competitive potential.

Presentation of the main material of the research

There is no consensus among scholars on the names of objects that are of strategic importance to the enterprise. The authors simultaneously use the concepts of strategic resources, strategic assets, strategic intangible assets, strategic knowledge assets and more. Despite the existing diversity of interpretations of such strategically important objects, they have in common the reasons and nature of their occurrence, ie the significance and importance of such strategic objects from the standpoint of further strategic development of the enterprise, preservation of existing and formation of new competitive advantages. Their use involves both the successful implementation of the strategies chosen at the enterprise, monitoring their implementation, and the development of new strategies.

Strategic assets as a set of resources of the enterprise, which ensure the formation of its competitive advantages, consist of two main groups:

- capitalized strategic assets that are reflected in the balance sheet of the enterprise in the form of traditional assets of the enterprise and meet the requirements of their recognition as strategic resources (value, uniqueness, availability);
- non-capitalized strategic assets that are not separate objects of accounting, and information about which is not provided separately in the balance sheet, but which relate to the strategic resources of the enterprise.

In order to develop information support for strategic management of the enterprise, as well as informing external users about strategic assets, the following areas can be identified to improve the current accounting system:

- for the first selected group of strategic assets should ensure their identification and separation from all assets of the enterprise, the formation of a relevant approach to their evaluation;
- for the second group of strategic assets it is necessary to develop a methodology for their identification, separate display and accounting evaluation, so that internal and external users can obtain reliable and relevant information about all strategic resources of the enterprise.

One of the classics of strategic management prof. D. Aaker notes that the strategic assets and competencies on which business strategy is based provide a lasting competitive advantage. Under strategic assets, they mean certain resources (for example, a brand or current customers), which exceed in their parameters similar resources of competitors. In the process of formulating a strategy it is necessary to take into account the costs and technical capabilities to create or maintain assets or competencies that are the basis of sustainable competitive advantage [1]. Thus, from D. Aaker's point of view, strategic assets include various types of resources (assets in the accounting sense and non-capitalized resources (internal brands, customer relationships, employee competencies, etc.)), which have certain unique characteristics and ensure the preservation of existing and formation new competitive advantages of the enterprise.

D. Aaker's position on understanding the concept of strategic assets is based on the theory of key competencies proposed by C. K. Prahalad and G. Hemel, based on which competitive advantages are provided only by key competencies, which can take various forms – assets, relationships, processes and more. According to the authors' approach, key competencies are characterized by value (rarity and irreplaceability), uniqueness (impossibility of copying) and accessibility for the company (ability to use in their activities). Based on these characteristics, it can be determined that a strategic asset is a resource of the enterprise, which is indispensable for him, unique and which can be used in its activities.

Other proponents of resource theory follow a similar approach. Thus, S. Bobryshev defines strategic assets as the predominant assets and excellent abilities of the firm, which provide the company with a stable competitive advantage [3], which is also noted by O. V. Vostryakov, considering the strategic process from the standpoint of the resource concept, which is determined by the ability and capacity of the enterprise to maintain and accumulate assets that generate economic rents. Such assets provide the company with stable competitive (strategic) advantages, ie receive the status of strategic [6].

It is proposed to use the model "VRIO", developed by J. Bernie and D. N. Clark, for a more detailed identification of strategic assets of the enterprise in the accounting system, as it allows to establish the role of specific resources of the enterprise in ensuring its competitive advantages, and therefore its results can determine which types of strategic assets should be provided to users information on the main competitive advantages and disadvantages. Examples of such strategic decisions are decisions on the strategic assets of the enterprise, based on their role and importance in the enterprise (for example, the transfer of unimportant resources from the company's position to outsourcing), and on further strategic development of the enterprise by internal and external users. prospects for maintaining its competitive advantages (for example, the cessation of investment in the company due to the short time horizon for the main competitive advantages). If the representatives of resource theory of strategic management focused on the management of strategic resources, in

the context of this study also an important issue is the disclosure of information about the strategic prospects of the enterprise based on disclosure of various types of strategic assets for both internal and external users. efficiency of the existing system of strategic accounting communications of the enterprise.

Based on the name of the model itself, different types of strategic assets of the enterprise can include those resources that are valuable, rare, unique (impossibility of imitation) and managed (organized) for the enterprise in comparison with its competitors. Based on these four characteristics, which are inherent or not inherent in the strategic assets of the enterprise, located in the appropriate hierarchical sequence, a classification of strategic assets can be made depending on their ability to provide different types of competitive advantages.

Strategic assets should be considered only those assets of the enterprise that have value for the enterprise. As noted by J. B. Barney and W. S. Hesterly resources are valuable to a firm when they allow them to take advantage of external opportunities or neutralize an external threat. That is, they are valuable when they allow you to increase your competitive position [12]. The most effective way to confirm the value of assets for the company is to determine their role in ensuring the income of the company or minimize its costs. Since the generation of future economic benefits is a general criterion for recognizing assets in the accounting system, we can say that the strategic assets of the first group can be considered valuable for the company, and the strategic assets of the second group should be further analyzed. Examples of strategic assets of the second group are the company's in-house brands, which allow it to obtain economic benefits, but which are prohibited as intangible assets under national (IAS 8) and international (IAS 38) accounting standards.

If the strategic assets of the company are valuable, but are quite common among other competitors, ie are not a rare resource, then such assets will not provide a competitive advantage for the company, at the same time, will be the main source of competitive parity. Competitive parity is evidenced by the fact that the presence of such strategic assets allows the company to operate no worse than its competitors. According to J. B. Barney and W. S. Hesterly, only when the resource is not controlled by many other firms, it can become a source of competitive advantage [12]. Thus, the rarity of a strategic asset means its presence (ability to control it) in a small number of other competitors, which is determined by both the size of the industry and the number of competitors who own such assets. Since obtaining a valuable and rare strategic asset in the case of its own reproduction or acquisition by third parties is only a matter of time, in the case of the potential possibility of obtaining it by competitors, we can talk about the existence of temporary competitive advantages.

The possibility of imitation of a strategic asset by competitors creates a threat of loss of competitive advantage created by them in the future. Therefore, permanent competitive advantages for the company provide only those strategic assets that are difficult to imitate competitors, i. e. to reproduce which lacks the necessary technical and

technological principles, or the ability to imitate them by obtaining or developing their own is quite expensive for competitors. If competitors need to incur small costs to simulate such a strategic asset, then competitive parity will be created in the industry. Therefore, only those companies that have valuable, rare and expensive to imitate strategic assets, create the necessary prerequisites for the formation of sustainable competitive advantages in the process of forming new and implementing existing strategies.

The inability to imitate strategic assets by competitors is due to four main reasons:

1. Unique historical conditions, when a firm gains inexpensive access to resources through its place in time and space, other firms may consider these resources expensive to imitate.

2. Causal ambiguity, when competitors cannot say exactly what allows a firm to gain an advantage, simulating that advantage can be costly. Sources of causal ambiguity include when competitive advantage is based on “accepted as appropriate” resources and opportunities, when there are many untested hypotheses about why a firm has a competitive advantage, and when firm advantages are based on complex sets of interrelated opportunities.

3. Social complexity, when the resources and opportunities that the firm uses to gain a competitive advantage include interpersonal relationships, trust, culture and other social resources that are expensive to imitate in the short term;

4. Patents, which are a source of sustainable competitive advantage in several industries, including the pharmaceutical and chemical industries [12].

At the same time, to ensure sustainable competitive advantages of the enterprise strategic assets are not enough to meet the characteristics of value, rarity and uniqueness (impossibility of imitation), as such advantages are acquired only if there is a proper level of value management. The company should have a level of organization that will ensure the most efficient use of available resources and opportunities to achieve tactical and strategic goals (cost-oriented management systems, management control, accounting, quality management, motivation, various informal management systems, etc.). In particular, one of the important elements of such an organization system is effective information support of the enterprise management system through the appropriate level of financial accounting, which provides reliable and relevant accounting information about available resources, capital and liabilities and performance. Thus, in order to gain a sustainable competitive advantage, it is not enough for a company to have only valuable, rare and unique strategic assets, this also requires the attribute of manageability or proper organization to use their strategic potential to the full.

In the absence of a system that ensures the manageability or organization of strategic assets, a situation may arise in which existing competitive advantages remain untapped or unrealized. For example, non-use or underutilization of unique means of production (production lines, individual machines, devices, etc.) due to lack of qualified personnel is the main reason why such assets lose their strategic

importance for the company. This situation is quite typical for domestic medical institutions that receive expensive medical equipment under grant or sponsorship funds, but it is not used properly in such institutions for a number of objective and subjective reasons.

In general, strategic assets include those resources of the enterprise that are under its control, for which the enterprise has a significant level of asymmetry compared to competitors, there is imperfect mobility of such resources, the market for such resources is also imperfect and competitors can not get such resources (create yourself or attract from the outside). In the vast majority of cases, such assets are intangible resources of the enterprise (structural, human, client capital), because they are almost all can be valued, are rare, they are difficult to imitate or replace with analogues. At the same time, certain physical and financial assets can also be recognized as strategic assets of the enterprise, in particular, the natural capital of the enterprise, due to its limitations and non-reproducibility.

Based on the analysis of requirements (characteristics) that must be taken into account in the process of recognizing strategic assets, as well as based on understanding their essence, the order of their recognition in financial accounting can be represented as follows (Fig. 1).

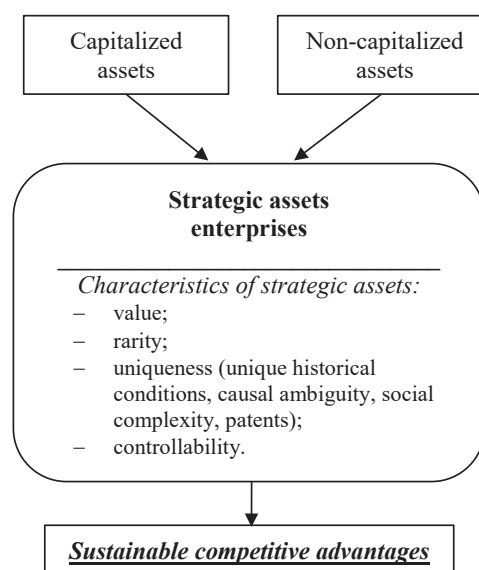


Fig. 1 – Procedure for recognizing strategic assets in the narrow sense in financial accounting

According to the proposed procedure (Fig. 1), the composition of strategic assets may include both capitalized and non-capitalized assets (resources) of the enterprise, which meet a number of characteristics. Depending on the level of compliance with the considered characteristics, we can distinguish different types of strategic assets in their broadest sense, which include assets that ensure the formation of long-term and sustainable competitive advantage (level 1 assets), as well as assets that ensure the formation unused (level 2 assets), temporary (level 3 assets) and parity (level 4 assets) competitive advantages of the enterprise.

The following model can be used to determine the compliance of certain types of strategic assets with the types of competitive advantages they provide (Table 1).

Table 1 – Correspondence of certain types of strategic assets to the types of competitive advantages

Types of strategic assets in a broad sense	Kind of competitive advantage	Characteristics of strategic assets			
		Value	Rareness	Uniqueness	Controllability
–	–	no	–	–	–
4th level	Parity	yes	no	–	–
3rd level	Temporary	yes	yes	no	–
2nd level	Unused	yes	yes	yes	no
1st level (strategic assets in the narrow sense)	Stable	yes	yes	yes	yes

The above model (Table 1) allows a clearer distinction between strategic assets in their broad and narrow sense in the context of ensuring that they achieve different types of competitive advantage. It can be the basis for the formation of financial statements of strategic assets of the enterprise, in particular, in terms of their classification and consideration of existing requests of stakeholders. For example, based on the needs of internal stakeholders who need information about a particular type of competitive advantage, the necessary management report on strategic assets may be generated upon request. In particular, to find ways to strengthen the competitive position of risk management, the company needs information about the types of strategic assets that provide temporary competitive advantages, which is justified by the need to find new ways to ensure them in case such assets lose their strategic role.

At the same time, from the point of view of investors and borrowers, it is important not only to know about the strategic assets of the company, but also what costs the company must incur to reproduce them, because without such unique assets the company will lose its competitive advantages. Therefore, in addition to the recognition of strategic assets in the financial accounting system, another important issue that needs to be addressed is the development of methods for their parallel valuation at replacement cost or replacement cost and its reflection in specialized reporting on such assets. In the financial statements, strategic assets are stated at cost or fair value, which does not reflect the potential risks of the enterprise to such assets and their impact on the competitive advantages of the enterprise, which generally determine the future prospects of the enterprise, because even fair value calculation and its focus on assessment for the needs of investors, does not provide information about such risks. Providing information on strategic assets in such alternative estimates will allow you to describe in monetary terms the potential risks of the enterprise in the

event of loss of such strategic assets in the context of the concept of business continuity.

If the replacement cost of strategic assets reflects the amount of costs that an entity must incur to reproduce those assets so that they can achieve an appropriate level of competitive advantage, such as an appropriate amount of profit, the replacement cost of strategic assets will reflect the amount of costs that the entity must incur to obtain appropriate level of competitive advantage, but not necessarily through the acquisition of identical strategic assets. The first type of valuation of strategic assets should be used when an exact (identical) copy of a strategic asset can be reproduced, as they do not have a high level of uniqueness, and the replacement cost should be used if an exact copy cannot be reproduced.

The key position in calculating the replacement cost and replacement cost of strategic assets that we propose should be that strategic assets should reflect the amount of costs that the company will have to spend in case of loss of a particular strategic asset in order to obtain the same competitive advantage, which existed in the presence of such a strategic asset in the enterprise. That is, the level of competitive advantage provided by the relevant strategic asset, for example, the appropriate amount of income of the enterprise in a particular area of activity, should be the starting point to achieve which should be incurred the appropriate amount of costs.

Accordingly, the notion of reproducing an exact copy of a strategic asset or object of its replacement should be based on the principle of predominance over form, ie renewal or replacement of a strategic asset implies the need to restore or replace the relevant competitive advantages provided by such strategic asset today. However, this approach is not always used by professional appraisers (American Association of Appraisers) and researchers. For example, to determine the replacement cost of intangible assets Reilly R. F. [14], Puca A. and Zyla M. L. [13] proposes the concept of “equivalent utility” for the enterprise, which is not equal to the ability of strategic assets to obtain appropriate competitive advantages, but may mean compliance with the functional attributes of such an asset, compliance with operational or economic benefits from its use. investment attractiveness, etc. Based on such proposals in financial accounting, strategic assets should be reflected in parallel at a value that will show how much they cost the company based on the current level of competitive advantage provided by them.

In order to improve the accounting conceptual and categorical apparatus, we propose to introduce a new concept – “strategic assets” as a set of resources of the enterprise, which ensure the formation of its competitive advantages. Since there are different types of competitive advantages, not just sustainable competitive advantages, we should distinguish between the concept of strategic assets in a broad sense, providing the formation of different types of competitive advantages, and in a narrow sense, providing sustainable competitive advantages, ie their highest level.

Conclusions

Given the need to ensure greater transparency of the enterprise, especially in the context of strategic decision-making, today there is an objective need to disclose additional information about the resources of the enterprise, which characterizes the prospects for its strategic development. One of the ways to solve this problem is the additional disclosure of accounting information about strategic assets, ie the set of resources of the enterprise, which ensure the formation of its competitive advantages. For external users, information on strategic assets is very important because they are the

main object of strategic management, generating revenue and minimizing the company's costs, which requires their separation from other assets and disclosure of information in a specially generated report.

Under the strategic assets in the accounting system is proposed to understand the set of resources of the enterprise, which ensure the formation of its competitive advantages. Given that not all assets of the company are a source of its competitive advantages, strategic assets should be considered as the main object of strategic management, because they provide revenue generation and minimize costs.

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