REVENUE MANAGEMENT: THE NATURE AND CHARACTERISTICS

M. Arych, G. Cherednichenko
National University of Food Technologies

Key words:	ABSTRACT
Revenue management *Object* *Purpose* *Principles* *Mechanism*	The basic concepts characterizing the Revenue Management as an integrated system management have been defined. These include such concepts as Goal Management, Facility Management Principles and Functions. It has been determined that the implementstion of evidence-based Revenue Management provides the progressive development of the company. Revenue Management is a complex system of decision-making and implementation. The study of this system in the future should be conducted in the following areas: forecasting, programming, management and integration. It has been determined that the use of Revenue Management enables large and small businesses to identify customer groups so that to establish the proper list of goods and services and determine the optimal level of prices in order to maximize profits. It has been found that the following types of Revenue Management can be distinguished depending on management objectives: Order Management as a condition for raising the rate of production growth; Revenue Management, which provides a permanent solvency; Result Monitoring according to the interests of the owners; the aim of management is to increase the return on equity of the company.
Article histore: Received 11.12.2013 Received in revised form 28.12.2013 Accepted 12.01.2014	
Corresponding author: M. Arych **Email:** npnuht@ukr.net	

УПРАВЛІННЯ ДОХОДАМИ: СУТНІСТЬ І ХАРАКТЕРИСТИКА

М.І. Арич, Г.А. Чередніченко
Національний університет харчових технологій

У статті визначено основні поняття, що характеризують управління доходами як цілісну систему управління підприємством (мета управління, об'єкт, принципи та функції управління). Встановлено, що саме забезпечення науково обґрунтованого дотримання правил управління доходами забезпечує прогресивний розвиток підприємства. Управління доходами є складною системою прийняття та реалізації управлінських рішень. Дослідження такої системи в майбутньому повинно проводитись у таких напрямах: прогнозування, програмування, управління та інтеграція. З'ясовано, що використання системи управління доходами допомагає великим та малим підприємствам визначити групи клієнтів для встановлення правильного переліку товарів і послуг, визначення оптимального рівня цін з метою максимізації отриманого прибутку. Вставлено, що залежно від цілей управління виділяють типи системи

управління доходами: управління замовленнями як умови підвищення темпів зростання виробництва; управління доходами, яке б забезпечило постійну платоспроможність; контроль результатів відповідно до інтересів власників, при цьому метою управління є підвищення рентабельності капіталу підприємства.

Ключові слова: *управління доходами, об'єкт, мета, принципи, механізм.*

The development of a market economy requires businesses Ukraine cost-based approach to planning their activities, to determine strategies to increase business income, analysis and evaluation of the results. Formation of optimal income tax in the amount necessary them to cover its operating costs, taxes and a profit that helps ensure expanded reproduction is a necessary condition operation of any entity.

One of the main conditions for the progressive development of entrepreneurship in any country, along with government regulation and control is individually controlled by each individual entity, with its successful implementation depends on selected management principles, methods and management style. In the modern business environment one of the key sources of finance sustainable manufacturing process of expanded reproduction, investment and innovation of the enterprise is of his findings. It is highly professional and science-based revenue management is a key factor in ensuring cost-effective development of the national economy.

Some management issues are considered income in the works of foreign scholars as Kalyan T. Talluri, Itir Z. Karaesmen, Garrett J. van Ryzin, Gustavo J. Vulcano, L.R.Weatherford, P.P. Mark G. Haley, Jon Inge, Marta Treszl, Sevinc Goksen, William L. Cooper and others.

Despite extensive research theme revenue management, there is still a lot of categories and processes, the interpretation of which no proper scientific level. Therefore, the aim of the article is to analyze the main components of revenue management companies to identify their features and find the correct version of the scientific interpretation.

Over the last twenty years, development of revenue management systems has progressed from simple single leg control, through segment control, and finally to origin — destination control. The apparent simplicity of this valuation problem is deceptive — a complete assessment must allow for all possible future realizations of the reservations process that could be influenced by the availability of any of the seats on any of the legs in the booking [4; 2].

Depending on the objectives of the enterprise defines the types of revenue management objectives:

1) order management is a high growth rate results — the objective of the enterprise is the high growth rates, growth rates of sales, gain market share, profit maximization;

2) the purpose of management is to ensure that the results of such an amount that would ensure ongoing solvency — the objective is to stabilize its business activity is the minimum level of profitability, cost recovery activities;

3) to control the results of the company are the interests of its owners, then the purpose of forming end financial results is the relative return on invested equity or venture [5].

There are three main concepts of of revenue management. Thus, according to the first under the objects understood the process of formation, distribution, use (cover) financial results on the basis of the impact on the performance of revenues, expenditures, financial results, profitability (loss), cash performance, net cash flow (by activity) and indicators that reflect the quality of financial results [2].

According to the second concept of object management is absolute and relative indicators: business income, expenses and the ratio of their structural elements, the amount of equity investment deposits, received loans, interest paid, the tax burden, The volume of manufactured products, growth equity and gains enterprise.

The third concept interpretation facilities management financial and economic results to the bottom carries forward and backward, vertical and horizontal ties that bind all controls results in a single system. This control subjects through direct communication and control mechanism affect the formation and distribution of financial results [7].

Functions of revenue management of the company are: forecasting, planning, accounting, monitoring, optimization, coordination, promotion, supervision, organization, information, analytical (analysis) Development and distribution of financial results.

There are such principles of effective revenue management as:

1) determination;

2) sequence: involves the division of tasks and problems in order of importance;

3) consistency: based on the coverage of the whole control system results;

4) complexity: incorporation of economic, institutional, social, psychological and other aspects in the management of the results [6];

5) focus on the process approach: process management is the total of all its functions and activities aimed at managing the results of the company;

6) dynamism: results of enterprises considered in dialectical development, investigates the cause-effect relationships of their formation, analysis of the past and made a forecast for the future [1];

7) flexibility and adaptability of the system;

8) variation in approaches to management decisions;

9) the timeliness of decision making;

10) control.

Mechanism of revenue management consists of the following parts:

- Institutional level — business units, which carry out functions such as accounting management, creation, distribution, control and analysis [1; 5];

- Functional units include principles of organization and operation management subsystem result, forms, methods and management techniques, as well as incentives and sanctions;

- Legal executives — a set of legal regulations concerning the application of financial methods, instruments and incentives [3].

Thus, the mechanism of revenue management — is a set of goals, objectives, principles, functions, methods, incentives, sanctions and regulatory framework that is used to manage.

Research and development of revenue management systems is far from over. We close our survey with some suggested directions that future research may take

in four areas — forecasting, dynamic programming, ODF revenue management, and systems integration. Modern RM systems enable firms to make sophisticated pricing decisions over the course of a sales season. Many of these systems operate within what one might refer to as the "estimate, then optimize" paradigm where estimation and optimization are two distinct, interleaved activities. RM is today a ubiquitous area of operations research that is concerned with developing into a science, the art of selling the right item, to the right person, at the right price. RM represents the technique that helps big companies or small and medium enterprises to achieve highest profits by correctly identifying the customer groups that the company has to serve, establishing the right (quantity of) products and services as well as setting up the optimal prices to be offered to these customers.

Literature

1. *Joern Meissner*. MBA Elective Course — Revenue Management. [Electronic resource] // Mode of access: http://www.meiss.com

2. *Kalyan T. Talluri, Itir Z. Karaesmen, Garrett J. van Ryzin, Gustavo J. Vulcano*. Revenue Management: Models and Methods. [Electronic resource] // Mode of access: http://pages.stern.com.

3. *L.R. Weatherford and P.P. Belobaba*. Revenue impacts of fare input and demand forecast accuracy in airline yield management. Journal of the Operational Research Society, 53:811—821, 2002.

4. *Mark G. Haley, Jon Inge*. Revenue management. — The Prism Partnership, LLC [Electronic resource] // Mode of access: http://www.theprismpart nership.com

5. *Marta Treszl*. Yield Management [Electronic resource] // Mode of access: https://www.cs.elte.hu/blobs/diplomamunkak/bsc_matelem/2012/treszl marta.pdf.

6. *Sevinc Goksen*. Implementing Revenue Management [Electronic resource] // Mode of access: http://www.few.ru

7. *William L. Cooper*. Asymptotic behavior of a class of an allocation policy for revenue management. Operations Research, 50:720—727, 2002.

УПРАВЛЕНИЕ ДОХОДАМИ: СУЩНОСТЬ И ХАРАКТЕРИСТИКА

М.И. Арыч, Г. Чередниченко
Национальный университет пищевих технологий

В статье определены основные понятия, характеризующие управление доходами как целостную систему управления предприятием. К таким понятиям относятся такие, как цель управления, объект, принципы и функции управления. Установлено, что именно обеспечение научно обоснованного соблюдения правил управления доходами обеспечивает прогрессивное развитие предприятия. Управление доходами является сложной системой принятия и реализации управленческих решений. Исследование такой системы в будущем должно проводиться в следующих направлениях: прогнозирование, программирование, управление и интеграция. Определено, что использование системы управления доходами помогает крупным и малым

предприятиям определить группы клиентов для установления правильного перечня товаров и услуг, определение оптимального уровня цен с целью максимизации полученной прибыли. Установлено, что в зависимости от целей управления выделяют типы системы управления доходами: управление заказами как условия повышения темпов роста производства, управление доходами, которое бы обеспечило постоянную платежеспособность, контроль результатов в соответствии с интересами владельцев, при этом целью управления является повышение рентабельности капитала предприятия.

Ключевые слова: *управление доходами, историческое развитие, объект, цель, принципы, механизм.*