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**FROM LOSSES TO PROFIT: KEY FACTORS OF SUCCESS OF
DOMESTIC ENTERPRISES**

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Research methodology. Methods of economic analysis and research of economic processes were used depending on certain objectives and tasks: computation and analysis, index, observation and generalization, multi-factor and comparative analysis, economic and statistic method and others. Economic statistic method is used to diagnose the dynamics of financial results, sales figures and capital funds of an enterprise, to evaluate the efficiency of the strategy of profit formation management; graphic methods (for graphic representation of the studied phenomena, processes and trends). The method of scientific abstraction and systematization is used for scientific justification and arrangement of the main findings. Calculations are carried out with Microsoft Excel spreadsheets.

Results. The results of the research show that hard financial and economic situation is observed in many domestic enterprises, the number of loss-making enterprises is increasing. Critical state of the enterprises is conditioned by the negative influence of internal factors like low level of corporate management and ineffective management of profit formation and distribution, in particular. Unstable development of an enterprise and decrease in production has recently influenced the financial results of enterprise activities. The amount of produced and sold products is decreasing, at the same time the expenditures per product is increasing, which surpasses the increase of the cost of sold goods as related to income from sales. This became one of the main internal factors of loss-making activities at an enterprise. Taking into account that the level of strategic management of profit depends on the relation between the rates of change in profit, amounts of sold product and capital, it is possible to make a statement about inefficiency of the existing system of profit management at an enterprise. Internal factors aggravated the impact of external factors, the most influencing being ineffective state economic policy, imperfection and underdevelopment of institutional system of the country, mainly the institutions of economic development providing favourable conditions for getting rent profit.

Novelty. The monitoring of effectiveness of domestic enterprises activities and determining the crucial factors showed that the realization of economic transformation policy in Ukraine does not always comply with the national interests. Corruption influencing the property right structure abridges the degrees of freedom of private entrepreneurs and the level of protection of ownership rights. This, according to the world experience, greatly influences the rate of economic growth of both individual economic entities and the country in general. Ukraine has got the economic model mainly based on low-tech structure, which meets the interests of a narrow circle of economic entities associated with authorities.

Practical value. Orienting points for economic policy of a state are offered to realize more radical reforms by means of substantial reform of the system of social relations and management of state, branch and industrial levels aimed at political consolidation of the society, at elimination of institutional barriers standing in the way of economic development of enterprises on the basis of innovation (in particular, transfer of foreign technology of fifth and sixth levels) as a potentially universal and sustainable development mechanism.

Keywords: financial results, profitability index, level of corporate management, profit management system

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