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METHODOLOGICAL SUBSTANTIATION OF BUSINESS DEVELOPMENT IN RUSSIA

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ABSTRACT

The article reveals the features of civilized functioning of entrepreneurship and reflects the objective need to define a system for evaluating the effectiveness of the country's entrepreneurial potential.

The possibilities are considered, which would enhance the government's creating favorable conditions for the development and functioning of entrepreneurial environment with the use of the latest technologies; this is related to the transformation from predominantly intermediary activities to innovative product development.

Entrepreneurial activity in the country is the basic factor of achieving high rates of economic and social development in the country's economy. However, the existing barriers in obtaining the objective data to assess the business potential efficiency hinder the planning and objective-setting to achieve strategic goals.

The relevance of the presented provisions is due substantiation of the modern tools of infrastructural support of entrepreneurial activity.

The emphasis is placed on the development of principles, forms, methods and mechanisms of the civilized entrepreneurship functioning.

Keywords: public administration, civilized entrepreneurship, business sphere, entrepreneurial activity, new technologies, entrepreneurial potential.

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INTRODUCTION

Entrepreneurship plays an important role in the development of the economy. Basing on economic efficiency, it determines the directions of forming and developing the economic entity. Despite this, the issue of the economic efficiency of entrepreneurship has not been adequately studied (divergence of views on both the nature of economic efficiency and the formulation of its criteria and indicators).

The progressive development of entrepreneurship within the economy cannot be achieved without the theory of development, assessment and optimization of its economic efficiency, without the use of its comprehensively justified criteria and indicators. There is now a need for a more in-depth study of the economic efficiency of entrepreneurship under modernization.

1. LITERATURE REVIEW

The works of many Russian economists are devoted to the development of the entrepreneurial activity assessment system (N.N. Kireev, G.V. Savitskaya, A.D. Sheremet) [1, 2, 3].

However, most Russian economists determine the efficiency of entrepreneurial potential basing on the assessment of financial and economic indicators.

Among the foreign economists, the concept of a balanced system of indicators is the most popular (R. Kaplan and D. Norton) [4]. This concept is based on the idea of balance and strategic orientation, which very effectively influences the development of the foundation of the system of the country's entrepreneurial potential assessment.

In order to measure the economic efficiency of entrepreneurial potential, it is necessary to conduct a qualitative assessment of the following indicators:

- financial activities. Achieving high financial performance is a priority for the country.
- organization of functioning. Proper organization of work requires the presence of a developed infrastructure.
- social sphere. The indicators of socio-economic efficiency in the country include both absolute figures, such as the growth of real monetary incomes of the population and changes in average wages, and relative figures, such as GDP per capita, average income per capita, etc.
- innovation and technology. The foundation for the entire above-mentioned system is the development of innovative environment and new technologies.

All spheres of entrepreneurial activity are interrelated, and achieving the strategic objectives is not possible without high performance in each sphere.

2. RESEARCH METHODS

The system of regulating the entrepreneurship development comprises: regulation of involvement of additional capital (investment) into production, and regulation of the intensity of capital flows.

Each type of development regulation has its own system of indicators. Thus, the regulation of additional capital involvement is reflected in the relationship of return on common equity and the capital leverage, the return on aggregate equity, while the regulation of the capital flows intensity – in the relationship of return on aggregate capital, the profit margin. In these types of regulation, common elements are profit and aggregate capital.

The development of individual entrepreneurship in an economic entity is governed by changes in the capital return and profit margin (turnover) [5].

If the enterprise increases the profit margin (turnover), then it creates favorable conditions for the growth of capital productivity ratio. In other words, increasing the profit margin contributes to the growth of capital productivity ratio, and vice versa.

If there is a reduction in the profit margin, it reduces the opportunities for development.

In other words, lowering the profit margin contributes first to increasing and then to reducing the capital productivity ratio. This shows that the directions of change in the profit margin (turnover) basically determine the directions of changes in the capital productivity ratio.

With the activation of the capital transfer from the commodity to the monetary type, it is possible to achieve the opposite effect of this type of regulation.

When the profit margin (turnover) decreases, it is possible to increase the capital productivity ratio, which does not always increase the profit (net income). A long-term reverse action of this type of regulation leads to a transfer from profitable production to unprofitable, which is the basis for conducting a bankruptcy procedure.

In this type of regulation, the level of capital productivity ratio should correspond to the level of profit margin (turnover). However, this correspondence is of a short-term nature.

The relationship between the change in capital productivity ratio and the change in the profit margin (turnover) is undulating. In means that the growth of capital productivity ratio helps to reduce the profit margin (turnover), and vice versa. The decrease in the capital productivity ratio contributes to the increase in the profit margin (turnover). The periods of change of the capital productivity ratio differ from the periods of profit margin change. However, they are interrelated and form an integral whole in the system of regulating the development of individual entrepreneurship [6].

The increased profitability of aggregate capital is the result of both capital productivity ratio growth and profit margin growth. However, the leading role in this growth is played by the change in the profit margin, which characterizes the rationality of the capital reproduction.

The development of individual entrepreneurship is of leaping nature. Therefore, in the course of development, the aggregate capital profitability changes from low to high level. In this transition, usually the profit margin increases first, and then the capital productivity ratio. At a high level, they are balanced.

It should be noted that the profit margin increase creates conditions for capital accumulation, and vice versa.

Other things being equal, a profit margin decrease creates conditions for reducing the capital available in an economic entity. In order to halt this process, it is necessary to improve continually capital, that is, to introduce modern scientific and technological advances into the economic entity.

In other words, there is a need to strengthen the material and technical base of individual entrepreneurship [7].

The business activity of an economic entity is reflected in the change of its economic assets turnover. The velocity of this turnover has a direct impact on its financial capacity. Acceleration of the economic funds turnover reduces the need for them, and opens new opportunities for further development and strengthening the stability of the entity.

To characterize the economic funds turnover, various indicators are used, which enable to estimate how rationally and intensively the economic funds are used. Development factors have various effects on changes in the economic assets turnover. Some of them contribute to an increase in the economic assets turnover, and others reduce the turnover velocity. The integrating indicator, however, is the capital productivity ratio, the increase of which implies acceleration of capital reproduction, and improvement in the usage of economic funds.

The capital productivity ratio characterizes the economic efficiency of the economic assets usage. This indicator depends on the industry and its capital intensity. The increase in the capital productivity ratio can be achieved both by upgrading the workers' skills and the technical level of the fixed assets, and by their intensive use [8].

In the capital productivity ratio growth, a special role belongs to strengthening the relationship between the economic entity and its environment. Thus, the lack of established links with suppliers and consumers leads to significant accumulation of goods, which, other things being equal, reduces the capital productivity ratio.

Thus, in order to increase the capital productivity ratio, it is necessary to advance methods and technology, workers' skills, improve and strengthen the links of the entity with suppliers and consumers, and to make intensive use of the economic funds.

The economic performance indicators characterize the quality of individual entrepreneurship. They are grouped into basic, binding, and defining indicators.

Thus, the capital leveradge, the capital productivity ratio are bonding indicators, and the aggregate capital profitability, the profit margin are basic, defining indicators [9].

The binding indicators characterize the development of the target achievement method, while the defining indicators show the adaptation of individual entrepreneurship to the changing environment.

It should be noted that the indicator of the aggregate capital profitability integrates the indicators of capital productivity ratio and profit margin, and the indicator of return on common equity integrates capital leverage and profit margin.

The indicators of individual entrepreneurship economic efficiency are calculated according to the following formula:

$$R = (C_{agg}:C_{com})*(P:C_{agg})*100=(C_{agg}:C_{com})*(P: C_{agg})*(I_{agg}:I_{agg})*100=$$
$$=(C_{agg}: C_{com})*(I_{agg}:C_{agg})*(P: I_{agg})*100= L_c* C_{pr}*U:100 \quad (1.1)$$

where R is the return on common equity, %;

C_{agg} is the aggregate capital, thousand rubles;

C_{com} is the common capital, thousand rubles;

P is profit (net income), thousand rubles;

I_{agg} is the aggregate income, thousand rubles;

L_c is the leveradge of capital;

C_{pr} is the capital productivity ratio;

U is the unit weight of profit net (income) in the aggregate income (profit margin).

In (1.1), profitability of aggregate capital is characterized by two qualitative indicators: the capital productivity ratio, and the profit margin.

The capital productivity ratio characterizes the intensity of capital reproduction, and the profit margin characterizes the rationality of capital reproduction.

The regulation of the capital movement intensity has its own system of indicators. It includes profitability of aggregate capital, profit margin, and capital productivity ratio. If these indicators are considered from the perspective of reproduction, then profitability of aggregate

capital shows the capital ability to grow; profit margin shows the rationality of the capital movements, and capital return shows the intensity of capital movements [10].

Therefore, the relationship between profitability of aggregate capital, profit margin and capital productivity ratio can be considered from the perspective of their strengthening:

$$R_{com} = C_{pr} * U \quad (2)$$

$$U = R_{com} : C_{pr} \quad (3)$$

$$C_{pr} = R_{com} : U \quad (4)$$

Below, we describe the regulation of the capital movement intensity. Capital productivity ratio and profit margin form an integrating qualitative indicator – profitability of aggregate capital.

Thus, with the unchanged profitability of aggregate capital, the increase in capital productivity ratio leads to lower profit margin, which characterizes the growth of aggregate income, and vice versa. With the unchanged profitability of aggregate capital, the increase in profit margin reduces the productivity ratio, indicating a decline in aggregate income. These changes in the system of indicators reflect the results of the regulation of the capital movement intensity.

We expand the factor model of common capital profitability by decomposing the components of aggregate capital profitability.

In practice, profit margin is often used to form the price for the manufactured products.

However, many businesses currently operate in a loss-of-sale mode that characterizes the decline of common capital. Therefore, an important task is to transfer production from loss to profitable mode.

The increase of the capital turnover ratio is justified if the enterprise is operating in a sales profit mode. At the same time, it shows an increase in the volume of sales of the manufactured products and is one of the important directions of increasing the net income (profit).

To disclose the content of the relationship between the return on common equity and the return on aggregate capital, shown in formula (1), other indicators are used, like profitability of aggregate capital – the ratio of profits after taxes on aggregate capital.

The profitability of aggregate capital is an important indicator, which enables to determine whether an investment into an economic entity is appropriate. It also characterizes its ability to earn a net income (profit) in future development [11].

It should be noted that the level and character of changes in the aggregate capital profitability allows creditors and investors to make decisions on granting credits and loans to an economic entity.

Methodologies pay special attention to the impact of factors on changing the profitability of common capital [12].

At the same time, approaches to solving the task of economic efficiency increase are objective and correspond to the principles of system and complexity. The forms that reflect the essence and content of the economic efficiency of production are consistent with the principle of the movement in capital reproduction.

They comprise the results of attracting capital, increasing the intensity and rationality of movement in capital reproduction.

However, these methods do not consider the volumes of economic efficiency indicators. They do not allow the researchers to formulate and chart the direction of development, and to identify trends in the system of entrepreneurship development indicators.

In the above formulas (2), (3), income (revenue) from the marketing of goods (works, services) is a part of aggregate income.

This excess indicates that, within economic entities, commercial entrepreneurship is developing at an advanced rate, and there is a hierarchy of entrepreneurial development types and forms.

Therefore, we believe that it is necessary, instead of the income (revenue) from the marketing of goods (works, services), to take the aggregate income, which characterizes the intensity of the capital transfer from commodity form to the monetary one and shows both the marketing of goods (works, services) to the counterparts, and the economic funds [13].

The change of the interrelations in the system of indicators is not considered to be the result of the development regulation system. Changes in these relationships demonstrate certain sequence, the use of which allows establishing the priority of a new quality formation in economic entities. There is a system of regulation aimed at increasing the profitability of aggregate capital. It also regulates changes in the intensity and rationality of the movement of capital reproduction [14].

The integrating indicator characterizing the intensity of the movement of capital reproduction is the capital productivity ratio. It reflects the interrelations between the two volumes (aggregate income, aggregate capital). The capital productivity ratio is defined as the ratio of aggregate income to aggregate capital and recorded as the following formula:

$$C_{pr} = I_{agg} / C_{agg}, \quad (7)$$

where C_{pr} is capital productivity ratio;

I_{agg} is aggregate income, thousand rubles;

C_{agg} is aggregate capital (economic funds), thousand rubles.

In increasing the capital productivity ratio, the rates of change in aggregate income and aggregate capital are important, as they are the basis for the development of strategies and tactics implemented to intensify the movement in the capital reproduction. It should be noted that the aggregate income and aggregate capital change differently. In any case, these changes are reflected in the change in capital productivity ratio.

The increase of capital productivity ratio reflects the intensive way of development. The increase in capital productivity ratio characterizes the increasing disproportionate change in aggregate capital and aggregate income in favor of the latter. In practice, there is also an extensive way of development that manifests itself in the form of proportional growth of aggregate income and aggregate capital. At that, the capital productivity ratio remains unchanged.

It should be noted that the individual entrepreneurship development can proceed along intensive and extensive ways. They are interrelated and complement each other. At the same time, they are always found in certain combination, and the progressiveness of its change is manifested in the growth of the integral index of changes in the qualitative and quantitative aspects of capital productivity ratio [15].

The ability of the aggregate income to grow is closely linked to the changes in aggregate capital. Thus, it takes into account the change in both the qualitative and the quantitative aspects of the capital productivity ratio. The ability of aggregate income to grow reflects the interrelation between the structure of the studied phenomenon and its volume. Thus, this ability can be expressed in the form of the following formula:

$$I_{gr} = \frac{I_{agg}}{C_{agg}}\left(I_{agg} + C_{agg}\right) = I_{agg}\left(\frac{I_{agg}}{C_{agg}} + 1\right), \quad (8)$$

where I_{gr} is ability of aggregate income to grow, thousand rubles.

I_{agg} is aggregate income, thousand rubles;

C_{agg} is aggregate capital, thousand rubles;

$\frac{I_{agg}}{C_{agg}}$ is coefficient of capital productivity ratio (the structure of the phenomenon studied);

$\left(I_{agg} + C_{agg}\right)$ is the sum of aggregate income and aggregate capital (the amount of the phenomenon studied), thousand rubles.

The formula (8) shows that the ability of aggregate income to grow is dependent on the coefficient of capital productivity ratio. It increases when the coefficient of capital productivity ratio is increased.

The formula (8) reflects the qualitative and quantitative aspects of the capital productivity ratio.

The sum of aggregate capital and aggregate income reflects the volume of the phenomenon studied, while the coefficient of capital productivity ratio reflects the structure of the phenomenon.

The result of multiplication of the two indicators increases if, simultaneously, the ratio of aggregate capital to aggregate income is changed in favour of the latter and the sum increases. There is an optimal ratio of these indicators, which, with an unchanged sum of aggregate income and aggregate capital, is manifested in the form of the maximum value of their product.

The converted formula reflects the ability of the aggregate income to grow, through the expansion, renewal and rational use of aggregate capital. It should be noted that the higher the capital productivity ratio, the higher the potential ability of aggregate income to self-increase [16, 17].

The integrated assessment of the change in capital productivity ratio is the result of multiplying the index of its qualitative aspect by the index of its quantitative aspect.

Thus, the index of the qualitative aspect of capital productivity ratio is found with the following formula:

$$Q_{qual}^{pr} = \frac{I_{agg}^{1}}{C_{agg}^{1}} : \frac{I_{agg}^{o}}{C_{agg}^{o}}, \tag{9}$$

where Q_{qual}^{pr} is the qualitative index of the capital productivity ratio;

I_{agg}^{1}, I_{agg}^{o} - aggregate income in the reporting and base periods, thousand rubles;

C_{agg}^{1}, C_{agg}^{o} - aggregate capital in the reporting and base periods, thousand rubles.

The index of the quantitative aspect of capital productivity ratio is calculated according to the following formula:

$$Q_{quan}^{pr} = \frac{I_{agg}^{1} + C_{agg}^{1}}{I_{agg}^{o} + C_{agg}^{o}} \quad (10)$$

The integral index is the product of the index of the qualitative aspect of capital productivity ratio and the index of its quantitative aspect, the result of which comprehensively assesses the change in capital productivity ratio. So, the integral index of capital productivity ratio is determined with the following formula:

$$Q_{\text{int}}^{pr} = Q_{qual}^{pr} * Q_{quan}^{pr} \quad (11)$$

In the previous ratios of aggregate income and aggregate capital changes, we investigated the strategy of structuring the capital productivity ratio and the tactics of increasing it – the intensity of capital flow. In subsequent ratios, we present a comprehensive assessment of the change in capital productivity ratio, in which intensive and extensive ways of production development are taken into account. It enables to unambiguously determine the dynamics of production development in terms of capital productivity ratio.

The integrating index characterizing the rationality of movement in the capital reproduction is the unit weight of profit (net income) in aggregate income.

It characterizes the interrelations between profit and aggregate income, and is defined as the ratio of profit to aggregate income by the following formula:

$$U = P : I_{agg}, \quad (12)$$

where U is the unit weight of profit in aggregate earnings (profit margin).

P is profit (net income), thousand rubles;

I_{agg} is the aggregate income, thousand rubles;

The profit margin characterizes the rationality of the movement in the capital reproduction. In the profit margin increase, the rates of changes in profit and aggregate income play an important role, since they underlie the development of strategy and tactics to improve the rationality of the movement in the capital reproduction. It should be noted that the profit and the aggregate income change differently. However, these changes are accompanied by an improvement in the aggregate income structure in terms of profit.

The increased profit margin is characteristic for intensive development. It occurs as a result of the disproportionate increase in aggregate income and profit in favor of the latter. There is also an extensive way of development, which manifests itself in the form of a proportional increase in aggregate income and profit. At the same time, the level of profit margin remains unchanged.

Intensive development cannot occur without extensive development. They are interrelated and complement each other. At the same time, they always occur in certain combination, and the progressiveness of its change is manifested in the growth of the integral index of changes in the qualitative and quantitative aspects of profit margin.

The ability of the profit to grow is closely linked to the generation of aggregate income. Thus, it takes into account the change in both the qualitative aspect of the profit margin and its quantitative aspect. The ability of profit to grow is a reflection of the interrelations between the structure of the phenomenon studied with its volume.

Thus, this ability can be expressed in the form of the following model:

$$P_{gr} = \frac{P}{I_{agg}}\left(P + I_{agg}\right) = P\left(\frac{P}{I_{agg}} + 1\right), \tag{13}$$

where P_{gr} is the ability of profit to grow, thousand rubles.

I_{agg} is aggregate income, thousand rubles;

P is profit (net income), thousand rubles;

$\frac{P}{I_{agg}}$ is coefficient of profit margin;

$\left(P + I_{agg}\right)$ is the amount of profit and aggregate income (amount of the phenomenon studied), thousand rubles.

The formula (13) shows that the ability of profit to grow is dependent on the coefficient of profit margin. It increases when the coefficient of profit margin is increased.

It should be noted that the higher the coefficient of profit margin, the higher the potential ability of profit to increase due to the renewal and extension of marketing of goods (works, services).

The sum of profit and aggregate income characterizes the quantitative aspect of profit margin, and the coefficient of profit margin characterizes its qualitative aspect. These aspects are interconnected. The assessments of the changes in these aspects interact and reinforce each

other. However, there is always the problem of ensuring that the change in the quality aspect of profit margin is consistent with the change in its quantity, the solution of which is connected with the development of individual entrepreneurship [18].

The integrated assessment of the change in profit margin is the product of the indices of its qualitative and quantitative aspects.

Thus, the index of the qualitative aspect of profit margin is determined by the following formula:

$$Q_{qual}^{pm} = \frac{P^1}{I_{agg}^1} : \frac{P^0}{I_{agg}^0}, \quad (14)$$

where Q_{qual}^{pm} is the quality of profit margin index;

I_{agg}^1, I_{agg}^0 is aggregate income in the reporting and base periods, thousand rubles;

P^1, P^0 is profit (net income) in the reporting and reference periods, thousand rubles.

The quantitative aspect (volume) of profit margin index is calculated with the following formula:

$$Q_{quan}^{pm} = \frac{I_{agg}^1 + P^1}{I_{agg}^0 + P^0} \quad (15)$$

The integral index is the product of the index of the qualitative aspect of the profit margin and the index of its quantitative aspect, the result of which comprehensively assesses the change in the profit margin. Thus, the integral index of profit margin is calculated with the following formula:

$$Q_{\text{int}}^{pm} = Q_{qual}^{pm} * Q_{quan}^{pm} \quad (16)$$

Basing on the substantiated approach to the establishing of economic efficiency indicators, we propose a system for regulating the individual entrepreneurship development within the business entity. The model of this system is as follows:

$$I_u = \frac{C_0}{C_{com}}(C_0 + C_{com})\frac{I_{agg}}{K_0}(I_{agg} + C_0)\frac{P}{I_{agg}}(I_{agg} + P) = C_0\left(\frac{C_0}{C_{com}} + 1\right) * \\ * I_{agg}\left(\frac{I_{agg}}{C_0} + 1\right) * P\left(\frac{P}{I_{agg}} + 1\right) \quad (17)$$

The formula (17) reflects the dialectic unities of the levels (quality) and volumes (quantity) of capital leverage, capital productivity ratio and profit margin, the change of which is reflected in the assessment of the economic efficiency of individual entrepreneurship in an economic entity. It can be carried out both within a whole (economic entity) and within a separate unit (individual entrepreneurship).

To assess the economic effectiveness of regulating the intensity of capital movements, the following formula is proposed:

$$\underline{Q = Q_{qual}{}^{pr} * Q_{Oquan}{}^{pr} * Q_{qual}^{pm} * Q_{quan}^{pm}}\ , \quad (18)$$

where Q_{qual}^{pr}, Q_{quan}^{pr} are, respectively, the indices of changes in the level and volume of capital productivity ratio;

Q_{qual}^{pm}, Q_{quan}^{pm} are, respectively, the indices of changes in the level and volume of profit margin.

The indices of changes in levels and volumes of capital productivity ratio and profit margin are calculated according to the following formulas:

$$Q_{qual}^{pr} = \frac{I_{agg}{}^{1}}{C_{agg}{}^{1}} \div \frac{I_{agg}{}^{0}}{C_{agg}{}^{0}} \quad (19)$$

$$Q_{quan}{}^{pr} = \left(I_{agg}{}^{1} + C_{agg}{}^{1}\right) \div \left(I_{agg}{}^{0} + C_{agg}^{0}\right) \quad (20)$$

$$Q_{qual}{}^{pm} = \frac{P^1}{I_{agg}^1} \div \frac{P^0}{I_{agg}^0} \quad (21)$$

$$Q_{quan}{}^{pm} = \left(P^1 + I_{agg}^1\right) \div \left(P^0 + I_{agg}^0\right), \quad (22)$$

where C_{agg}^{1}, C_{agg}^{o} are, respectively, aggregate capital for the reporting and reference periods, thousand rubles.

P^1, P^0 are, respectively, profit (net income) for the reporting and reference period, thousand rubles;

I_{agg}^{1}, I_{agg}^{0} are, respectively, the aggregate income for the reporting and reference periods, thousand rubles.

In order to evaluate the economic efficiency of the regulation of capital movement intensity, we propose the following formula:

$$Q_{ch} = \sqrt[3]{Q_{quan}^{pr} \cdot Q_{qual}^{pr} \cdot Q_{quan}^{pm} \cdot Q_{qual}^{pm}} = \sqrt{Q_{qual}^{pr} \cdot Q_{quan}^{pr} \cdot Q_{quan}^{pm}}, \quad (23)$$

where Q_{ch} is the rate of change (index) of the integral indicator of the economic efficiency of regulating the intensity of capital flows;

Q^{pr}_{qual} is the rate of change (index) of the level of aggregate capital profitability;

Q^{pr}_{qual}, Q^{pr}_{quan} are, respectively, the rate of change (indices) of the level and volume of capital productivity rate;

Q^{pm}_{qual}, Q^{pm}_{quan} are, respectively, the rate of change (indices) level and volume of profit margin.

Basing on the model (1), we propose to use the following formula to estimate the economic efficiency of individual entrepreneurship:

$$Q = Q_{qual}^{lev} * Q_{quan}^{lev} * Q_{qual}^{pr} * Q_{quan}^{pr} * Q_{qual}^{pm} * Q_{quan}^{pm} = Q_{qual}^{com} * Q_{qual} * Q_{qual} * Q_{qual}, \quad (24)$$

where Q is the integral index of changes in the economic efficiency of individual entrepreneurship;

Q_{qual}^{lev}, Q_{quan}^{lev} are, respectively, the level and volume indices of the leverage;

Q_{qual}^{pr}, Q_{quan}^{pr} are, respectively, the indices of changes in the level and volume of capital productivity rate;

Q_{qual}^{pm}, Q_{quan}^{pm} are, respectively, the indices of changes in the level and volume of profit margin;

Q_{qual}^{com} is index of changes in the level of common capital productivity rate.

According to this formula, estimates of the economic efficiency of individual entrepreneurship in entities were made.

To assess the change in the economic efficiency of individual entrepreneurship, we propose the following formula:

$$V_{\text{int}} = \sqrt[4]{V_{qual}^{com} \cdot V_{quan}^{lev} \cdot V_{quan}^{pr} \cdot V_{quan}^{pm}}, \quad (25)$$

where V_{int} is the velocity of change (index) of the integral measure of economic efficiency of individual entrepreneurship;

V_{qual}^{com} is the velocity of change (index) of common capital profitability;

V_{quan}^{lev} is the velocity of change (index) of the capital leverage;

V_{quan}^{pr} is the velocity of change (index) of the capital productivity ratio;

V_{quan}^{pm} is the velocity of change (index) of the profit margin.

In the management of individual entrepreneurship development, there is the task of ensuring an optimal change (increase, decrease) in the levels and volumes of the indicators entering into the system, the solution of which lies in the definition (search) of standard points of the multiextremal objective function.

The model used to define the standard points of multiextremal objective function is based on the multiplicative model of the individual entrepreneurship development. The model of the multiplicative effect of investment in the individual entrepreneurship development is as follows:

$$y = b/c*(c+b)*d/b*(b+d)*a/d*(d+a)=a/c*(c+b)*(b+d)*(d+a), \quad (26)$$

where b is the value of the growth (reduction) of aggregate capital through investment, thousand rubles.

c is the value of the growth (reduction) of common capital through investment, thousand rubles.

d is the value of growth (reduction) of aggregate income due to investment, thousand rubles

a/c is the rate of common capital profitability, formed by the growth (reduction) of profits and common capital;

b/c is the leveradge of capital, formed by the value of growth (reduction) of aggregate capital and common capital;

d/b is the capital productivity ratio, formed by the value of growth (reduction) of aggregate income and aggregate capital;

a/d is the coefficient of profit margin, determined by the magnitude of growth (reduction) of profit and aggregate income.

Further, we consider the features of this multiplicative effect in the development of an economic entity.

The peculiarities of individual entrepreneurship are also reflected in the changes interrelationship between the common capital and the aggregate capital, aggregate income and profit.

They are reflected in the change of coefficients that are calculated according to the following formulas:

$$P_{com} = P/C_{com}; \quad (4.27) \quad L_{cap} = C_{agg}/C_{com}; \quad (28)$$

$$R_{com} = I_{agg}/C_{com} \quad (4.29),$$

where P_{com} is the rate of the common capital profitability;

L_{cap} is the coefficient of capital leverage;

R_{com} is the rate of common capital productivity ratio;

P is profit, thousand rubles;

C_{com} is common capital, thousand rubles;

C_{agg} is aggregate capital, thousand rubles;

I_{agg} is aggregate income, thousand rubles;

The growth (reduction) of aggregate capital, common capital, aggregate income and profits are closely interrelated with the characteristics of the economic entity. Therefore, the real values of growth (reduction) of aggregate capital, aggregate income and profit are determined with the following formulas:

(29)

(30)

$$\Delta_c = C_{agg}^1 - C_{agg}^0 = b * L_{cap} = L_2 * L_{cap} * I;$$
$$\Delta_p = P^1 - P^0 = a * P_{com} = P_1 * P_{com} * I;$$
$$\Delta_i = I_{agg}^1 - I_{agg}^0 d * R_{com} = R_3 * R_{com} * I,$$

where Δ_c is the value of the growth (reduction) of aggregate capital, thousand rubles;

Δ_p is the value of growth (reduction) of profit, thousand rubles;

Δ_i is the value of growth (reduction) of aggregate income, thousand rubles.

Basing on the proposed formulas, one can determine in what direction and to what extent it is necessary to change each indicator included in the system. In the regulation of individual entrepreneurship within an economic entity, the interrelations (structure) of the system effects are important. The use of this structure allows forecasting and planning the activities of individual entrepreneurship aimed at development.

3. CONCLUSION

As a result of the study, we come to the conclusion that the socio-economic situation in the country is a major result of entrepreneurial activity. This result arises as a consequence of the economic functioning of the national economic system of production factors, to which entrepreneurial potential belongs.

The use of this potential is largely determined by the current model of the entrepreneurial resource management within the national economy. This conclusion follows from the world experience of economic functioning, which shows that the effectiveness of economic systems is determined not so much by the presence of the necessary development factors, as by the ability to use them successfully through management. The phenomenon of management allows receiving large economic return, even with very limited opportunities, through the rational use of the management resource.

At the same time, the overall economic result includes not only the state of things and filling them with economic content, but also stipulates other provisions for sustainable development, such as the social component and ecological balance, since the current view of economic efficiency will not be complete without sustainability components.

Unfortunately, the Russian management does not always take into account the whole triad of sustainability in the evaluation of its own economic activity. This gap must be overcome through the system of government regulation.

However, although entrepreneurial activity is now the basic factor of achieving the high rates of economic and social development, there are barriers in obtaining the objective data for assessing the efficiency of entrepreneurial potential. This hinders planning and achieving the strategic goals. There is objective need in determining an efficient system of assessing the entrepreneurial potential in the country.

Basing on the use of the economic efficiency indicators included in the system, it is possible not only to regulate the development of individual entrepreneurship, but also to improve the economic tools used in it.

The regulation of capital movement intensity is reflected in the system matrix, which takes into account various options for the ratio of the change rates in levels and volumes of capital productivity and profit margin.

Individual entrepreneurship has its own regulatory system, consisting of the following interrelated types of regulation:

- regulation of attracting investment (additional capital);
- regulation of intensity of capital movement [20].

Individual entrepreneurship is dynamic. In its development, it transits from one form to another and is reflected in the rate of change (growth, reduction) of the levels and volumes of the system indicators.

Basing on the change rate (trends) in the levels and volumes of profit margin and capital productivity ratio, the phases, stages and cycles of these changes were identified. They represent a dialectical unity. On the basis of this dialectical unity, it is possible to determine the sustainability trends in the phases and stages of the development cycle of individual entrepreneurship.

Each indicator of the economic efficiency of individual entrepreneurship shows its own dynamics. It should be consistent with the dynamics of other economic performance indicators. With the progressive development of individual entrepreneurship, they must occur in a coordinated and synchronous manner.

When regulating the capital movement intensity, it is important to consider the coordination between the stages in the cycle of changes in the capital productivity ratio and the stages in the cycle of changes in the profit margin.

The levels and volumes of capital productivity ratio and profit margin correspond to each other and form a dialectical unity. In the development of individual entrepreneurship, they are modified and acquire a spiral character. Thus, when a new feature is created in individual entrepreneurship, the profit margin increases. It acts as a stable factor in increasing the sales

volume. If this feature becomes obsolete, the level of profit margin decreases and it acts as a stable factor in reducing the sales volume.

It should be noted that an assessment of the economic efficiency of individual entrepreneurship coincides with an assessment of the stages of its development cycle [21].

At the stages of economic decline and growth, the compliance coefficient exceeds one, and at the stages when a new feature is formed or there is a need to form a new feature, it is less than one.

It follows that our substantiation of the multiplier effect parameters can be used not only to assess and monitor the creation and application of a new feature, but also to forecast and plan the development of individual entrepreneurship within an economic entity.

Thus, basing on the integrity of the indicators that characterize the feature complexity, it is possible to regulate the development of individual entrepreneurship, monitor, evaluate and plan its activities.

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