

*TKACHENKO M.*, Ph. d. (Economics), ass. prof., NTU «KhPI»

*XU JING*, student, NTU «KhPI»

## **THE WAYS FOR ENHANCING BMW GROUP'S FINANCIAL STRATEGY**

A financial strategy acts as an essential guide for organizations striving to reach their long-term financial objectives and ensure sustainable growth. By crafting a thoughtful and effective plan, businesses can successfully navigate challenging financial landscapes and make well-informed decisions that drive progress and prosperity. The connection between effective financial strategies and organizational efficiency is a key focus in the business world. Research consistently demonstrates that companies with strong financial strategies tend to achieve greater operational efficiency and overall success.

Through an evaluation of the company's financial performance and an in-depth examination of its current strategy, the paper identifies key strengths and weaknesses. BMW Group, a global leader in the luxury automobile industry, faces the challenges of intense competition and evolving market dynamics. To ensure sustainable growth and long-term success, the company must continuously refine and adapt its financial strategy. This paper analyzes the effectiveness of BMW Group's current financial strategy and proposes measures to enhance its efficiency based on theoretical frameworks and practical recommendations.

It is necessary to evaluate BMW Group's financial strategy based on profitability, solvency, operational efficiency, and growth. While the company demonstrates strong profitability and operational efficiency, concerns arise regarding the sustainability of its profitability and the need for improved risk management and ESG integration.

A set of measures to enhance BMW Group's financial strategy is based on the following theoretical frameworks [1,2]:

Resource-Based View: focus on unique resources and capabilities, such as technological expertise and brand reputation, to maintain a competitive edge

and enhance profitability; includes increasing investment in R&D, expanding the product line, and strengthening brand marketing.

Agency Theory: strengthen internal controls and risk management to reduce agency costs and improve corporate performance; includes establishing a sound internal control system, optimizing the capital structure, and improving information disclosure.

Stakeholder Theory: integrate ESG factors into its financial strategy to achieve sustainable development and enhance its social value; includes investing in clean energy, focusing on employee well-being, and participating in community projects.

Trade-Off Theory: optimize capital structure to balance debt financing and equity financing, reducing financing costs and improving financing efficiency; includes reasonably controlling the debt scale, optimizing the ownership structure and exploring hybrid financing methods.

Pecking Order Theory: prioritize internal financing and carefully choose external financing methods when necessary to reduce financing costs and agency costs; includes strengthening cash flow management, optimizing investment structures, and selecting appropriate financing methods.

By implementing the proposed measures, BMW Group can enhance its financial strategy and improve its overall efficiency. This will not only ensure sustainable growth but also contribute to the company's long-term success in the dynamic and competitive automotive industry.

#### References:

1. Zhou Fengqin. Strengthen financial strategic management to enhance the core competitiveness of enterprises [J]. Market Outlook. 2024. №13 P. 89-91.
2. Ihuoma H I ,Terrumun J D .Strategies for Enhancing Financial Wellbeing of Spouses in Makurdi, Benue State-Nigeria[J].Research Journal of Finance and Accounting,2015,6(24):74-79

*Бібліографія: Tkachenko M., Xu Jing* The ways for enhancing BMW group's financial strategy / *M. Tkachenko, Xu Jing* // Результати наукових конференцій Навчально-наукового інституту економіки, менеджменту та міжнародного бізнесу НТУ «ХПІ» за 2024 рік в 2 т. – Харків : НТУ «ХПІ», 2024. Т. 1 : Труды XXI-ої Міжнародної науково-практичної конференції «Дослідження та оптимізація економічних процесів «Оптимум-2024» 10-11 грудня 2024 р. – 2024. С. 153-154

**HUANG FEILI**, student, NTU «KhPI»

**THE ESSENCE, SIGNIFICANCE AND PRINCIPLES OF BUILDING A**