

EVALUATION OF SELECTED BUSINESS AS INVESTMENT PROJECT

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The article is evaluating a selected company as a whole, and as the object of business investment project. To this end, I chose a company to my neighborhood and also for the availability of availability of the necessary materials for the development of this work. The aim of my work was to evaluate the company and its investment project, to highlight its shortcomings and propose measures to eliminate deficiencies. The thesis is divided into three chapters. Chapter one includes the theoretical background needed for analysis in the field of business and the investment project. Chapter two analyzes the company as a whole by method of financial analysis and investment project management according to the knowledge and practices of the course "Project Management". The final chapter suggests measures to eliminate the shortcomings identified in the analytical part of the thesis and provides the overall evaluation of the invest project.

Key words: Business, evaluation, analysis, investment project.

1 INTRODUCTION

The topic of my thesis was the evaluation of a selected company as an investment project. For review I chose a business, which investment project currently implementing, and gave me all the necessary documents, which are necessary for the successful development of this thesis.

Under the term Evaluating the investment project I understand collected benefits to the enterprise and the public. I examined this firm as a whole, for the years 2009, 2010 and 2011 thought calculations using ratios and detailed analysis of the structure of assets, resources, coverage and cost structures and business income. Further evaluation is the evaluation of its investment project, which is currently being implemented. Based on the results of these analyzes and the application of project management I proposed measures to increase the effectivity of the enterprise as a whole, as well as measures for the investment project.

My thesis comprised three sections: the theoretical background, analysis of the selected company and draft measures to the assessment of the investment project. The first chapter contains a theoretical knowledge of economics, specifically in the field of enterprise and investment project, project management respectively, which are then applied to the evaluation of a real business project.

The second chapter provides an analysis of sales, management, structure of assets and sources of coverage, the calculation of the indicators and analysis of the investment project. These analyzes are examined on the basis of information from internal company documents and an evaluation of the investment project. Based on these analyzes to evaluate the effectiveness of the organization, which is displayed in graphs and tables.

The last chapter consists of the design and evaluation of investment project resulting from the analysis and the results of the second chapter work. Design measures are applied to different areas of the company, to the organizational structure, and overall sales management, asset structure and resources covering property and business investment project.

2 COMPANY MANAGEMENT

Wide range of forms of enterprises require specific approaches to knowledge organization in the state and its assessment. In general, we know the two approaches. A review by a performance called natural indicators and evaluation by financial indicators.

Natural indicators reflect the results of production, whether goods or services in terms of their numbers over time. Its contributed so much with the ongoing evaluation of the activities of the organization.

Financial ratios are generally less accessible and understandable, but provide a more objective assessment, especially when comparing multiple activities as from the perspective of a common denominator of money.

Today is constantly changing economic and business environment, along with the following changes occur to the changes in companies that are part of this environment. A successful company without analyzing the financial situation of the company will not pass. The most common method of analysis of financial indicators of the company are to be used in evaluating a successful corporate strategy, depending on the economic environment. [1]

Financial analysis is actually an analysis of data obtained from financial statements. It implies a financial review of past, present and predict future of the financial conditions. The main purpose of the analysis is to prepare the groundwork for quality decisions on the operation of the enterprise. The basic objective of financial management business is primarily to achieve financial stability and ability to generate profits and ensure the solvency of the company. [1]

3 INVESTMENT DECISION MAKING AND INVESTMENT PROJECT

The decision to invest money in the business is a very difficult decision and make a lot of risks, but when the project is carefully scheduled the risk is reduced.

The first opinion on the investment decision-making occurs in the company in the event that demand is bigger than supply, or when is a high demand for the services provided and the company is not sufficient to satisfy its customers.

3.1 Preparation and verification of project

Investment decisions are among the most important kinds of business decisions. Its importance is to decide accept or not accept the investment projects, which the company has prepared. It should be based on corporate strategy and contribute to its implementation. [2]

Corporate investment decisions, or decisions about which projects should be implemented as key decisions regarding its business success or even survival in harsh conditions of market economy. [2]

3.2 Project planning

This principle applies to project a quality equivalent to what was planned. The planning of project is very closely with controlling of the project, comparing it with the project plan is monitored and evaluated throughout the course of the project. Therefore, it is necessary to complete detailed planning of the project. The essence of project planning is to set clear goals that we want to achieve. The main emphasis is on planning and meeting deadlines, it is the main focus of a successful project. If you disrupt the timetable for the project, it is necessary to propose measures to address the identified gaps and meet the deadline for completion of the project. [3]

3.3 Implementation and control of project

Starting the implementation of the meeting held important stakeholders, which are recapitulated the project management plan and project schedule. At this meeting actually indicates that the physical implementation of the project begins. In some cases, the majority of major projects this meeting is seen rather as a social event. [4]

During the project it is necessary to monitor the project and its progress compared to planned, thus this phase of the project is closely traceable to the next phase, which is called control project. Where there are any deviations from the plan or respond to changes, corrective measures should be applied, reschedule, or create a new project plan. [3]

When the project is actually controlled by, or is progressing according to the plan drawn up in advance of the project, verify that the timetable for the project, whether it is pumping costs is made under the budget of the project and verify that the quality in the project.

Decision-making in the project based on unreliable or misleading information may adversely affect the entire course of the project. [3]

The actual implementation of the project must be carried out according to the plan, which was created in project planning. The implementation process we must give a clear answer to the following facts:

- Whether the current state of progress of the project with respect to schedule and project budget
- Verify that the completion date of the project
- Whether they will be sufficient to complete the planned cost of the project
- If exceeded time and cost, why it happened
- Any issues that need to be addressed
- The current status of the project and the value of the project after its completion. [3]

Each project must be regularly checked and monitored. Enterprise during project implementation must translate continuously monitoring reports.

3.4 Completion of the project

The team that ends the execution phase of the project, has not yet fully completed the project. The implementation phase is completed only when the outcome of the project is in operation, or if you achieve the project objectives.

At the end of each project must prepare a final report. Project Manager compiles it and submit it to the sponsor of the project. This document actually contains information about the progress and results of the planning and implementation of the project.

A brief overview of what you should include the completion of the project phase out Miroslav Majtán:

- Key requirements for the effective completion of the project is the completion of the work, achieving goals, and the dissolution of the team reporting on the outcome of the project.
- Work must be completed on time.
- Effective transfer output to the user is facilitated if the planned transmission procedures when undergoing training, or ensure support options.
- Support options must be secured by commissions and can be controlled.
- The project team must formally dissolve and must also be satisfied his needs.
- Reports shall include proposals to construct record, record technical data, learning from successes and mistakes in the future. [3]

Many projects are in practice exceeding the original timetable and lasts many times longer, not to mention the budget overrun. A very common cause of delay is that the project is not completed properly, or not well launched, or are sufficiently specified project goals and requirements. It is necessary to precisely define the end of the project and when it starts operating phase of the project results. [4]

4 ANALYSIS OF SELECTED BUSINESS AS INVESTMENT PROJECT

My chosen business, which I have chosen for evaluation is a nonprofit organization, specific device for the elderly located in eastern Slovakia in Kosice region,

where the main focus in the provision of social services at achieving a greater quality standards for services, the creation of new dimensions of care for clients and this is in line with the Social Assistance Act no. 448/2008, as amended. This facility was established in 2006 and currently has a capacity for 20 people, but in July 2013, will increase capacity to 29 users.

4.1 Management Organization

The organization was able to cover 60% of assets from its own sources of coverage until 2011 when it decreased up to 12.51%. At the beginning of the implementation of the commitment was made to the construction company, which we reduced the degree of financial autonomy up to 12.51%. The reality is that until 2011 was higher equity ratio than foreign. Us debt ratios in 2011 show an alarming values, because unexpected events occurred, changing the government and it caused non-repayable funds.

Indicator	Year2009	Year2010	Year2011
Total indebtedness	26,66%	26,93%	85,94%
Rate debt	0,4431	0,4446	6,8697
Leverage	1,6618	1,6511	7,9932
Long-term debt	13,20%	7,91%	87,57%
Short-term debt	25,34%	8,79%	2,75%
Degree of financial independence	60,56%	60,56%	12,51%

Tab.1 Debt ratios for individual years

Liquidity of First Instance in 2009 and 2010 in this organization represent a value from 0.2103 to 0.3539, the value of the organization in terms of liquidity are not sufficient to cover its current liabilities. In 2011 there was a marked increase in the liquidity of First Instance, which in the same period the value of 0.8419 but still below the value of 1. The liquidity of the second degree in 2009, the organization is not very ideal, is only 0.6651, it is 66.51%. This means that the organization would be in emergency situations was unable to cover its obligations. The need to increase financial accounts, but in 2010 reaches 1.0742, which is great value for the amount of cover short-term liabilities. In 2011, this figure shows the best results at all levels of liquidity. The second level of liquidity also shows satisfactory values. Liquidity third level is perfect, there is nothing to criticize because it reaches higher values than the value 1.

Tab.2 Liquidity ratios for individual years

Indicator	Year2009	Year2010	Year2011
Liquidity of first instance	0,2103	0,3539	0,8419
Liquidity of second instance	0,6651	1,0742	1,7331
Liquidity of third instance	1,0108	1,3779	1,8468

4.2 The investment project of the selected company

The aging population and the increasing number of seniors creates and will create increased demand for services for this target group. In the coming years will be to increase the range of services and capacity of facilities providing social services for the elderly. The trend is to build small capacity facilities providing comprehensive services for the elderly, social services facilities, as well as in a family environment, in order to keep seniors active approach to life.

Increased interest from retirees is a device with a higher standard of service, as can be seen in the kind indicators devices, therefore this device wants to follow this trend.

4.2.1 Initiation of a project beginning

The basic objective of this project is to improve and expand the provision of social services and facilities for the elderly through reconstruction and extension, as well as the expansion and modernization.

The specific objectives of the project are: reconstruction of facilities for senior citizens to improve services, additional building of new facilities to expand capacity, new interior furnishings provide services at a higher level and higher standards, develop the necessary documentation, power procurement, project implementation and monitoring using the services of external management.

Implementation of this project would also reduce unemployment in the eastern region where the unemployment of over Slovakia at the highest level. A very important benefit to clients of the facility was operating the elevator, allowing them more comfortable movement of the device.

4.2 Investment Planning Project

The project for the construction and reconstruction of facilities for the elderly was launched in July 2011 and the project should be completed in July 2013. The following table lists the various activities and their timing. During the course of the project had to make changes in the timing of the project due to unexpected events in the project. At present, the binding force that timetable for the project, the project is proceeding

according to the time frame, which is shown in the following table.

Tab. 3 Project time management

Name of activity		Top of the activity	Completion of the activity
A1 Conversion and extension of building facilities for the elderly as well as furnishing	Works	07/2011	12/2012
	Equipment	07/2011	02/2013
Supporting activities			
B Design and engineering work		04/2010	12/2012
C Procurement process		01/2010	07/2013
D External project management		01/2010	07/2013
Completion of implementation of project activities		07/2013	

4.2.3 Implementation and control of project

To be able to implement the project must be done a procurement. During the procurement shall be determined companies that will be involved in carrying out the project and will also bear any legal responsibility for project implementation. To this contract shall be determined by the project supervisor, who will regularly monitor the whole process of implementation of the project. It was also determined by the building contractor. Implementation of the work must be carried out in accordance with pre-established timetable for the project, which is located in the previous subsection.

In this project is still required and must comply with technical standards relating to general technical requirements for construction and general requirements for plant used with limited mobility and orientation, whereas this project removed barriers on the movement of disabled and elderly.

The problem is that the organization that I chose for the analytical part of my job has experience in project implementation. For this reason, as well as because of the difficulty and complexity of the Structural Funds in the preparation of project documentation, procurement process, submission of applications as well as monitoring

the project benefit cooperation contracts with outside firms. This external project management increases the cost of the project, which could be invested in a particular building.

Throughout the course of the project is carried out regular inspection of works carried out and on the basis of such checks shall be drawn monitoring report, which is sent to the Ministry of Agriculture and Rural Development.

4.2.4. Completion of the project

Due to the continuing demand for social services in this device, it is desirable that the device continues to fulfill its role in the region as well as in the region. Lack of spare capacity in the region will increase the need for social services. Removing the defective circuit standards, the introduction of accessibility and the introduction of new, expansion and improvement of existing services will ensure sustainability of project results. Reducing energy consumption reduces building heating costs, which will be able to use the organization to improve the quality of services and amenities.

5 SUGGESTED MEASURES

The purpose of the non-profit organization is not making a profit, but profit-making organization will benefit because the positive result can be used for operational purposes, thus improving the quality of services provided. Organization as such according to the analysis managed well with their property, but to increase the efficiency of the organization, I propose the following measures in various areas:

- I would suggest merging technical and marketing departments, so there would be a single unit called economic-technical department, reduced by the number of deputies from two to one, thereby reducing the labor costs of the organization.
- The staffing of the project proposal for the removal of the external management of the project, which only increases the cost of the project. Investors, therefore, essential facilities for seniors learning can take place activities undertaken by the department and would be a more detailed overview of all activities around the project.
- If the project is completed, I would propose organizations comply with the maximum allowable capacity, it may jeopardize an organization's reputation and customer dissatisfaction due to their limitations in daily activities.
- Increase custom resource property coverage organizations to reduce risk and increase the stability of the organization.
- Shows the need to increase short-term financial assets due to fluctuations in the settlement each year.

6 CONCLUSION

The application of project management permit evaluation facilities for senior citizens on the basis of economic indicators. Despite initial difficulties in obtaining this data, we can evaluate the enterprise as a whole positive, but to increase the efficiency and sustainability of the company propose the following measures:

In the organizational structure of the company and the project to reduce the number of employees in stages in order to reduce operating costs. Exclude the external management of the project in order to reduce the cost of the project.

In the area of general management: reducing labor costs and energy costs and building insulation and replacing windows.

In the area of the sales management: compliance with the maximum capacity of the device in order to keep their clients and the reputation of the organization.

In the structure of the property and assets of Resources: increase own source of asset coverage organizations to reduce risk and increase the stability of the organization. Increase the financial autonomy of the organization by increasing the contributions received. Monitor the progress of indebtedness of the organization because of the ongoing investment process, because the implementation is expected to reverse a trend of development.

In the area of investment project to ensure continuous tracking feature of the project, planning, organizing, directing, controlling, in order to maintain a holistic view of implementation. Such economic evaluation of non-profit organizations allows preserving the principle of economy in unusual environments on the business environment.

The application of project management approach has proved to be of great benefit to the organization. I am aware that the work could be processed and in terms of marketing, respectively the regional economy, though the specifics of this medical device could be the aim of the article.

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