

THE MANAGEMENT OF FINANCES IN INTERNATIONAL PROJECTS: OPTIMIZING COSTS AND ENSURING SUCCESS THROUGH GLOBAL INVESTMENTS AND FINANCIAL MANAGEMENT

^aTETIANA LOBUNETS, ^bHALYNA VASYLEVSKA,
^cHALYNA RIABENKO, ^dOKSANA IVASHCHENKO,
^eOKSANA KAZAK, ^fSVITLANA KLIMENKO

^a*National University of Life and Environmental Sciences of Ukraine, Kyiv, Ukraine.*

^b*West Ukrainian National University, Ternopil, Ukraine.*

^{c,f}*Pylyp Orlyk International Classical University, Mykolayiv, Ukraine.*

^{d,e}*Borys Grinchenko Kyiv Metropolitan University, Kyiv, Ukraine.*

email: ^atania_vl@ukr.net, ^bh.vasylevska@wunu.edu.ua,
^cryabenko2710@gmail.com, ^do.ivashchenko@kubg.edu.ua,
^eo.kazak@kubg.edu.ua, ^fklimsvitl2017@ukr.net

Abstract: In the course of writing the scientific article, an in-depth study of aspects of financial management in the context of international projects was conducted. The focus was on analyzing cost optimization strategies and achieving success in a global investment and financial management environment. The conducted research shows that in the modern world of globalization, it is important to understand and effectively implement financial management strategies that take into account the unique aspects of international business. Particular attention is paid to the identification of risks related to the external environment, such as currency fluctuations, political and economic risks, which affect the effectiveness of financial decisions. Particular attention is paid to the use of specialized financial instruments to reduce risks, such as risk management and multi-currency settlements. The article analyzes in detail the influence of financial decisions on the effectiveness of international projects, emphasizing the strategic context of profit maximization and ensuring the stability of the financial position. The study of the interaction of financial mechanisms in international transactions takes place in the context of the unique challenges of the global business environment, including currency fluctuations and political and economic risk. In addition, the article summarizes recommendations and strategies aimed at achieving maximum efficiency and sustainability for international projects through careful strategic planning and cost optimization. A detailed analysis of various mechanisms of financial management in the context of global investments has revealed key principles that can serve as a basis for solving complex financial management tasks in international business.

Keywords: Management of finances, International project, Cost optimization, Global investments, Financial management, Financial strategy, Strategic financial planning.

1 Introduction

Management of finances in international projects is particularly important in today's world, when globalization is becoming not only a reality but also a necessity for the development of organizations. The ability to optimize costs and ensure success through global investments and financial management is becoming a crucial element of strategic management. International projects involving a variety of industries and crossing borders require managers to possess a high level of competence and a deep understanding of the complexities of financial management in a globally competitive environment.

In this context, cost optimization and efficient use of resources are becoming strategic tasks for achieving competitiveness in the international market. Investments act not only as a source of financing but also as a catalyst for development, contributing to the formation of stable and viable business models. Companies may optimize their potential by skillfully managing risks and seizing opportunities in the global economic landscape, all thanks to modern approaches to financial management.

In addition, the dynamics of the modern economic landscape should be taken into account, where the business environment is constantly changing under the influence of technological progress, political decisions and social-cultural factors. In such an unpredictable environment, management of finances becomes not only a tool to ensure stability but also a critical factor in achieving competitive advantage.

Global investments, using innovative approaches and strategies, can open up new markets, increase production capacity and provide access to technology, which contributes to the creation of more efficient and competitive business models. Management

of finances, in turn, should be innovation-oriented, taking into account not only traditional aspects of accounting but also innovative methods of resource and risk management.

The purpose of writing a scientific article was to conduct an in-depth research and analysis of significant aspects of the management of finances in international projects. The primary focus was on identifying effective strategies to optimize costs and succeed in the conditions of global investment and financial management.

2 Literature Review

Ananieva Yu. (2023) investigates the impact of globalization on the financial stability of enterprises in her scientific work and develops strategies to ensure it. Globalization is considered as a factor that may influence a company's financial stability in both positive and negative ways given the current economic circumstances. The author examines the key factors of this influence and proposes effective strategies to ensure the financial stability of enterprises in a global environment. The major aspects explored in the publication include diversification of activities, creation of reserve funds, cost optimization, development of a long-term strategy, and investment in innovation, risk management and staff development. The results of the study may be useful for business executives, financial analysts and other business professionals.

In the course of her scientific practice, Lukyanenko I.G. (2021) analyzed the situation regarding investment activity in key regions of the world; the scholar assessed investment activity in the field of financial technologies in three major global regions. One of the key components of the study was the grouping of countries using cluster analysis methods based on criteria that determine the level of economic development and innovation in the financial sector.

In addition, Ostapchuk, O., Baksalova O., Babii I. (2022) studied the issues of financial management, focusing on the structure and development of efficiency in this area. They identified the role of information technologies and the impact of e-commerce on optimizing the expenditure of enterprises' financial resources. The authors emphasize the importance of improving financial management in the digital economy; however, at the same time, they point out the existence of financial risks when using the latest technologies. Further studies are required to systematize the tools and identify factors influencing the effectiveness of their use.

Mandych O., Babko N., Lysenko M., Kharchevnikova L. (2022) studied the digital transformation of business in their scientific work. In the course of writing this academic paper, attention was focused on defining and analyzing digital transformations in the field of business. The authors emphasize that at the current stage, digitalization has become a strategic goal for the development of any company, covering both individual business processes and the creation of a business model based on comprehensive digital transformation.

3 Methods that have been applied

The following methods were used in the course of the research:

- analysis of literature sources was used to systematize the existing theoretical knowledge on the management of finances in international projects and made it possible to identify key concepts, theories and practical aspects of financial management in the global context;
- the generalization method was applied to combine various data and information in order to reveal general patterns and trends in managing finances in international projects;

- the systematization method was used to organize and classify various aspects of the management of finances in international projects.

4 Research results

Financial management is crucial in managing the finances of international projects since it shapes the company's strategic decisions both at the general level and within individual divisions. Consideration of financial aspects is a necessary element to ensure the success and efficiency of projects operating in a global context.

The globalization of economic processes, the transition of business entities to a market economy, and Ukraine's accession to the World Trade Organization have, to an unknown extent, led to an increase in the number of financially unproductive enterprises. In the context outlined, management of finances is defined as the purposeful influence of management bodies on financial processes and operations in order to achieve and ensure the harmony of financial stability, profit and financial security for achieving economic and social goals (Hrabova, 2021).

A distinctive feature of financial management is the strategic creation of a mechanism for redistributing financial resources between and within different participants in the financial system, including activities aimed at mobilizing and efficiently using financial resources. The management of enterprises' finances is based on objective and subjective laws of social development, taking into account and using the principles of distribution of finished products and gross income of the enterprise (Demyanova, 2021).

The essence of the concept of financial management can be conceptualized as a means of implementing finance and financial policy, creating effective mechanisms for their implementation. At the same time, the management of finances is a complex set of methods aimed at influencing the organization and optimizing financial relations and resources. In addition, this involves active control over management structures and the financial apparatus at all levels of the enterprise's internal management. Financial management is defined as a strategic tool for achieving financial goals and optimizing the resource potential of an enterprise (Ishchenko, 2022).

At the same time, the financial management of an international project differs from a domestic project due to the complex influence of several factors. Taxation, political and governmental risk, restrictions on accepting investments from external sources, and international accounting and financial reporting aspects create a unique environment for financial management (Nikolyak, 2022). The features of international financial management include, in particular, adaptation to taxation conditions in different countries, assessment of political and governmental risk in each region, consideration of restrictions that may apply to attracting foreign investment, and the specifics of using international financial instruments (Didenko, Volyk, 2023).

The effectiveness of managing international cash flows and other assets is determined by many factors, such as changes in exchange rates, political and economic developments in the regions, international banking relationships, and international financing methods and rates. Management of finances on a global scale requires in-depth analysis, forecasting and adoption

of effective strategies in the face of constant changes in the global economy (Vorzhakova et al., 2021).

Different economic conditions of the countries in which an international company operates should be considered while managing the finances of multinational projects. This is because these conditions are determined by the variations in economic indicators. Different countries have different levels of integration into the global economy, economic growth rates, and inflation rates, availability of resources and interest rates, and balance of payments. The differences outlined give rise to additional market and financial risks that should be predictable and taken into account when making financial and investment decisions (Lisovenko, 2023).

National legislation of different states plays a significant role in the formation of financial strategies. Various legal regulations on foreign investment, financial transactions, financial markets, taxation, and export-import operations may cause conflicts between the interests of international corporations and the relevant government authorities (Chernega et al., 2022). In addition, governments may restrict the international corporations' actions, and this, in turn, influences the conditions for exporting profits, foreign operations, and employment of local labor. Issues related to foreign currency are also becoming a significant component for companies operating in the global market. Risks of foreign currency exchange and constant fluctuations in the value of foreign currencies are becoming essential aspects of financial management in the conditions of the global business environment (Zhigalkevich et al., 2022).

Furthermore, a major aspect of foreign companies' financial management is their national economies' tax policies. The variability of tax pressure in different countries opens up opportunities for arbitrage and tax optimization, which may affect the financial strategies of international corporations. Differentiation of taxation for domestic and foreign companies determines the need for careful consideration of these features when launching a business in particular countries (Vlasenko et al., 2021).

Cost optimization through global investment defines a strategic approach to managing finances in international projects aimed at minimizing costs and maximizing performance. This approach involves a thorough analysis and rationalization of cost elements through the effective use of global investments (Hrazhevskaya et al., 2021). Moreover, cost optimization seeks to strike the best possible balance between risks and returns, enabling the business to adapt quickly to shifting circumstances in global marketplaces. This includes allocating investments across various sectors and different industries in order to maintain an ideal portfolio balance. (Kharchenko et al., 2021).

Thus, global investments not only diversify risks but also provide access to new markets and opportunities for efficient use of resources, including the development of new products and services, as well as the improvement of management processes. This approach to cost optimization is aimed at providing sustainability and competitiveness of the enterprise in the global market environment, ensuring a balance between efficiency, innovation and financial stability (Levkovich et al., 2021). Therefore, cost optimization through global investments is a complex process that includes a number of strategic and tactical actions, as outlined in Table 1.

Table 1. Methods of cost optimization through global investments

№	Process	Features
Global management of the supply chain		
1.	Diversification of suppliers	Expanding the base of suppliers can help avoid the risk of dependence on a single supplier and gain access to more competitive supply terms
2.	Optimization of transportation	Choosing optimal logistics routes and vehicles can reduce shipping costs and ensure efficient movement of goods through the supply chain
Global financial management		
3.	Currency exchange	Currency exchange transactions make it possible to avoid risks from changes in exchange rates and

		maximize profitability
4.	Optimization of tax liabilities	The understanding of tax regimes in different countries provides an opportunity to use optimal tax strategies and avoid double taxation
Global diversification of the investment portfolio		
5.	Diversification of the investment portfolio	The distribution of investments across different industries and regions helps reduce risks and ensures portfolio stability
6.	Strategic partnerships and asset acquisitions	Searching for strategic partners or acquiring assets in different parts of the world can create opportunities to increase efficiency and access to new markets
Technological innovations		
7.	Implementation of automation technologies	Use of automation of production and business processes can reduce costs and increase productivity
8.	Implementation of analytics and data flow	The use of data analytics provides insights for cost management and effective decision-making
Environmental efficiency		
9.	Green initiative	Implementation of environmentally efficient production and logistics methods can reduce energy and water costs

Source: Compiled by the author based on (Rozumovych et al., 2023).

Therefore, cost optimization through global investment is an integral part of strategic management for international companies. It requires not only high expertise in finance and management but also a deep understanding of the global business environment and its nuances. A systematic analysis aimed at identifying optimal solutions is determined by the company's readiness to adapt to changes in markets, legislation and the economy (Velyka, 2023). Maximizing profits, reducing expenses and efficient use of resources in global investments determine the competitiveness of an enterprise on the world stage. At the same time, it is important to consider the flexibility of strategies and decisions since the international business environment is dynamic and often subject to unpredictable changes (Moroz, 2023).

International projects are becoming an essential component of a company's strategic development in the modern world operating in a global market environment. It's critical to recognize and efficiently handle a range of expenses in order to guarantee the long-term success and viability of such initiatives (Verlanov, 2021). Thus, mechanisms of cost optimization are a key tool for achieving this goal since they enable companies to use financial resources rationally and minimize costs in the context of global competition (Table 2).

Table 2. Mechanisms for cost optimization through financial management

№	Process	Features
1.	Budgeting and controlling	Careful planning and management of the project budget ensures effective cost control, avoidance of unnecessary expenses, and timely detection of deviations
2.	Optimization of capital investments	Analysis and selection of optimal investment methods for ensuring maximum capital efficiency and minimizing risks
3.	Financial analysis and forecasting	Using financial analysis to forecast market trends, determine optimal strategies and adapt to changes in the financial environment
4.	Risk management	Developing and implementing risk management strategies to reduce financial losses due to unforeseen events or fluctuations in market conditions
5.	Optimization of working capital assets	Rational management of working capital assets and inventory to minimize financial losses due to delays and unforeseen circumstances
6.	Selection of effective financial instruments	Analyzing and selecting the most effective financial instruments, such as loans or securities, to optimize the financing structure of the project
7.	Management of suppliers and contracts	Studying and optimizing supply costs and contractual agreements with suppliers to obtain better terms and avoid overpayments
8.	Use of innovative technologies	Investing in innovations and technologies to ensure increased efficiency and reduce production costs
9.	Strategic financial planning	Elaboration of long-term strategies for the financial development of the project, taking into account international economic and financial trends

Source: Compiled by the author based on (Dalik et al., 2023).

Thus, financial management plays a crucial role in achieving the optimal use of financial resources and minimizing costs, which is especially important in the context of international activities. The mechanisms considered include strategies for attracting funds, optimizing the capital structure, managing working capital and rationalizing financial processes (Nazarchuk, 2018). The application of these mechanisms provides companies not only with cost savings but also with the ability to ensure the sustainability of their financial position, maximize profits and increase competitiveness in the international market. At the same time, it is also important to take into account the specifics of international transactions, such as currency risks, taxation and regulatory restrictions (Nepochatenko et al., 2021).

Optimizing costs and ensuring success in the context of global investment and financial management is one of the factors of the effective functioning of enterprises in the international business environment. The modern business environment determines the

need for rational use of resources and strategic management of finances (Bashlay et al., 2023).

Global investments require not only capital investments but also a careful analysis of the risks related to the diversity of economic, tax, trade and currency systems. Financial management, in turn, is a key tool for achieving efficiency in a global business environment, ensuring the optimal use of financial resources, strategic planning and minimizing financial risks (Shubina, 2023).

Successful implementation of global investments and effective financial management allow companies not only to reduce costs but also to increase competitiveness, expand markets and ensure long-term stability. Taking into account all aspects of the global business environment and implementing effective cost optimization strategies are becoming an integral part of the successful management of a company in a highly competitive and rapidly changing global marketplace.

5 Discussion

We agree with the statement of Ananieva, Yu. (2023), because her research deeply analyzes the impact of globalization on the enterprises' financial stability and provides specific strategies to ensure this stability in the context of globalization. It is noted that globalization can have both a positive and negative impact on the financial situation of companies, and it is essential to take these aspects into account when developing strategies for financial management. This publication provides a detailed discussion of the key factors influencing globalization, such as diversification of activities, creation of reserve funds, cost optimization, development of long-term strategies and investment in innovation. Practical recommendations for effective partnership cooperation are provided, including building trust, optimizing communications and developing mutually beneficial agreements.

We partially agree with the statement of Lukyanenko, I.G. (2021) since studying the state of investment activity in the fintech industry in global regions is an important step in understanding the dynamics of this sector. However, it is important to keep in mind that investment activity can be driven by various factors, such as regulatory policy, technological readiness, and the innovation environment.

We support the statement of Ostapchuk, O., Baksalova, O., Babii, I. (2022) since their study has systematized approaches to financial management and identified areas for its development. The authors highlighted the importance of information technologies and the impact of e-commerce on optimizing the expenditure of enterprises' financial resources.

We share the opinion of Mandych, O., Babko, N., Lysenko, M., Kharchevnikova, L. (2022), because their study on digital business transformation reflects the current realities of company development in the context of the global digital economy. According to the definition of digitalization as a priority area for enterprise development given above, digital technologies are now essential in today's world and help make businesses more competitive in the marketplace. Furthermore, the scientific article's framework for the various stages of business digitalization, as well as its discussion of prerequisites, opportunities, and potential issues, demonstrate the authors' in-depth knowledge and comprehension of the subject of digital transformation and bolster the validity of their findings.

6 Conclusions

The management of finances in international projects is a complex and crucial element of a company's strategy in the global business environment, requiring a deep understanding of financial, market and cultural aspects. In this context, cost optimization is a prerequisite for achieving successful results and sustainability, including not only the careful use of financial resources but also the strategic selection of the most profitable and strategically important areas for global investment.

Awareness of global investment opportunities and their adaptation to different market conditions is crucial for successful financial management in international projects. The application of modern financial instruments and technologies is becoming a necessity for the effective management of finances on a global scale.

In the course of writing the scientific article, the authors have also identified the optimal cost optimization strategies and determined their impact on success in global investments. These strategies include recommendations on how to use financial instruments in order to mitigate risks, maximize profits and ensure the sustainability of the financial position.

Success in international projects is ensured not only through financial strategies, but also by taking into account local features, cultural differences, and legal aspects. Effective financial planning and development of projects requires a deep

understanding of the managerial, economic, and social-cultural factors that influence events in the global market.

Therefore, management of finances in international projects requires a comprehensive approach and a deep understanding of the modern global business environment. Only after considering the factors outlined above, companies can achieve stability in a competitive market space.

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