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Financial Planning and Forecasting

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Abstract: This article is devoted to the topic of financial planning and forecasting of this area in the economies of countries, which consists of analyzing the system and prospects of the financial sector, presenting new methods and our scientific and theoretical solutions to current important problems.

Keywords: financial planning, forecasting, development, technology, economic and social effect, digital innovation, programs, development forecasts.

Introduction

Changes in financial systems and their governance, future forecasts and news are important for the development of the financial sector. Today, in connection with this topic, it is necessary to conduct a lot of research to determine the development processes carried out in the financial sector and their future prospects.

Differences and changes between financial systems, economies and communities highlight the changing characteristics of the global financial system. New methods and technologies for managing the financial sector are being studied and used locally, as well as new strategic programs and innovative digital technologies.

Main part. Financial planning is an important part of the management activities of any commercial enterprise. It is best to develop a business according to a developed algorithm based on a developed model, the effectiveness of which depends on factors that are predictable and transparent to the company’s management. Financial planning makes it possible to connect the capabilities of an organization with the tasks set by the owners of the enterprise. Financial planning is designed to help enterprise management in establishing adequate relationships between various types of resources owned by the company. In fact, it can be capital or fixed assets. The financial planner compares various key metrics (eg, costs, production volume, capital expenditures) with current business goals. This allows you to create a sustainable business model based on rational criteria.

Financial planning and forecasting have a number of significant differences. Among them, the term factor can be mentioned, in addition, it differs between them in terms of probability and financial information.

Financial planning includes setting certain goals for the company's management. Among them:

- finding reserves to increase the company’s income;
- increase the efficiency of capital use;
- determination of optimal formulas for linking costs and production plans;

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- ensuring constructive interaction between enterprises and partner structures in the field of financial relations - {textend}banks, counterparties, clients.

The basic principles by which financial planning can be implemented in an enterprise are the following:

- setting priorities;
- use of forecasting methods;
- risk analysis;
- coordination and control.

Analyzing the process of financial planning and forecasting, we considered it necessary to identify several problematic situations and offer our own options for solving them.

- Ideological pandemics, major changes in the review of financial systems lead to the cessation of financial systems. In this case, it is important to study and apply independent approaches to shape the innovations and strategies needed in the management of financial systems. Economies and financial systems face challenges caused by systemic changes. These changes require the construction of the financial sector, changes in economic activity and the use of new methods. In preparing for changes in the global financial sector, it is important to create global complementary solutions and financial strategies in the development of financial systems and the application of innovative actions, good prospects for cooperation between financial systems.
- The digital revolution plays an important role in the development of the global financial sector. Promotes the use of new technologies in the implementation and management of digital services, financial systems and financial services in all countries. Creating solutions for training and managing digital services in the context of the digital revolution and the development of the global financial sector. These services represent new characteristics of financial systems.

Financial planning and forecasting play an important role in the success of any enterprise. However, as in any field, problematic situations can arise that can complicate or disrupt the financial planning process. Here are a few problematic situations that organizations may encounter and suggestions for overcoming them:

- **Market volatility:**

Problem: Uncertainty in the economic environment and market volatility can make accurate forecasting difficult.

Solution: Closely monitoring market trends, using scenarios to predict different possible scenarios.

- **Inadequate financial instruments:**

Problem: Using poor financial instruments can lead to undesirable results.

Solution: Careful analysis and selection of the most suitable financial instruments, assessment of risks and profitability.

- **Insufficient accounting policies:**

Problem: Incorrect accounting policies can lead to distortions in financial statements and influence decision making.

Solution: Regular updating and adaptation of accounting policies to changing conditions, compliance with accounting standards.

- **Unexpected expenses:**

Problem: Sudden expenses or excessive expenses can throw off your financial plan.

Solution: Creating reserves to cover unforeseen expenses, constantly updating the budget.

- **Insufficient credit risk management:**

Problem: Improper credit risk management can lead to financial losses.

Solution: Regular assessment of customer creditworthiness, diversity of credit sources, use of accounts receivable insurance.

- **Low liquidity:**

Problem: Lack of liquidity may create difficulties in meeting current obligations.

Solution: Develop a liquidity management strategy, carefully planning short-term and long-term financial needs.

- **Insufficient automation:**

Problem: Manual processes and outdated systems can slow down the financial planning process.

Solution: Implementation of modern financial information systems that provide effective and accurate planning and forecasting.

- **Ineffective management of tax obligations:**

Problem: Poor tax management can result in excess tax payments.

Solution: Systematic study of tax legislation, use of tax benefits and optimization of tax obligations.

Conclusions and offers. Based on the above, there are important aspects to study the development, management and future prospects of the financial sector. Its main content is that it is important to prepare financial processes for changes, introduce new digital innovations and take innovation into account when solving problems. In this case, it is important to make data analytics programs and technologies independent to prepare for changes in the development and management of the financial sector using the latest innovations. International cooperation is essential to improve collaboration in the financial sector. One of the necessary qualities for the development of the field is to offer a structure of specific teaching materials for teachers and researchers to study innovation, change and management of the financial sector.

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