

SUSTAINABILITY CASH AND VALUE FLOWS IN THE ACTIVITY OF ENTERPRISES

FLUXURI DE NUMERAR ȘI VALOARI DURABILE ÎN ACTIVITATEA ÎNTREPRINDERILOR SUSTENABILE

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Rezumat. În această lucrare științifică este prezentată semnificația principiilor durabile și a fluxurilor de numerar în operațiunile afacerilor durabile. Eficiența economică și sustenabilitatea sunt idei interdependente și complementare pe care întreprinderile ar trebui să le ia în considerare. Cercetarea sugerează o colecție de valori legate de numerar și fluxuri de valoare care pot fi utilizate pentru a evalua sustenabilitatea unei companii. În plus, se propun ca principiile ecologice să dirijeze procesele decizionale ale întreprinderilor. Lucrarea sugerează că prin încorporarea durabilității în strategiile fundamentale de afaceri și luând în considerare efectul lor asupra societății și asupra mediului, întreprinderile durabile pot obține succes pe termen lung.

Cuvinte cheie: *Sustenabilitatea afacerilor, eficiența economică, adaptabilitatea, indicatori legați de fluxul de numerar și de valoare, principii de ecologie*

JEL CLASSIFICATION: Q56, G32, O16, O5

INTRODUCTION

Businesses have recently begun to place more emphasis on sustainability as they realize how essential it is to conduct themselves in an ethical and responsible way on both a social and environmental level. The administration of revenue and value flows, which can aid businesses in achieving long-term profitability and encouraging sustainable practices, is a crucial component of sustainability. In this context, this study seeks to investigate how sustainable businesses handle their revenue and value flows, with an emphasis on how sustainable ideals influence these strategies.

In order to improve sustainability and success for companies over the long term, this research looks to find the best practices for handling revenue and value transfers in a sustainable way. It accomplishes this by carrying out a careful study of relevant literature and actual data. In the end, this research aims to contribute to a better understanding of the connection between sustainability, revenue and value transfers, and company success as well as to offer a road map for companies seeking to run more responsibly.

CONTENT

It is a need to start the development of this research by mentioning the reference of sustainability as a condition in which both the economic activity and business meet in order to fulfill the present urges by giving the opportunity to future generations to accomplish it on their own. Various business entities as well as government recognize the concept of sustainability as a tool of efficiency based on five main principles:

- Firstly, the balance of stakeholder does make business a possibility to develop their condition and overall, life. Stakeholders' ability to provide tightly depends on the strength between them,

mainly under a relationship. To add to this idea, they embrace the customers, environment, investors, employees, suppliers and others. This interconnection is key for a business to be sustainable.

- Second of all, a transparent business and its harmony grasp such problems as integrity and openness. Transparency is the tool to rich a free-flowing business style by simultaneously increasing harmony. A sustainable value is provided through open communication.
- Next, a change in the business is essential in order to make sure that it will function efficiently and that it will generate opportunities
- Fourth, the creativity and innovation in relation to systems, management, approaches and products ensure the sustainability of it. Moreover, creativity is the one to progress as a contribution to a particular sector.
- Lastly, it is required cooperation between all stakeholders for an efficient sustainable business, as well as following the general movement of nature. Corporate decision-making should be guided by environmental ideals to guarantee sustainable practices that help both the ecosystem and the company's long-term viability. The preventative principle exhorts companies to approach environmental dangers cautiously and stop potential harm before it happens. Another crucial concept is pollution avoidance, which requires companies to cut back on or completely eradicate pollutants from their operations. The idea of sustainable development places a focus on the necessity of long-term planning in business to satisfy current requirements without endangering the capacity of future generations to satisfy their own needs. Businesses can support sustainability and have a beneficial effect on the environment by incorporating environmental principles into decision-making processes.

The capability of an enterprise to transform inputs into productive outputs in a cost effective manner is called operating efficiency. Basically this refers to the actuality as an indicator of a company's health by being measured in two ways: minimizing costs and maximizing resource productivity. Revenue is seen as an entry point of money and its value in business cycle.

The following cash and value-flow indicators indicate company sustainability:

1. Revenue sources from environmentally friendly goods or services
2. Expenses have been reduced as a result of resource economy and waste reduction initiatives.
3. Investing in environmentally friendly tools and behaviors
4. Employee participation in environmental projects has increased.
5. Based on sustainability initiatives, brand image and consumer loyalty
6. Environmental compliance regulation and legal threats have been reduced.
7. Improved capital and financial availability based on sustainability success
8. Increased market dominance as a result of product or service distinction based on sustainability
9. Sustainable purchasing and procurement methods have reduced supply chain risks.
10. Improved capacity to recruit and retain talent based on environmental principles and practices.

These indicators demonstrate how environmentally and socially responsible business practices can improve a company's financial success while also supporting environmental and social sustainability.

Operational efficiency based on cash/value flow related indicators embrace the following:

- Value costs/benefits of external impacts;
- Gross margin analysis;
- Operating margin analysis;
- Degree of compromise to stakeholders;
- Limitation assessment;
- Flow dynamic assessment.

Cash management based on cash/value flow related indicators embrace:

- accounts receivable period;
- accounts payable period;

- inventory turnover period;
- collected sales;
- profit after tax;
- cash flow from operations (before deducting dividends) / collected sales.

CONCLUSION

Concluding, in order to give rise to such indicators as those related to cash and value flow it is required a deep concept of understanding business sustainability. Moreover, business is a curator of that body that ensures the flow of bona fide value to stakeholders who contribute to personal welfare. By being sustainable, it comprises transparency, economic efficiency, creativity, ability to change and balanced stakeholder engagement. Moreover, a business sustainability provides better brand image as well as better employee recruiting, it reduces business costs, increases productivity, reduces the wastes, complies with regulations and very important, enriches the number of profit. Our analysis proved the key concept of all theories mentioned in this research by bringing up details about a collection of cash and flow values. It has proved that an interconnection between them is utilized to evaluate overall the sustainability of the entity. Overall, all these benefits distinguish sustainable businesses from competitors and ecological principles guide upon the enterprises' decisions.

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