

**THE ECONOMY MANAGEMENT OF ENTERPRISES FACING THE NEW COMPETITIVE  
STRATEGIES: HOW TO REDUCE THE FINANCIAL COSTS IN A COMMERCIAL AND/OR  
INDUSTRIAL ENTERPRISE?**

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## **SUMMARY**

Within the environment of the Global Financial Market one works with instruments called Financial Products such as: term contracts, Future contracts and premium or Options, with their corresponding combinations. They are considered as agile financial modalities and in a constant world growth.

The objective of this paper is to show that there exist, possible strategies with tools that allow the deciders to fix the future value of the Financial Costs or to reduce them, by means of protection or covering with important savings, so much as in the transaction costs as in the financial costs themselves, leveling the economy results of the enterprises, in the search of positive results as basic goal of the managing of all enterprises.

Our profession cannot ignore these modern modalities, that as responsible for the management or managing of enterprises - whose development is fundamentally within the international context - they offer control mechanisms of the involved variables and jointly with the conditioning variables of the result, they form the management universe of any commercial and/or industrial organization.

**KEY WORDS:** Global Financial Market, Term Contracts, Future Contracts and Operation Options, Derived Financial Products.

## 1. INTRODUCTION

The world economy forces, at present oblige to have agile financial modalities and our country cannot ignore the operations that are carried out in the Global Financial Market: to Term, to Future and of Options, with their corresponding combinations. At present these contracts are in a constant growth, through financial agents that operate with different instruments, called Derived Financial Products.

The financial costs, are costs difficult to be controlled by an enterprise whose main objective is commercial and not financial, and that it should necessarily be involved or to appeal to the International Financial Market, to develop its activity efficiently. If this is the outline, there arise some queries such as:

1. Is it able to manage the financial variables that are object of oscillations and to determine results with enough anticipation?
2. Can it plan its results and, in consequence, to make the correct decisions if it ignores the financial costs of their operations within the Financial Market?
3. If its business is not the financial one, and it must appeal for its operative to it, how to behave with a temporary structure of interest rates credits and loans at variable rate and to run risks such as that of credit?
4. How does it rebound in enterprise profitability, the amount of the financial costs of the operations with floating interest rates, and what later control, can be carried out on what planned, before what has been acted?
5. What tools can the entrepreneur or manager use that allows him to define the costs and not to reach the end of a period with figures that are not the desired ones?

The objective of this paper is to try to respond to these queries and, also, to show that there exist possible strategies, with tools that allow to the decider to fix the future value of the Financial Costs or to reduce them, by means of protection or covering with important savings, be they in the transaction costs as in the financial costs themselves, leveling the economy results of the enterprises, in the search of positive results as basic goal of the management of every enterprise.

## **2. The Derived Financial Products**

In the Global Financial Market environment, one works with instruments called Financial Products. These can be classified into:

- ✓ Primary Financial Products
- ✓ Derived Financial Products

Within the Primary ones we find: those of fixed rent, which can be at fixed or variable interest rate, and primary at variable rent. An example of the first can be the foreign debt certificates, and of the second the ordinary shares.

The Derived Financial Products are the Term Contracts, Future Contracts, Option Contracts and their corresponding combinations. These combinations arise from the enterprise strategy to develop, within a framework of enterprise financial development, and a positioning wanted facing the financial risks.

These instruments are called Derived, because their rating and the results that they show are in function of the behavior of goods or an underlying variable. Said otherwise, a Derived Financial Product gives results or has final values, according to the behavior of another product taken as reference, these latter ones called Underlying Goods. Their operation is given through the Temporary Structure of the Interest Rates, as a consequence of financial and market negotiations and/or exchange parity determined in the Foreign Currencies Market plus the Credit Financial Risk. The intervention in the Financial Market (market, of future and of options) takes place through the management of the Compensation Chamber, thus acting as much as buyer of contracts as salesperson of the same ones, leveling itself, obtaining a net result equal to zero. Without forgetting the arbitragers and speculators, some to level prices and the others to benefit of the

movements of variables such as: the kinds of interests, the exchange rates or the shares prices.

We will go on to carry out an analysis and description of these financial instruments attending, basically, to the risk of the interest rate and the exchange rate, for being the variables most used by the business enterprises.

### **2.1. Term Contracts: Forward Agreements**

Term operations are carried out between two by means of a contract of exchange of commitment between parties, at a certain moment, with future date of consideration and liquidation. Its objective is to fix the future value of the economy variable, be this interest rate or the exchange rate. They are not standardized contracts, since they are made in each case, and whose amount and liquidation date is determined in each opportunity.

These contracts when they begin do not have value, but at their maturity the liquidation is carried out in function of the prices of the market of the underlying goods, being determined a result for each intervener part.

As a protection is wanted on the interest rate variability or of the exchange rate, the parties agree on term transactions, at a certain price, through financial middlemen, such as the banks, and whose fulfillment is obligatory and not optional.

With the elimination of the variation risk, one tries to reduce uncertainty, assuring himself a certain value of the variable in the future, a true value.

#### **2.1.1. Exchange term operations**

The exchange term operations are usually called "Change Insurance." One appeals to them to be protected from the variations of the exchange rate of a foreign currency. They are not standardized contracts, where the physical delivery is essential in case of its liquidation, that is when its maturity operates, running the risk that any of the parties does not complete its commitment.

#### **2.1.2. Forward Rate Agreement, "FRA"**

The term contract on an interest rate is called Forward Rate Agreement, in abbreviated form "FRA."

FRA contracts are symmetrical contracts, setting off from a situation of balance of the parties, that is to say that they have opposed positions in the origin or beginning in values. Who buys a

FRA wants to be protected against the increase of the interest rate at the date of its signing; he wants to fix the interest rate to pay for a loan or deposit, to be received in a future date, given a capital and a term. The salesperson of the contract is who wants to be protected of a reduction of the interest rate, for a loan to be granted or a deposit to be done in a future date.

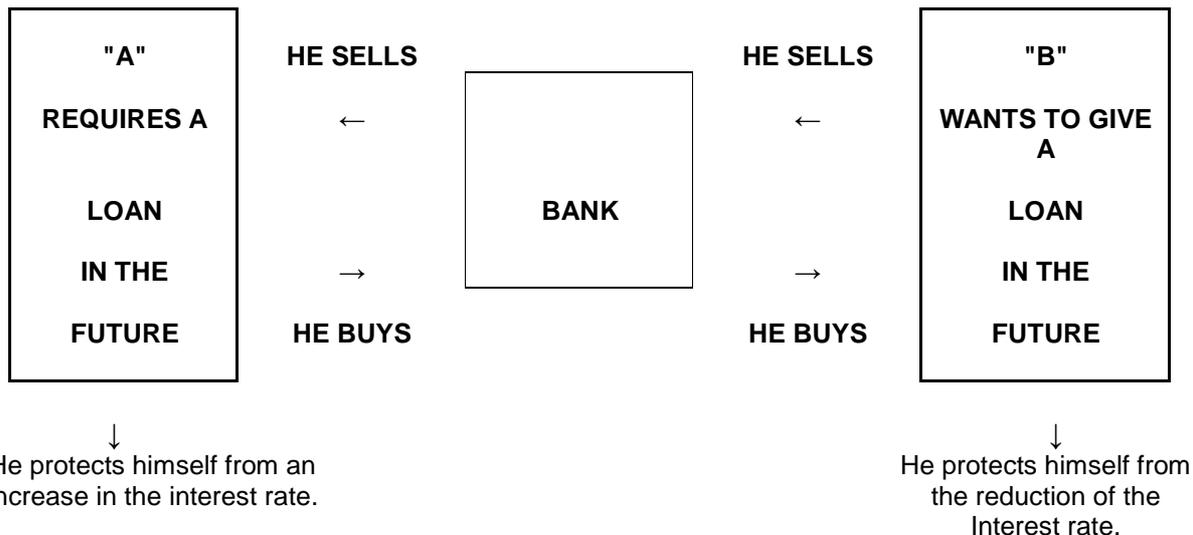
The buyer receives the compensation on behalf of the salesperson, on the liquidation date, if the interest rate ascends with regards to what agreed on. But it will be the buyer who will pay the compensation to the salesperson, on the liquidation date, if the interest rate goes down, with regard to the type of reference interest specified in the contract. In the first case the buyer obtains a gain, being protected if the opposite takes place. In the second case the salesperson is who obtains the gain, being protected by means of this contract of the rise of the interest rate.

#### **2.1.2.1. A FRA Mechanism**

To describe the FRA mechanism we should think that an enterprise has, for example, variable passive positions on balances, this is a loan at variable interest rate and positioning us at the initial moment of the operation, we determine that one does not know which will be, the quantity of interest rate, to be paid in the future, for this being floating; in consequence, this loan will have to be determined. To convert it to true values, this is to wish to pay the loan to variable rate free of fluctuations, a FRA is contracted for each period and thus knows that if the rate ascends he will receive the compensation of the interests and in the event of a drop it will be he who will pay it.

In this way, somebody will take a position contrary to the real one and will sell a FRA contract, for every period.

Schematically:

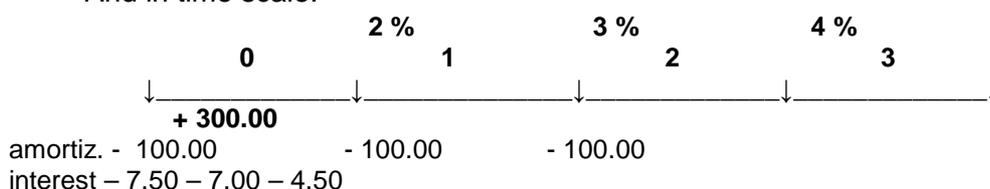


Numerically, an enterprise "A" that presents a loan of \$300,000. - to variable interest rate on balance, whose debt services will be returned periodically, together with the amortization of the capital, and the payments are carried out in three overdue quotas. Then, he negotiates three FRA, for the three payments to be done, at a market rate plus 0.50% per period, for example. We will take as a data that the interest rate of the first period is of 2%, placing ourselves at present at "0." At the moment "1" the interest rate of 3% will be known, for the second period and at the present, "2" will be of 4%, for the third period.

Presenting a loan amortization chart, and the interests that correspond to each quota, in thousands of pesos, it would be:

Quota	Amortization	Int. on balance	Total	Debt Balance
1 <sup>o</sup>	100.00	7.50	107.50	200.00
2 <sup>o</sup>	100.00	7.00	107.00	100.00
3 <sup>o</sup>	100.00	4.50	104.50	0.00

And in time scale:



Thus, a loan at variable rate to determine through the purchase of a Derived Financial Instrument becomes a term loan, at determined variable rate. It fixed its financial cost in a certain amount, with no additional cost, because the FRA has zero cost.

If at the moment “2” the interest rate ascended to 6.50%, it would imply that the compensation of interests should be done by the salesperson, since the buyer is protected if it goes up. Numerically:

Interest according to the new rate:	\$6.50
Interest agreed in the FRA:	- \$4.50
Compensation	<hr/> \$2.00

The FRA buyer will pay for his debt the amortization of the loan, \$100.00 plus the interests of \$6.50, but he will receive on behalf of the FRA salesperson, the compensation of \$2.00 by means of which its financial cost was fixed in \$4.50.

If the opposite had happened, that the interest rate had suffered a drop, the compensation of interests would have been the inverse one, having the FRA buyer to pay it to the salesperson.

## **2.2. Future Contracts**

### **2.2.1. Future Markets**

When an enterprise needs to import merchandise or raw materials and has to pay them in a certain term, let us say for example three months, there exists uncertainty in the present, of the value of the exchange rate, to future payment date. Therefore it would agree on maintaining the current exchange rate, for in this way to be able to determine their debt at present.

As in the markets of foreign currencies, the value of a currency regarding another varies constantly; the enterprise would wish to protect itself of that variability, having as alternative the one of carrying out term contracts, explained in the previous paragraph, or to carry out a Future Financial Contract.

It can also happen, that an enterprise needs a loan, which will to be paid in the local currency or in foreign currency, and that due to the characteristics that it presents, this enterprise regarding the insolvency risk, this is as to the qualification of borrowers, for the impossibility of payment of the interests, that loan will surely be at a variable interest rate.

In accordance with these characteristics, here the enterprise would also want to stabilize the interest rate, determining the financial cost of the debt. It would transform that loan into conditions of variable interest rate to fixed interest rate, through a term contract or to enter the Future Market.

Conceptually, the Future Market, Futures, is where the operations are carried out on the base of term contracts, with periodic liquidation of results, whose centralization and risk credit treatment, is through a Compensation Chamber, achieving the characteristic of the transferability of the contracts, in which operators converge generating a management and patrimonial structure.

When we speak of future contracts, we refer to the expression in English “Futures”, which is applied to the term contracts, with the distinction regarding these of their liquidation. This liquidation is carried out daily or periodically, generating results that take place to the closing of every period, regarding the evolution of the underlying variable, either the type of interest or the exchange rate.

A future contract is a legal commitment of adhesion for the intervening parties, by which a salesperson commits himself to give to a buyer, and this one to receive determined goods, according with the quantity, quality and preset dates and in function of a convened price, whose liquidation is in function of the results obtained.

### **2.2.2. Contractual components**

As the future contracts are negotiated in the Stock Market, it is observed that different components intervene, such as:

- ✓ The Contract. It establishes that the parties commit themselves to carry out a sale and purchase operation, in a future date, at a certain price, or they establish the conditions to compensate the results, to the maturity, without physical delivery.
- ✓ The Registration. Starting off from the Compensation Chamber, it is carried out in immediate form, depersonalizing the operation.
- ✓ Deposit or Guarantee Margin. It is done in liquid goods and the results are registered daily for successive comparison of the prices of closing of the contract and maturity.
- ✓ Position closing. Any part can close its position making an operation opposed to that of origin.
- ✓ Buyer and Seller. The one called buyer is the part that will receive the underlying goods, by means of the closing price payment, the one called seller, is the part that should give the goods, receiving the price. Or directly the results are compensated between the parties.
- ✓ The buyer benefits with the rises and the salesperson with the falls. Being a symmetrical

contract, since the results, are of the same absolute value and in homologous positions.

- ✓ Underlying Goods. The underlying ones are financial instruments at the maturity of which, one will proceed to the sale and purchase operation, or a referential instrument that corresponds to real operations of the cash markets.
- ✓ Guarantee System. They fix quotas and limits to the positions, with maximum credit relationships per market agent.

### **2.2.3. Kinds of Future Contracts**

As we mentioned previously, the future contracts interest us, which are used to cover the risk of:

- ✓ Exchange rate
- ✓ Interest rate

The financial futures are used to compensate future variations in the kinds of interest and in the exchange rates, fixing them for the lifetime of the contract. The futures also exist in the market indexes, where the underlying goods do not have a physical existence and whose price varies with the movement of the investments basket, subordinated to a known index.

#### **2.2.3.1. Financial Compensation Contracts by means of periodic benefits, "Swaps"**

The operations of financial compensation at medium term with periodic benefits, are called internationally, in abbreviated form "SWAPS", and they have as objective, to attend to financial risks, within the compensation framework, blocking the value of the economy variable object of the problem: the interest rate or the exchange rate.

The literal translation of Swaps is that of exchange, since it is a financial exchange. And it is an agreement between two parties, to exchange a series of funds flows in a currency, for another series of funds flows in the same currency or another different one, compensating results by means of the payment of the net differences in each period. The initial value and its results are function of the evolution of the value or level of goods or underlying economy variable.

As in the term operations, the parties pact a real or referential operation to be carried out in the future, setting off from an equilibrium situation between benefits. For that reason it is said that it

is a symmetrical contract.

It's as a Derived Financial Instrument is applicable, from the point of view of the enterprise, to financial operations as external management to it.

We will analyze the Swaps contracts exchange rate: "Currency Swap" and the interest rate Swaps: "Interest Rate Swap", with periodic benefits.

#### **2.2.3.1.1. Exchange rate SWAP, "Currency Swap"**

An exchange rate Swap is a contract that allows to buy or to sell a normalized quantity of foreign currency. Through a contract in which the capital is exchanged at maturity, in different currencies and during its validity, the parties only exchange the debt services.

The Swap exchange rate contracts establish a fixed exchange rate, which will be applied to the resulting services of a loan referential, with fixed interest rate, whose refund of the capital and the respective services of interests, respond to different currencies.

That uniform exchange rate to term is consequence of the cash rate and of the interest rates of the considered currencies.

As consequence of the necessity of flow exchanges of funds in different currencies, in these contracts, intervene enterprises such as: one that possesses active and passive positions in different currencies, originated in financial or commercial operations, whose profitability is also at fixed or variable interest rate, and another enterprise with active and passive positions, also in different currencies, whose profitability is concurrent with the first one. That is to say that the pattern of profitability for the two is: or at fixed interest rate, or at variable interest rate.

When the profitability patterns are not homologous, one should assist in the first place on the risk of the interest rate, and later assist to the exchange rate risk.

Also, there should be financial equivalence, among the benefits of the two parties, in the sense that the funds flows, or monetary values that are exchanged (for sales and purchases to term), respond to the same current value, according to the effective exchange rate to the beginning of the contract, and the interest rate, for each currency according to the terms.

In general, these contracts are carried out through a financial middleman, and not in a direct way between the two benefits under opposed conditions, where each part accepts to pay the obligations of debt of the other one. The Swaps appear as "treasury products" offered by

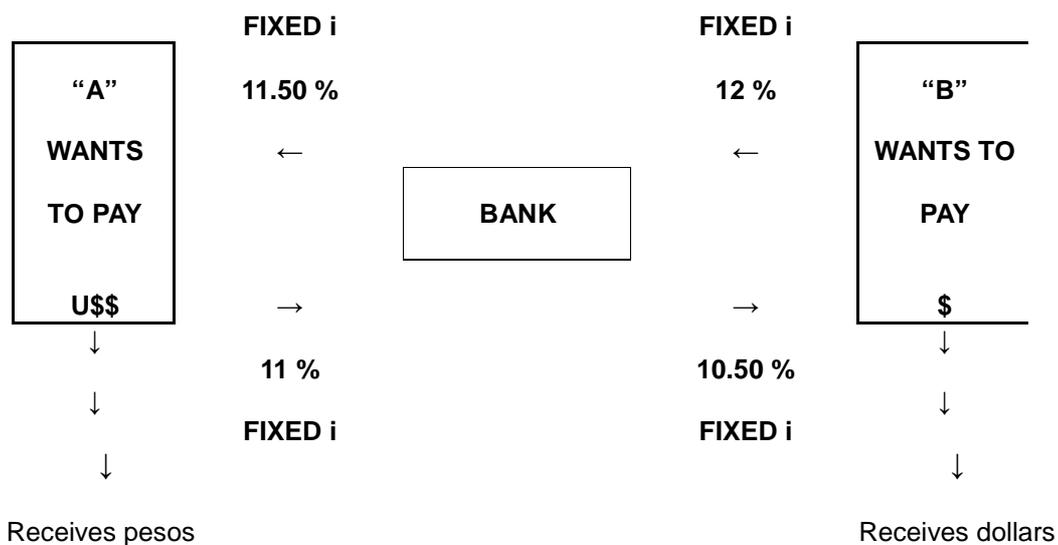
specialized financial entities.

### 2.2.3.1.1.1. Mechanism of a Swap exchange rate

Considering the classic outline of the Swap and we will suppose that an enterprise “A”, of Argentine origin, needs to be financed during a three year-old term, in North-American dollars. In opposition enterprise “B”, of North-American origin, that is in an identical but opposed situation to enterprise “A”, needs a loan in Argentine pesos. The corresponding annual interests are 11% in dollars and 12% in pesos. Through a Swap both can obtain financing in the desired foreign currency, with the advantage of a better cost than if they acted on their own.

The rate of change of the Swap is of 1.80 dollars per peso and the main debt would ascend, for example, to 1,000,000 pesos. The interest services at fixed rate would be annually forwarded, and amortized at the maturity of the contract, in a three year term.

Schematically:



The parties exchange the difference of interests, in function of the exchange rate. In this way “A” pays u\$s 198,000. - ( $\$1,000,000 * 1.80 * 0.11$ ) and “B” pays \$120,000. - ( $\$ 1,000,000 * 0.12$ ). The u\$s 198,000. - in fact re \$110,000. -. When interests are being compensated, only “B” pays the difference of \$10,000. - ( $120,000 - 110,000$ ). During the validity of the Swap, the value of a foreign currency, with regards to another, is carried out with the exchange rate of cash existent at the beginning of the operation. At the end of the contract the flows of the main one appear, that is to say the amortization of the loan. Enterprise “A” pays the capital in dollars and the “B” in pesos, with

which both have satisfied their debts in the currency that they wanted.

The advantage of the Swap resides in negotiating a single exchange rate and not a group of exchange rates of term operations.

#### **2.2.3.1.1.2. Interest Rate Swap**

The Swap of Interest rate is a contract between two parties, in which the services of interests, resultants of a loan referential to interest rate, they compensate with another at variable interest rate of equal capital. That capital will be in the same monetary unit, with same refund system and dates of maturity of the services, as also equal beginning or ending dates.

If an enterprise possesses active positions with fixed interest rates, and passive positions with variable interest rates, or on the contrary active positions, whose monetary flow funds are the result of yields to variable interest rate, and passive positions whose flows of funds, are with a yield to fixed interest rate, it can negotiate a Swap contract with another entity.

When we spoke of the FRA, three contracts should be negotiated for a debt at variable interest rate; one for each period. With SWAP one fixes, for the same situation, a single interest rate for the whole term of the contract. A uniform rate, for the whole period.

The interest services are exchanged on the base of a referential capital, which in fact, is never paid or received. These interest services are netted and there is no capital or transmission exchange of the main one. There is no physical delivery instrument of any kind. In each interest maturity, compensation takes place regarding the agreed interest rate. It is used to reduce cost and to know it with security, in terms of kind of interest and with regard to the risks that involve the different rates, for the financing that the enterprise can obtain, placing the financial resources, based on the credit differences of quality of the interveners in each one of the markets.

In consequence, the future contracts on interest rates, in economy terms, allow attending to the compensation of the risk, authorizing the indirect linking of people in opposed positions, through the intervention of third parties, which carry out complementary operations of intermediation, investment, speculation and arbitration.

##### **2.2.3.1.1.2.1. Mechanism of Swap interests**

When an enterprise requires funds and decides to go to the international market, it will be subject to a credit qualification for possible insolvency, i.e. the risk that the borrower does not pay

the interests, which goes from a high qualification, of superior quality, until a lower appreciation, which is the risk of not paying, going through different epithets.

According to the obtained qualification, if it has a qualification of the AAA type (the best qualification), it can obtain borrowed money at a fixed interest rate. However, it wants to get into debt at variable interest rate, to counteract the credits that it has granted at the same rate type.

It can contract a Swap with a counterpart to carry out payments to variable interest rate. The other part that can obtain loans at given variable interest rate, due to their qualification, needs and accepts to make payments with fixed interest rate in the Swap.

Here there is no transfer of capital; there is only the obligation of the interest exchanged. The part that owes more interests, of that which it receives in the Swap, pays the difference. And a middleman, a commercial or investment bank, carries out that function among the two contracting parties.

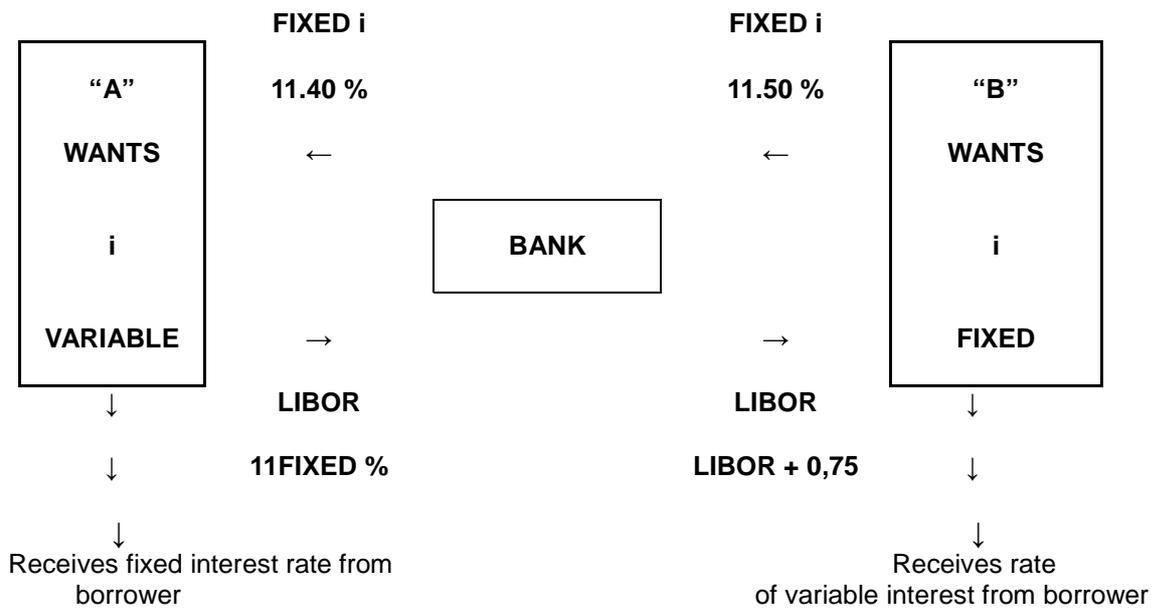
In general, the payments in the international markets at variable interest rate are related to the LIBOR interbank rate.

To give an example, to the first enterprise mentioned which we will denominate "A"; that can obtain loans to 11% of fixed interest to 10 years and to get funds at a LIBOR + 0.20%, to consent to a loan at variable rate.

Enterprise "B" has a BBB qualification (mid qualification), and it can get financing at variable LIBOR + 0.75%, interest rate, but as it wants to get into debt at fixed interest rate, because it allows him to know with accuracy its financial cost and in function of the obtained qualification degree, the interest that would be imputed would ascend to 12.50%.

Enterprise "A" obtains financing at a fixed rate of 11% and it contracts a Swap to pay at variable LIBOR interest rate. Enterprise "B" obtains a loan at variable LIBOR + 0.75% interest rate and accepts to pay a fixed rate through the Swap of 11.50%.

Schematically:



The Middleman, in this case the bank, receives 0.10% for commissions and transfers the payments. Enterprise "A", under the conditions of the Swap contract, will pay LIBOR, interests to the bank, and will receive in exchange 11.40 fixed %. Enterprise "B" would pay LIBOR + 0.75%, with the Swap interests it will finish up paying 11.50%.

With this outline that we have developed now we can see what savings there were:

	<b>Enterprise "A"</b>	<b>Enterprise "B"</b>
Payments	11 %	LIBOR + 0.75%
Swap Revenues	11.40 %	LIBOR
Swap Payments	LIBOR	11.50 %
Effective cost	LIBOR – 0.40%	12.25 %
Financing Cost	LIBOR + 0.20%	12.0 %
Savings	0.60 %	0.25 %

The saving of the two enterprises, sum up to 0.85%. Enterprise "A" that wanted to pay with variable interest rate, it would have cost him LIBOR + 0.20% and with the Swap agreement it pays LIBOR – 0.40%, which represents a savings of 0.60%. Enterprise "B" that wanted to get into debt at fixed interest rate, if it had done it on its own, would have had a cost of 12.50%; with the Swap contract it pays 12.25%, obtaining a savings of 0.25%. Both of them have been benefitted.

### **2.3. Premium or Options Operations**

It is about contracts between two parties, through which the right is acquired to buy or to sell underlying goods, by means of the payment of a premium, in accordance with a convened fixed price at the beginning, a certain term and an exercise modality. Their objective is to limit the economy effect of the fluctuations of the elected variables in the results of the enterprise.

They are bilateral contracts, through financial middlemen, where the right is acquired and the obligation does not contract; it only represents a potential right. This can be the one of to acquire or to sell. Therefore, the purchase options exist, usually called " call", and the sale options, called " put."

The purchase option gives the holder the right to acquire or to sell underlying goods, at an established price. A sales option gives the right of selling underlying goods, at a specific price, up till maturity date, and is an opposed position, to the purchase option.

Who sells an option is called "Seller" and he is the person that obliges to fulfill the right of the option that the contract grants the "buyer."

The buyer or "drawee", on the other hand, by means of the payment of a price, called "premium", acquires the right of exercising or not the option foreseen in the contract. The premium that the buyer expenditures, is the price of the transaction of the contract, or value of the option.

The underlying convened price of the goods at the beginning of the contract is called "exercise price." It is the price to which the buyer of the contract will have right to buy or to sell each very underlying one.

The underlying goods or more common variables on those that transactions take place with options are:

- ✓ Foreign Currency
- ✓ Public Titles
- ✓ Shares
- ✓ Prices Index
- ✓ Interest Rate

The usage of these contracts, is given with the object of reducing the fluctuations of the

economy results of the enterprises, as consequence of the financial risks to which they can be exposed. The options allow, to have smaller transaction costs, and provide coverage in the face of non anticipated changes, in the prices of the underlying goods, offering opportunities of loans and placements of funds, under more favorable conditions.

The same as in the to term and futures contracts, the exposed economy units to financial risks make use of these contracts, through middlemen and agents; and the investors and speculators, as also the arbitragers.

The Compensating Chamber, in the stock markets, act intervening between the seller or salesperson and the drawee or buyer of the options, eliminating the direct bond between them. The same as in the future contracts; the Chamber requires a guarantee to assure the operative one, a daily calculation being made.

There are exercise modalities that are given in function of the moment in which you can exercise the right, there being two:

- ✓ European: The right, will only be able to be done on the maturity date of the term established in the contract.
- ✓ American or North American: The right, will be able to be exercised at any moment, from the date in which the contract took place until its maturity.

### **2.3.1. Purchase options**

A manager with expectations that the prices of the underlying goods have a rising tendency, will acquire a purchase option on that underlying asset. He buys the right of acquiring it at a certain price at the maturity of the contract. When concluding it, if the market price is superior to the convened price the drawee will exercise the option. If the opposite happens he will not exercise it, and it will be more convenient, - economically speaking - to buy the goods in the market and the only additional cost will have been the premium's value.

Who emits or sells a purchase option receives the premium's value and waits that the value of the underlying goods tends to drop, that is to say that it is smaller than the convened one.

### **2.3.2. Sale Options**

When the expectation is that the market prices of the underlying goods go down, sale options are bought, to reduce the risk of the unfavorable changes of said values.

The drawee of a sale option, by means of the payment of a premium, obtains the right to sell underlying goods, in quantity and quality, to the seller. He will exercise the option, at maturity, when the market price is inferior to the exercise price. He will not exercise it when the opposite happens, that is to say that the market price is superior to the convened one, since he will find it more revenue-yielding to sell the underlying goods in the market.

With the description of the options, we have concluded the conceptualization of the Derived Financial Products and their operation mechanisms, demonstrating that with their use - before performances in scenarios different from the habitual ones - the variables can be defined and to proceed, in consequence, to a strategic planning with more certainty in what refers to financial costs.

## **CONCLUSION**

Throughout this paper, we have highlighted expressions such as: to fix future values of the economy variables, action tending to the protection of their variability, fixation of financial costs (interest rate or exchange rate), improvement of the costs and their savings and leveling of the economy results of the enterprise, all them searching for an appropriate and efficient management to be developed.

But the use of the Derived Financial Products, at present, are manifested with multiple combinations and more ambitious applications than those that originated them, offering itself to the strategy manager, as likewise to the financial strategy and evolution of the services sector, what has given in being called, this continuous growth of transactions: Financial Engineering.

The profession cannot ignore these modern modalities, in the Market of Derived Financial Products, which as responsible for the management or managing of enterprises - whose development is fundamentally in the international context - they offer mechanisms of control of the involved variables that, jointly with the conditioning variables of the result, as other authors have analyzed it, such as structure costs, marking margins, investment profitability and other variable

commercialization costs, they are part of management control.

The enterprises in the elaboration of their strategies, within their planning, have today these tools to palliate the financial imbalances, and besides the consideration in the risks characteristic of their activity, they can at present attenuate the future financial risk, so as later on to fulfill one of the basic objectives of constant and systematic evaluation of management of the organization within their group, assuring in this way the wanted profitability and their permanency in the market.

## **BIBLIOGRAPHY**

Please refer to articles Spanish bibliography.