

UDC 005(-044.372)

MANAGEMENT OF THE CRISIS PREVENTION SYSTEM AT THE ENTERPRISE

Lytvynenko O.D., Pavliuchenko D.M.
Kharkov Trade and Economics Institute
of Kyiv National Trade and Economics University

In recent years, there has been a tendency for the growth of the number of non-solvent and bankrupt enterprises. Therefore, there is a need for effective anti-crisis management of the enterprise. The article presents the system of early warning and response to the crisis. The organization of anti-crisis management at the enterprise has been studied. The model of anti-crisis management system at the enterprise has been proposed.

Keywords: crisis, management, mechanism, anti-crisis activity, system of early warning and response.

Problem statement. Today, the crisis of enterprises is one of the key issues for the Ukrainian economy. Instability of the economic environment in the country has caused an increase in the number of non-repayable enterprises leading to a crisis and bankruptcy that in most cases leads to the liquidation of such enterprises. In view of this, there is a need for effective anti-crisis management of activities of the enterprise in order to prevent and eliminate the threats to the financial security of the enterprise, quickly eliminate consequences in order to minimize negative consequences for the enterprise.

Analysis of recent research and publications. The economic science pays considerable attention to the issue of anti-crisis management of the enterprise. The works of domestic scientists devoted to the research of theoretical and applied principles of anti-crisis management of enterprises: R. Bilovol, I. Epifanova, V. Grosul, G. Kindratska, L. Ligonenko, A. Mazaraki, V. Nitsenko, A. Ostapenko, V. Prokhorova, O. Tereshchenko and others. This problem is represented in the studies of many foreign scientists: J. Keynes, E. Altman, D. Ricardo, W. Beaver, I. Mitroff, S. Pearson, W. Rosenthal, G. Springhead, R. G. Hawtrey, J. Schumpeter and others.

Identification of previously unsettled parts of the general problem. Despite the considerable amount and thoroughness of the carried out research, some issues related to the implementation

of the system and mechanism for anti-crisis management at enterprises are not sufficiently covered. In particular, there is a lack of comprehensive research focused on the development of effective systems and mechanisms for preventing the crisis of the functioning and development of enterprises. That is precisely the choice of the research subject.

Purpose of the paper is to study the process of developing an anti-crisis management system at Ukrainian enterprises in an unstable economic situation.

Discussion of the main material. The development of an adapted model of anti-crisis management of enterprises taking into account world experience dictates the necessity of forming a well-balanced system of formulation of managerial decisions, differentiated depending on the stage of crisis: preventing – leveling – exit [2]. Counteracting, adaptive and offensive levers and tools should be applied to these stages that can not only prevent and overcome the crisis, but also transform it into additional opportunities and post-crisis results.

Detecting symptoms and signs of crisis phenomena in time should be the basis of the anti-crisis management mechanism of enterprises. The Early Warning and Crisis Response System (EWRS) is used to identify the crisis at early stages, determine its causes, implement managerial decisions in a coordinated manner and to take measures to optimize activities

[3]. The EWRS is a specific information system at an enterprise that informs about the emergence of external and internal threats and risks, which threaten the enterprise. The system covers all levels of the crisis development defining main preventive measures to prevent the crisis at its early stages. The main task of such system is to implement a complex of anti-crisis measures to prevent the crisis.

The process of developing an early warning and crisis response system at enterprises should consist of stages [9].

The first stage. Definition of objects of the endogenous and exogenous medium which are selected as observation areas.

The second stage. Recognize and distinguish early-warning indicators that may indicate the emergence of problems in production-organizational activities.

The third stage. Estimation of optimal values of indicators of the financial condition of enterprises (their solvency, liquidity, profitability, business activity, etc.) and safe intervals for their change.

The fourth stage. Distinguish and form channels for collecting and editing information. The information support of the EWRS promotes the creation of a knowledge base and generates awareness of the current situation and its analysis. Based on the monitoring of external and internal environments, using the latest information technologies and establishing information networks and communications, crisis managers take managerial decisions and develop an anti-crisis program [8].

The fifth stage. Preparation and synthesis of monitoring results and creation of proposals for preventive measures at the enterprise. The system of early warning and response to the crisis is cyclical due to changes in the environment of the enterprise and the variability of indicators. The cyclical nature of managerial influences will help to effectively predict and prevent emergencies at the enterprise based on appropriate preventive crisis management measures [4].

From a practical point of view, the system of early detection and overcoming of the crisis is realized through the mechanism of its implementation at the enterprise. The EWRS can be included in the anti-crisis management mechanism of the enterprise as an element of management and control. To do this, a special group led by an anti-crisis manager is created. This group should include internal employees of the enterprise (who understand peculiarities of activities in the industry) and/or a qualified specialist who knows the methodology of effective problem solving during the crisis and knows peculiarities of anti-crisis management. The criteria for selecting a specialist in crisis management should be as follows: practical experience, the nature of education and socio-psychological management style. The key task of the anti-crisis group will be to provide advisory support to the leadership throughout the life cycle of the enterprise.

In addition to the information subsystem, the EWRS includes an operational one, which is determined by the structural characteristics of the enterprise and by the features of its production process. It involves program-target planning of production development (investment programs, business plans), assessment of production capaci-

ties, standardization and certification. The purpose of anti-crisis management operations is to create the prerequisites for overcoming crisis phenomena in operational activities (production and sales of products) through rigorous operational management, application of organizational levers of enterprise control, technical policy, and industrial anti-crisis management strategies.

The motivational anti-crisis component of the management is aimed at the rational functioning of the enterprise in terms of resource savings, avoidance of mistakes, making informed decisions, and deep analysis of the anti-crisis situation [5].

The characterized elements of the EWRS have an administrative nature of influence and are mandatory at the entity level. Their interaction leads to a synergistic effect, which ensures the strength of the company's confrontation with crisis challenges. One of the most important tasks of joint operation of all elements of the system is the development of effective managerial decisions of preventive anti-crisis nature. At the initial stage of developing such solutions, the main functional loading is based on the control subsystem of the external and internal sectors and the financial and economic activity of the enterprise. When identifying external and internal factors that can influence the possible development of crisis processes, first of all, it is necessary to be guided by the norms of laws that regulate the activities of economic entities. The importance of studying these documents in the context of preventive anti-crisis management is that they constitute the necessary legal basis for making managerial decisions that ensure the effectiveness of the mechanism of early warning.

The diagnosis of the financial condition of the enterprise is carried out during operational control and internal audit monitoring. According to its results, a «crisis field» is formed among the parameters of the financial condition of enterprises, that is, a group of objects of observation is established, with the negative significance of which the functioning of the enterprise has a high inclination to the crisis [7]. The system of «crisis development indicators» is formed in the context of each parameter of the financial condition of the enterprise. The aggregate of indicators from the «crisis field» can be both generally accepted financial indicators and specially calculated coefficients of the results of one or another type of activity, industry, etc. To obtain the values of «crisis development indicators», it is necessary to choose the optimal period of time during which a comparative analysis of the actual and planned values of the indicators is carried out. Then the degree of deviations and the factors that cause them are determined according to each parameter of the «crisis field» as well as possible consequences of these deviations for the results of the enterprise activity are assessed. The financial sustainability of the enterprise is determined based on the assessment, and an appropriate decision on its improvement is made.

In practice, a single approach to the crisis prevention cannot be distinguished. Each enterprise is unique and has different potential for counteraction to crisis phenomena and various adaptation possibilities to implement the existing anti-crisis models [10]. When choosing a model of anti-crisis

sis management for enterprises, it is necessary to take into account such features as specific factors, high dependence on changing market conditions, complexity of problems of material and technical support of production needs, limited financial resources and the absence of qualified managers and administrators. Considering the variety of factors, only professional and effective anti-crisis management can take into account and evaluate them. Its primary task is to organize and structure information in accordance with a particular complex model, which includes typical measures and constraints. Factors operating in the external system of the model violate the ability of the enterprise to focus on strategic management during the crisis. Only if they are eliminated, the enterprise can switch to strategic management of the situation. In the internal system of the model, three processes are distinguished: identification, counteraction and restructuring [6]. The identification involves the formation of goals and the analysis of the environment, in fact, the identification of the crisis. The counteraction process includes the development of the anti-crisis management strategy and its evaluation when the organization is in the crisis. Finally, restructuring is carried out when the subject comes out of the crisis and includes the implementation of the strategy and strategic control. Consequently, the model of systemic anti-crisis management illustrates that the levelling of external factors and the management of internal processes make the crisis situation controlled and monitored.

According to the proposed model, the organization of the anti-crisis management of the enterprise is the embodiment of the system management of the organization. Systemic anti-crisis management of enterprises is aimed at all business processes without exception. Such management is carried out both directly «during the crisis» and in advance (preventively). Subsystems and elements of the internal environment of the organization, in their turn, are also systemic, interact with each other, and their effective organizational coordination allows enterprises to prevent and overcome the crisis in proper time. In order to substantiate the content of the anti-crisis management system, the enterprise has to analyse its components in detail according to the main production functions (business processes) of the enterprise. The anti-crisis management in the financial field involves ensuring solvency based on control and management of cash flows and improvement of the enterprise sustainability.

These measures are intended to improve the conditions for the implementation of economic activities, to ensure the restoration of solvency and stability, to normalize the balance of the enterprise through its recovery. The anti-crisis marketing is one of the most effective links in the anti-crisis management system at the restructuring stage, which involves effective management and improvement of pricing and assortment policy, sales, logistics, business planning, etc. It is important to monitor the environment in order to find new spheres of activity as well as to identify tendencies and market shifts and the threats of competitiveness [1]. The anti-crisis management of personnel is aimed at studying the behaviour of enterprise personnel in a difficult crisis situation and increasing the efficiency of its work. In this case, special methods of regulation of labour relations are applied. The enterprise and its employees should carefully take measures to reduce staff and carefully evaluate the professional characteristics of employees under the crisis. It is necessary to pay a particular attention to the analysis of the socio-psychological state and moral factors in the team, democratic management, and elimination of psychological stress as well as pay attention to needs of the staff. Correctly organized anti-crisis investment policy and the development of investment strategies and projects can lead the enterprise to sustainable development. It is extremely important to correctly identify investment priorities and attract promising sources of funding. The anti-crisis organizational management of the enterprise is based on the optimal model of its organization, taking into account sector specifics, the formation of an adequate organizational structure and management system, which is a condition for the enterprise to exit from the crisis. The renewed organizational structure of the enterprise may focus on a new management and development policy and take into account the growing instability of the external environment.

Conclusions and suggestions. Thus, in today's conditions of uncertainty and high probability of occurrence of crisis phenomena, the anti-crisis management of the enterprise requires constructive management based on strategic approaches and preventive measures. The substantiated system and mechanism of anti-crisis management define the field of purposeful managers' activity of enterprises and in the process of their use should be filled both informatively and concrete methods and methods of avoidance, levelling and overcoming of crisis.

References:

1. Bondar-Pidhurska O. V. Innovative activity of industry under global crisis. Kharkiv: Technology audit and production reserves, 2013, No. 2/2(10), pp. 18-22 (in Ukrainian).
2. Boroh Yu. O. The components of crisis management. Economics of Development, 2012, No. 4, pp. 74-78 (in Ukrainian).
3. Esh S. M. System of anti-crisis management and methodological approaches to its formation. The journal of Zhytomyr State Technological University. Series: economics, 2012, No. 1, p. 1, pp. 103-107 (in Ukrainian).
4. Kovalenko O. V. Some issues in modern anti-crises management at industrial enterprises, Economy and management, 2013, No. 4, pp. 41-46 (in Ukrainian).
5. Ligonenko L. O. Crisis management of enterprises in the knowledge economy and intellectualization of management, Economy forum, 2016, No. 1, pp. 161-170 (in Ukrainian).
6. Mazaraki A. Overview of proactive and reactive activities in corporate crisis management, Economic Annals-XXI, 2015, No. 3/4(1), pp. 42-45 (in Ukrainian).
7. Makhovka V. M. Methodology of formation of system of the enterprise crisis management, Innovatsiina ekonomika [Innovative Economy], 2013, No. 1(39), pp. 102-105 (in Ukrainian).

8. Prokhorova V. V., Yarmolyuk V. I. Innovative transformations as a structural element of the crisis management of enterprise, *Economy and management*, 2013, No. 2, pp. 28-33 (in Ukrainian).
9. Ruban V. M. Types and forms of strategies in crisis management. *Crisis management tactics*, Scientific Herald of Kherson State University series: Economics Sciences, 2014, vol. 7(2), pp. 68-71 (in Ukrainian).
10. Sobkevych O. Anti-crisis policy directions for innovative industry modernizing and economic security of Ukraine providing, *Economic Annals-XXI*, 2015, No. 5/6, pp. 28-32 (in Ukrainian).

Литвиненко О.Д., Павлюченко Д.М.

Харківський торговельно-економічний інститут
Київського національного торговельно-економічного університету

УПРАВЛІННЯ СИСТЕМОЮ ЗАПОБІГАННЯ КРИЗИ НА ПІДПРИЄМСТВІ

Анотація

За останні роки склалась тенденція зростання кількості неплатоспроможних та збанкрутілих підприємств. Тому виникає потреба в ефективному антикризовому управлінні діяльності підприємства. У статті представлено система раннього попередження та реагування на кризу. Розглянуто організація антикризового управління на підприємстві. Запропоновано модель системи антикризового менеджменту на підприємстві.

Ключові слова: криза, управління, механізм, антикризова діяльність, система раннього попередження та реагування.

Литвиненко Е.Д., Палюченко Д.М.

Харьковский торгово-экономический институт
Киевского национального торгово-экономического университета

УПРАВЛЕНИЕ СИСТЕМОЙ ПРЕДОТВРАЩЕНИЯ КРИЗИСА НА ПРЕДПРИИТИИ

Аннотация

За последние годы сложилась тенденция роста количества неплатежеспособных и обанкротившихся предприятий. Поэтому возникает потребность в эффективном антикризисном управлении деятельности предприятия. В статье представлена система раннего предупреждения и реагирования на кризис. Рассмотрена организация анти кризисного управления на предприятии. Предложена модель системы анти кризисного менеджмента на предприятии.

Ключевые слова: кризис, управление, механизм, антикризисная деятельность, система раннего предупреждения и реагирования.