

# Methodical bases of Formation of Tasks and Development of Risk-oriented Strategy of Development of the Enterprises in the Conditions of Internationalization and Economic Globalization

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**Abstract---** The main issues of formation of risk-oriented strategy of enterprise development in modern conditions are considered in the article. The conditions of functioning of enterprises in the conditions of globalization and internationalization are determined. In modern business conditions, companies are looking for new approaches to strengthening their position in the market, this is what requires the improvement of enterprise management systems. The basis that will ensure the effective functioning of enterprises, we consider the mechanism of economic activity, focused on process management, which provides a clear formalization, structure of risk management processes. The developed mechanism of formation of risk-oriented development strategy makes it possible to adapt each of the five proposed stages to the specifics of enterprises in the current globalization of the economy, taking into account the tasks of their innovative development and the possible impact of many risks. and ensuring an effective enterprise risk management system. The article substantiates the possibility of implementing a risk management methodology based on a system of risk indicators for assessing an effective risk management system for key aspects of enterprise operation.

**Keywords---** Enterprises, Economic Globalization, Enterprise Management Systems, Risk-Oriented Development Strategy, Internatinalization.

## I. Introduction

The slowdown in economic growth, which is now characteristic of Ukraine, encourages companies to look for ways to significantly increase efficiency. Modern business conditions dictate new rules of conduct in the market, namely, ensuring a rapid response to constant changes in the macro environment, focusing on customer needs, improving the quality of products and services while reducing their cost. In turn, this requires the improvement of enterprise management systems.

The basis that will ensure the functioning of efficient enterprises is a mechanism of economic activity focused on process management, which provides a clear formalization, structured risk management processes, their improvement and a high level of automation, and is based on the use of information technology (IT), economic and mathematical methods and models.

Thus, the issues of developing theoretical and methodological provisions and practical principles of management modeling are relevant for Ukrainian enterprises, due to the difficulty of implementing a process approach to business management and application of tools for modelling, analysis and improvement of risk management system.

## II. Literature Review

Domestic economics faces the task of finalizing its own methodological framework for risk management both at the macro level and at the level of enterprises, which vitally need specific recommendations and methods of forming a risk reduction strategy that take into account the situation in Ukrainian industry.

The formation of a new direction in the field of organization of management, planning and economic regulation of risk is proceeding rapidly. In the scientific works of L.A. Antonenko, Y.A. Zhalilo, V.V. Vitlinsky, I.V. Novikova, O.O. Peresada, V.S. Ponomarenko, O.V. Raevneva, Nadia P. Reznik & others, S K Gupta & others laid the foundations of risk management: substantiated the conceptual apparatus, philosophical and axiomatic approaches, and the structure of methodological and methodological principles, organizational tools.

A systematic, comprehensive approach to the development of risk reduction strategies for enterprises has not yet been implemented and is one of the most pressing issues in the organization of management, planning, and economic regulation.

## III. Research Methodology

To achieve this goal used general and special research methods, in particular: analysis and synthesis - in the study of the essence of the risk management system of enterprises; system generalization - to develop a mechanism for managing enterprises and algorithms for its implementation; statistical and economic analysis - in substantiating the approach to the study of the potential of enterprises; comparative analysis - to supplement the methods of determining the economic efficiency of enterprise risk management; comparative - when comparing the state of competitiveness of enterprises; dialectical and abstract-logical - in carrying out theoretical generalizations, forming conclusions; graphical - in the study of relationships, identifying trends and identifying patterns in providing a risk management system.

Methods of computer processing and analysis of information with the help of computer programs are used to analyze the provision of enterprise risk management system.

## IV. Results

The risk management system of enterprises becomes an effective methodological (in the form of a document) and practical (in the implementation) basis for meeting the needs of modern sectors of the economy in the context of globalization.

The level of market development, internationalization of the economy, speed of access to national and world information resources largely determine the main directions of development of macro- and microsystems, the level of competition, the completeness of management decisions, the state of the economy and others.

The formation of risk-oriented development strategy of the enterprise is, in fact, one of the "branches" or possible strategic alternatives to the typical processes of strategic management of enterprises.

In this regard, the formation of risk-oriented development strategy should be carried out within the standard stages of strategic planning, but "adjusted" to the specifics of enterprises, the task of ensuring economic profitability and profitability of their functioning and the task of innovative development.

In this regard, the process of forming a risk-oriented strategy of the enterprise must meet a number of requirements:

1. Risk-oriented enterprise development strategy should be expressed as a model of strategic management in the form of a scheme that includes a sequence of organizational and managerial measures to achieve strategic objectives on the basis of the included mechanism of effective risk management.
2. Risk-oriented enterprise development strategy should include a set of classic stages of strategic planning (analysis, goal setting, strategy selection, strategy implementation, control and evaluation of effectiveness), adapted to the tasks of risk-oriented approach to organizational development.
3. Risk-oriented strategy of enterprise development should organically combine – at the stages of development and implementation – meet the characteristics of this strategy instrumental and methodological elements – a system of balanced scores and risk management system.

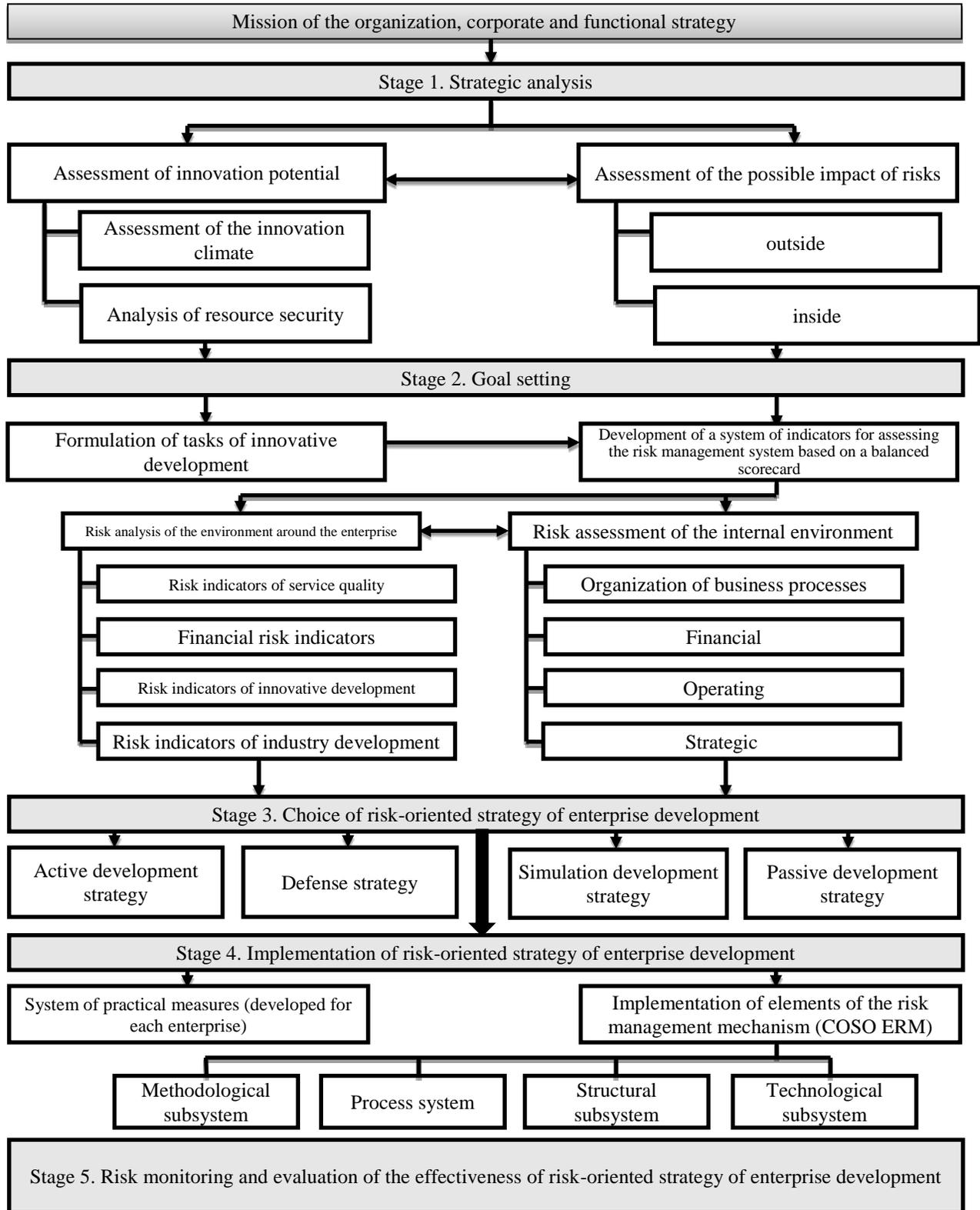


Fig. 1: Model of Formation of Risk-Oriented Development Strategy Enterprises

Based on the requirements, as well as previously selected principles, we propose the following scheme for the formation of enterprise development strategy, which is shown in Figure 1. The process of planning a risk-oriented strategy for enterprise development includes the following major stages:

1. Stage of strategic analysis.
2. The goal-setting stage.
3. Stage of choosing the strategy of innovative development.
4. Stage of implementation of risk-oriented development strategy.
5. Stage of control and evaluation of the effectiveness of the development strategy.

Consider the specifics of the implementation of each stage of formation of risk-oriented development strategy. Risk-oriented development strategy is part of the strategic management of the enterprise, formulated in the framework of its mission, corporate and functional strategies. However, the formation of risk-oriented development strategy does not mean the automatic abandonment of corporate strategy in its favor and many functional strategies (marketing, advertising, service, etc.).

The first stage of formation of risk-oriented development strategy involves the need for strategic analysis in the following areas:

1. Assessments of innovation potential and innovation activity of the enterprise, which are implemented on the basis of studying the state of resource security and innovation climate of the organization.
2. Assessments of the possible impact of risks on the activities of the enterprise. This component of the stage of strategic analysis involves the study of key aspects of the internal and external environment of the organization, potentially potentially threatening its development. Within this stage, it is advisable to use statistical and expert methods for assessing the risks of innovative development of the enterprise.

The key stage of formation of risk-oriented strategy of enterprise development is the second stage - definition of the purpose on which the specificity of risk-oriented approach to strategic management of innovative development is fully shown. Thus, the main goal of a risk-oriented development strategy is to ensure economic security. In order to ensure economic security, it is necessary to ensure the accounting of a quantitatively measurable system of risks:

1. The external environment - risk indicators of the industry.
2. Internal environment:
  - Risk indicators of service quality;
  - Financial risk indicators;
  - Risk indicators of innovative development.

The basis for creating a system of risk indicators to ensure the economic development of the enterprise should be based on the principles of forming a system of balanced scores. Our proposed structure of groups of indicators differs from the traditional approach to the formation of a system of balanced scores. This choice of indicators is due to:

- Features of risk management that require consideration of potential threats to the internal and external environment;
- The need to take into account the risks of innovative development, given the current conditions of globalization and innovative economic development. The most general form of operation of the risk management system of the enterprise can be represented in the form of a diagram in Figure 2.

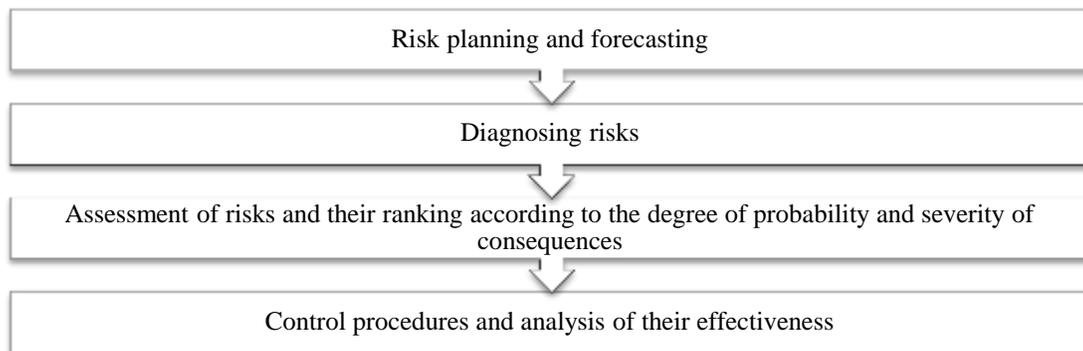


Fig. 2: Scheme of Functioning of the Integrated Risk Management System of the Enterprise

The task of the integrated risk management system of the enterprise is to ensure its efficiency as a condition for sustainable development and achievement of innovative goals. In this regard, the goal-setting of risk-oriented enterprise development strategy should be based on the basic integrated risk management index. This index is formed on the basis of the following private integral coefficients, in accordance with the objectives of risk-oriented development strategy:

- Integrated service quality factor;
- Integrated coefficient of industry development;
- Integrated coefficient of innovative development;
- Integrated coefficient of innovation activity;
- Integrated financial ratio.

In turn, private integrated ratios form a system of risk indicators (and at the same time tasks of risk-oriented development strategy) of the enterprise, which are shown in Figure 3.

Along with the analysis of risks of the external environment by subjects of risk management the analysis of risks of the internal environment from the following elements of functioning of the enterprise is carried out:

- Risks of business process organization;
- Financial risks;
- Operational risks;
- Strategic risks.

In the course of internal risk management, quantitative (mainly for financial risk analysis) and qualitative methods (expert surveys used for complex formalizable data) can be used.

After the stage of goal-setting and construction of a system of risk indicators on the main aspects of ensuring the economic security of the enterprise is the choice of development strategy. In this case, depending on the established criteria, the organization (which is typical for enterprises) can make a choice in favor of the following development strategies, taking into account the degree of risk:

1. An active offensive development strategy is selected under the following conditions:
  - High rates of renewal of fixed assets of the enterprise;
  - Significant expansion of infrastructure facilities of the enterprise, introduction of new facilities (over 20% of the existing base);
  - A significant level of innovation activity, including the development of new niches in the market, development and introduction of qualitatively new goods and services;
  - Plans to increase investment in innovation (up to 30% over the same period);
  - Availability of infrastructure for research activities;
  - A significant increase in the scale of the enterprise (for example, by covering new territorial markets or market niches);
  - High growth rates of the company's profitability (over 30% per year).
2. An active defense development strategy can be used by the enterprise under the appropriate conditions under the following criteria:
  - Growth of the technological level of enterprise development (on average up to 10% per year);
  - Significant innovation activity, which is expressed in the development of new markets, development and withdrawal of qualitatively new types of goods or services;
  - With revenue of more than 10% per year;
  - With the growth of funding for innovative projects over 20% per year;
  - If there are opportunities to attract foreign investment for financing, including innovation;
  - Use of borrowed resources as a key source of funding for innovative projects;
  - The ability to enter new market segments and niches by improving existing goods and services.
3. Active simulation strategy of innovative development is used when:
  - Levels of innovative activity of the enterprise not less than 10%;
  - Growth rates of financing of innovative projects not less than 10% per year;
  - Mainly own funds are used to finance innovations;
  - Revenue growth rates range from 5% per year;
  - Cost leadership;
  - Significant experience in marketing activities of the enterprise;

- Lack of specialized units for innovative projects.

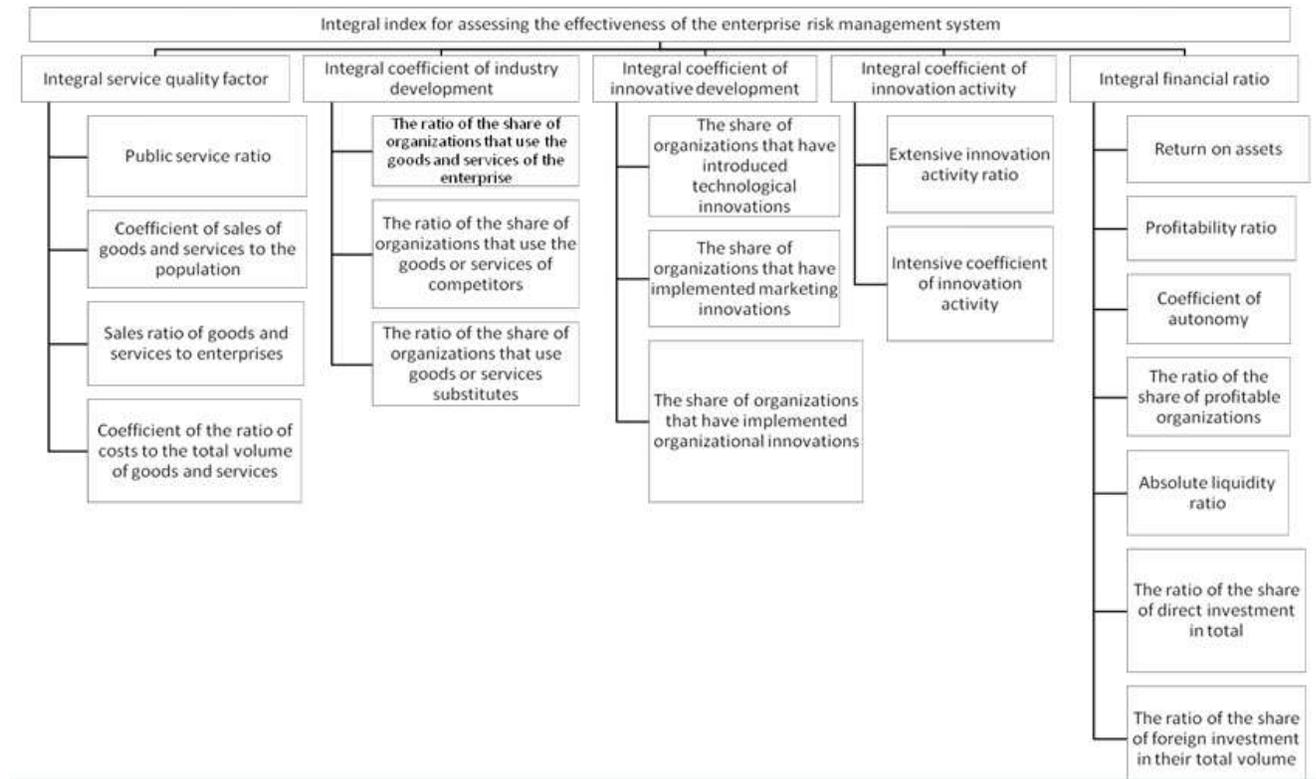


Fig. 3: System of Indicators of Risk Management of the Enterprise (on External Risks)

4. Passive strategy of innovative development is used in the following circumstances:

- Low rates of renewal of communication infrastructure facilities (up to 3 5% per year);
- The presence of experience in improving the market position of the enterprise through the use of marketing technologies;
- The use of mainly own funds to finance innovative projects of the enterprise.

After the stage of choosing the strategy of innovative development, the implementation of risk-oriented strategy, which involves a set of practical and organizational and methodological measures.

## V. Conclusions

Thus, based on the results of the development of methodological bases for the formation of risk-oriented development strategy, the following results were obtained:

- The proposed process of forming a risk-oriented development strategy, which includes five classic stages of strategic planning, the novelty of which is manifested in the adaptation of each stage to the specifics of enterprises in today's globalization, taking into account their innovative development and the possible impact of many risks;
- Risk-oriented development strategy as a process is a sequence of strategic decisions of organizational and managerial nature, aimed at achieving the objectives of innovative development and ensuring an effective risk management system of enterprises;
- The basis of risk-oriented development strategy is a method of risk management based on a system of risk indicators to assess an effective risk management system for key aspects of the enterprise.

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