

FACTORS OF CHOOSING AN ANTI-CRISIS MANAGEMENT STRATEGY

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In its development, each enterprise goes through a series of life cycle stages, at each of which a crisis is possible. The crisis arises not only through the fault of the managerial staff due to a mistake or a wrong strategy but is also determined by objective factors, including fluctuations in market conditions, shortcomings in innovation policy, obsolete production technology, external economic reasons and other factors. The effect of the introduction of crisis management should be manifested both in the process and after passing through the acute crisis phase, thereby emphasizing the need to introduce various measures and tools for crisis management at each stage of the crisis process.

The problem of implementing effective crisis management in the current domestic economy has become almost key, determining the real survival of the manufacturing sector of our economy. In this regard, the study of the features of crisis management is not only relevant but also vital for the successful functioning of domestic enterprises.

Fundamental theoretical foundations of anti-crisis management are laid out in the research of domestic scientists: Blanc I. O., Bykov O. O., Koshkin V. I., Ligonenko L. O., Moroz O. V., Tereshchenko O. O and others.

Note that the reasons why enterprises fall into crises are divided into two groups:

- external. The factors of this group do not depend on enterprises or which enterprises can affect to a small extent (Table 1);
- internal. The factors of this group arose as a result of the activities of the enterprises themselves.

Table 1

Analysis of external factors of crisis development [2, p.19]

Factors	Manifestations of the crisis factor	Possible consequence
The state of the national economy	The government is trying to smooth out the effects of economic policy deterioration by regulating tax, money supply, and bank interest rates	Tighter taxation, more expensive loans, higher costs
Political factor	Relations of states to the entrepreneurial activity of prohibitive or restrictive nature; instability of government activities, etc.	Deterioration of investment climates, capital outflows from the country
Legal factor	Inadequate antitrust regulation; limited regulation of foreign economic activity; underdeveloped legal frameworks	Increases in revenue by the monopoly enterprise due to higher prices for products; production downturns; lack of necessary legislative frameworks; difficulty entering foreign markets
Social factor	Tradition, life value; the mentality of the administrative-planned economy; lack of financial management skills; low levels of crops	Low levels of leadership; cravings for waste; crime, corruption
Technological factor	Low state spending on science and technology; low technical levels	Technological stagnation, low quality and high cost of production, low levels of productivity and competitiveness of the enterprise
Relationship with buyer and supplier	Slow revenue growth; delay in the supply of raw materials; their low qualities	Non-payment growth; decrease in production volumes and product quality

The purpose of enterprise crisis management is the development and implementation of measures aimed at neutralizing the dangerous factors that lead the enterprise to a crisis state.

In the process of realizing its main goal, crisis management needs to solve the following tasks:

- timely diagnosis of the pre-crisis financial condition of the enterprise and the adoption of the necessary preventive measures to prevent the crisis;
- elimination of the insolvency of the enterprise;
- restoration of financial stability of the enterprise;
- prevention of bankruptcy and liquidation of the enterprise;
- minimization of the negative consequences of the enterprise crisis.

Thus, crisis management is the process of applying forms, methods and procedures aimed at the socio-economic recovery of the financial and economic activities of the enterprise, at creating and developing conditions for overcoming the crisis.

Expediency and efficiency of crisis management by the enterprise it is caused by the general influence of the following factors (Fig. 1).

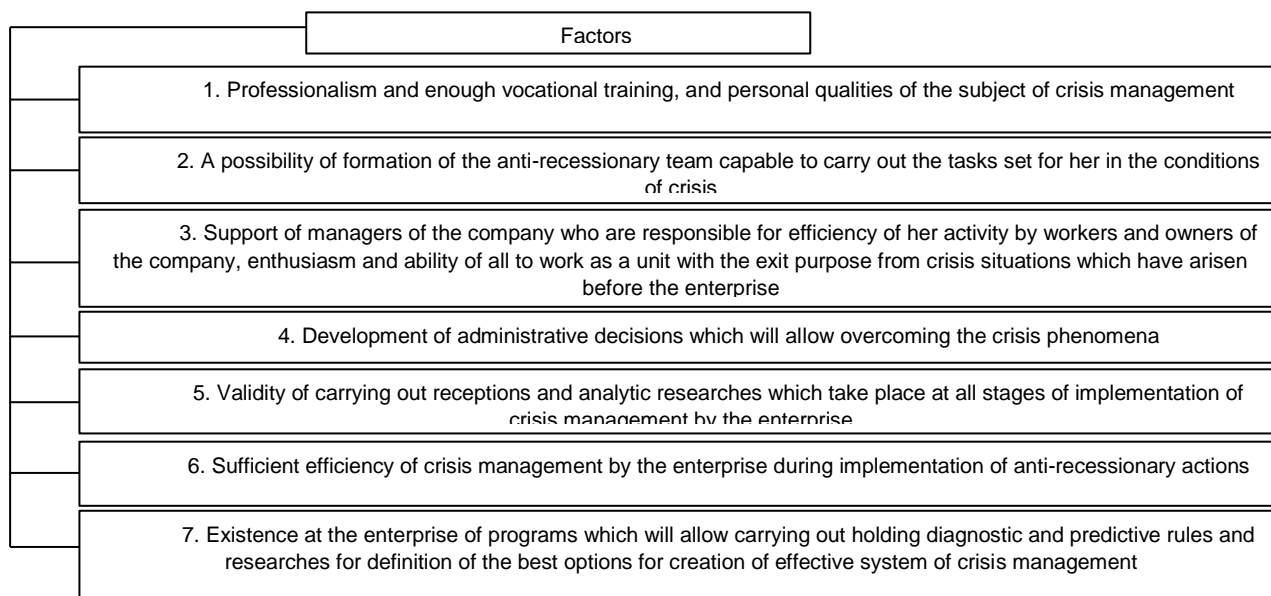


Fig.1. Factors affecting the effectiveness of enterprise crisis management [3, p.104]

Having considered the making systems of crisis management becomes obvious that the activity of all subjects of business has to be directed to crisis management.

In general, we can say that strategy is a systematic approach that provides the company with a balance and a general direction of growth. Moreover, if the external environment, conditions of competition, production technologies change slowly and gradually, the management of the company gradually adapts their work skills, using the accumulated knowledge and experience.

According to I. Ansoff [1], "strategy is a complex and potentially powerful tool with which a modern company can withstand changing conditions. But this is a difficult tool, and its implementation and use are expensive. A strategy is a tool that can seriously help a firm find itself in an environment of instability».

In crisis management, the management strategy is important. The anti-crisis strategy is a strategy that optimizes the behavior of an enterprise in the face of recessions in sectors, sustained declines in the basic financial performance of enterprises and threats of bankruptcy. It includes a set of measures in the field of planning, personnel management, finance, relations with a support group, as well as legal and other measures in order to protect the company from the threats of bankruptcy or significant downturns and create a condition for a turn to the recovery of enterprises.

The characteristic features of the anti-crisis strategy, as a special type of management, are:

- limited implementation time (1-3 years). Such a strategy is considered implemented at the time when it turns out that the enterprise is functioning balanced and a steady tendency has formed to improve the financial and property status and increase the efficiency of its activities;
- Priority anti-crisis strategy. That is, during the recovery of the enterprise from the crisis state, the corporate, as well as functional and business strategies experience significant adjustments and are subject to the main goal of crisis management;
- increased implementation effectiveness, determined by the magnitude of the consequences of successful (restoration of the enterprise's potential) or unsatisfactory (collapse of the enterprise, loss of investment by the owners) strategy implementation;
- a narrow functional orientation, which provides for the definition of a limited range of objects of influence due to insufficient resource base of a crisis company;
- orientation to a thorough search and maximum use of internal reserve resources of the enterprise;
- pronounced adaptive nature.

After identifying the entities and varieties of anti-crisis strategies, it is appropriate to consider the process of its development, while there are three main stages, such as:

- the first stage — the definition of the mission of the newly created enterprises or the revision of the mission and goal system for existing ones;
 - the second stage is the analysis of internal and external factors of the crisis situation at the enterprise;
 - the third stage is the analysis of alternatives and the selection of an adequate anti-crisis strategy.
- The choice of crisis management strategies has the form of a model, consists of individual blocks:

- crisis management systems;
- crisis management mechanism;
- crisis management processes;
- processes of integration or disintegration of crisis management.

For each individual enterprise, the criteria for justifying the choice of an anti-crisis strategy are generalized indicators in the main areas of assessing the level of the crisis state of the enterprise. Such indicators are profit volume and profitability, the efficiency of using fixed assets of an enterprise, indicators of business activity of an enterprise, indicators of financial stability of an enterprise, solvency and liquidity of property of an enterprise, probability indicator of the bankruptcy of an enterprise, efficiency of use of enterprise personnel.

Depending on the nature of the resources involved, there are:

- crisis management strategy when additional resources are not attracted;
- crisis management strategy when internal resources of a managed system are involved;
- a strategy when, in addition to internal resources are used, borrowed from other systems.

Depending on the nature of the adoption and implementation of anti-crisis management decisions, all crisis management strategies of enterprises are classified:

5. The strategy of "preemption». In this case, management decisions are made and implemented before the crisis period. This strategy, in turn, has varieties that suggest the presence of managerial actions:
 - before the onset of manifestation of any phenomena that are associated with transient processes;
 - during the period of recovery, that is, when the phenomena corresponding to the transition periods began to appear for the first time, but the transition period itself has not yet begun;
 - during the acceleration period, that is, when the phenomena corresponding to the transition periods have become clearly different, there are clear symptoms of future changes, but the transition period itself has not yet arrived.
6. The strategy of "coincidence». Management decisions are made and implemented during the transition period. As in the cases considered, management decisions can be associated with different phases of the transition period.
7. The strategy of "follow». Management decisions are made and implemented after the transition process. This strategy also has varieties that suggest management actions:
 - at the stage when the transition period is over, and the system is just beginning to approach a new stable state;
 - at the stage when the transition process has ended, the system is close to a new stable state, but the effects of the transition period processes, although weak, are still relevant;
 - in relation to the manifestations of the transition period at the stage when the system is already in a new stable state.

So, having considered the anti-crisis management strategy, strategic management methods, types of anti-crisis management strategies, we can say that the introduction of an effective anti-crisis management strategy is a powerful lever to prevent and overcome crisis phenomena at the enterprise.

The anti-crisis strategy provides for the implementation of a large number of reorganization measures and organizational and technological innovations, providing for the adaptation of the enterprise with the parameters of the external environment.

Enterprises can implement anti-crisis strategies within the framework of general anti-crisis strategies, the choice of which is due to the presence of internal resources of enterprises and opportunities in the marketing environment.

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