

## FEATURES OF THE IMPLEMENTATION OF RISK MANAGEMENT PROGRAM AS A TOOL OF ENTERPRISES DEVELOPMENT MANAGEMENT SYSTEM IN THE NEW ECONOMY

**Valentyn Vlasenko**

Candidate of Economic Sciences (Ph.D. in Economics), Associate Professor,  
Higher Educational Institution of Ukoopsilka  
«Poltava University of Economics and Trade» (Poltava, Ukraine)  
ORCID: 0000-0003-3892-9512  
valentinpuet@gmail.com

*The article proposes the author's approach to the development and implementation of risk management program as a tool of enterprise development management system. Characteristic features and directions of risk management system formation at the enterprise are considered. In order to form this system, it is proposed to implement: criteria of risk protection (financial stability; volume of activity; profitability; availability and structure of own working capital; characteristics of risk appetite of the management system); the scheme of the mechanism of formation and integration of risk management in the existing management system of the corporation; formalized process of risk management by step-by-step algorithm and main stages (risk analysis; choice of methods of influencing risk; decision-making). The methodology for developing a risk management program at enterprises has been introduced. Within the framework of the proposed methodology it is recommended: 1) the structure of the risk management program and the stages of its implementation (the general context of the company's activities is determined; risk factors and risk formulation are identified; there are several stages of risk assessment (determining the probability of occurrence of risky events, their consequences, quality of risk management); risks are ranked and selected those for which the management of the company's will use active methods of risk management; methods of influence on risks are developed and efficiency of their application is determined); 2) a matrix of risk analysis in the company's activities (with the distribution of factors on macro environment, micro-environment and internal environment); 3) methods of risk management (methods of influence on risk) and calculation of their effectiveness by the integral coefficient. It was substantiated that the implementation of the recommended proposals for the development of an effective risk management system in enterprises will contribute to the growth of their competitive potential and the formation of an effective mechanism for neutralizing risk situations in the near future.*

**Key words:** risk management, risk management program, risk management process at the enterprise, development management system, the mechanism of formation of the enterprises risk management system, the process of development management, new economy.

DOI: <https://doi.org/10.32845/bsnau.2021.4.3>

**Formulation of the problem in general.** In the current conditions of global financial and economic instability and the transition to a new economy, the problem of risk protection of enterprises is extremely relevant. After all, due to economic, political, financial instability, imperfection of the market of goods and services there is a high probability of crisis and the development of any socio-economic system. That is why there is a growing need for specialized management of modern organizations, taking into account the impact of economic and other types of risks.

There is a need to study the nature of the risk, methods of assessing its level and methods of avoiding the damage it can cause. The problem of risk management and creation of a risk protection system of the enterprise needs an urgent solution.

**Analysis of recent research and publications.** The question of studying the mechanism of formation of the enterprises risk management system is the attention of many scientists, among which should be singled out

Artyschuk I.V., Blank I.A., Denysenko M.P., Grishova I.Yu., Ilyashenko S.M., Ivashchenko O.A., Kalinichenko Z.D., Kravchenko V.A., Matviychuk A.V., Podolchak N.Yu., Shegda A.V., Solomka S.V., Starostina A.O., Strand R., Verbytska G.L., Vitlinsky V.V. and others [1–10].

At the same time, paying tribute to the scientific heritage of scientists, it should be recognized that the development of a risk management program at enterprises, together with its documentary support and individual measures continues to be a debatable, practically significant and completely unsolved scientific task that requires a thorough scientific research.

**Forming the purpose of the article.** The purpose of the study is to substantiate the methodological and consideration of the applied features of formation and implementation of the risk management program at the enterprise in the conditions of market transformations.

In accordance with the purpose of the study, the author's version of the risk management program of enterprise for

the long term was developed and practical measures during its implementation were proposed.

**Research methods.** In the course of the research a number of general scientific research methods were used: methods of analysis and synthesis, induction and deduction, dialectical method of cognition, systematic and complex approach – to identify the problem and consider the object of study; methods of comparisons and analogies, logical generalization, formalization, scientific abstraction, hypothetical method, observation, measurement, grouping and generalization – to analyze the object of study and develop practical recommendations, as well as tabular and graphical methods – to visualize the study material.

**Results of the research.** In the world and domestic special literature, the concept of «risk management» is considered in a broad and narrow sense. In a broad sense, risk management is the art and science of ensuring the conditions for the successful operation of any production and economic unit in conditions of risk. In a narrow sense, risk management is the process of developing and implementing a program to reduce any losses that may occur [3, p. 144].

According to A.V. Shegda and M.V. Golovanenko, the concept of risk management should be understood as a structured and consistent approach that combines strategy, processes, people, technologies and skills to assess and manage the uncertainties encountered by the enterprise in the process of value creation [10, p. 97]. Thus, the main goal of enterprise risk management, according to the new paradigm, is to create, protect and grow wealth of enterprises and their owners by managing uncertainties that can both negatively and positively affect the achievement of its organizational goals.

Scientist V.A. Kravchenko believes that «risk management is one of the most important areas of modern management, associated with specific activities of managers in conditions of uncertainty, complex choices of management actions, ie it is a special type of managerial activity aimed at helping improving the impact of risk on the results of the enterprise activity» [5, pp. 38–39].

As indicated in the study of N.Yu. Podolchak [6, p. 179], risk management is a set of processes within the organization aimed at limiting the levels of risks accepted by the organization in accordance with the interests of the owners (shareholders) of the organization, ie the appetite for risk.

On the other hand, risk management is a system of risk management and economic, and often financial, relationships that arise in the process of this management; it is a system of risk assessment, risk management and financial relations that arise in the business process [7, p. 132].

It should be noted that the vast majority of researchers are unanimous in arguing that the ultimate goal of risk management is to obtain the greatest profit at the optimal, acceptable to the entrepreneur ratio of profit and risk [1, p. 155; 2, p. 8; 8, p. 42]. But the scientist R. Strand in this context emphasizes the need to ensure corporate sustainability of the enterprise in the conditions of risk situation [9, p. 695].

However, the risk management as a management system consists of two subsystems: managing (subject) and managed (object). The subject of management in risk management is a special group of people united in a department or separate functional executors (Financial Manager, Risk Manager, Insurance Specialist, Acquirer, Actuary, Underwriter, etc.), who through various measures and methods managerial influence carry out purposeful functioning of the object of management. The objects of management in risk management are different types of economic and speculative (financial) risks [4, pp. 29–30, 157].

An important tool of an effective management system for enterprise development in the conditions of market transformations is the formation and implementation of a risk management program.

Many scientists have previously identified a number of risk factors that could negatively affect the activities of enterprises in the future, even threaten their existence as integrated socio-economic systems. To prevent this from happening, it is proposed to develop and implement a risk management program as an effective tool for its development management system.

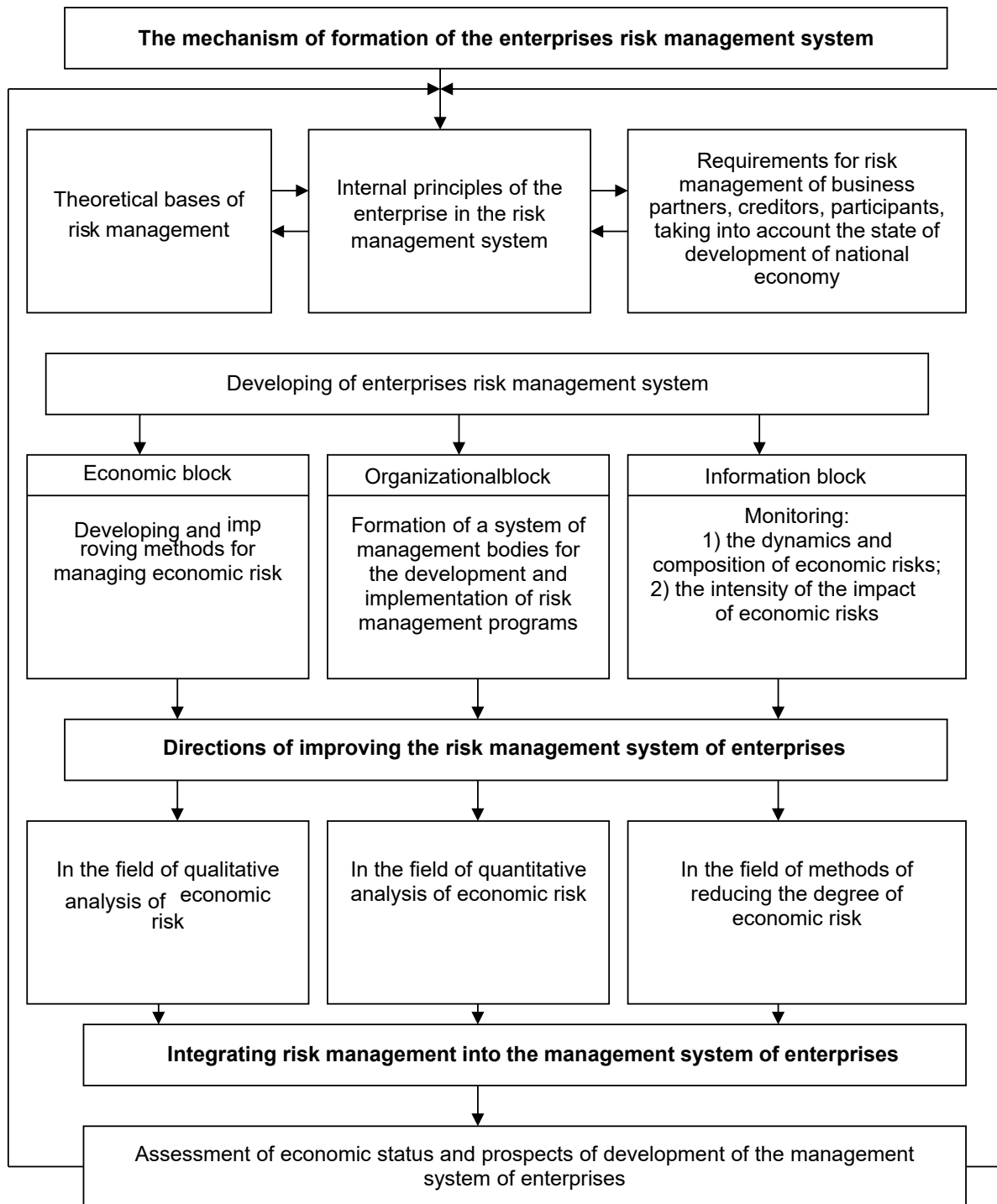
In order to ensure the stability of enterprises, its ability to withstand adverse situations, it is necessary to establish a risk management system. We will assume that for enterprises the formation of a risk management system is a multi-stage process that aims to reduce or compensate for losses and damage to an enterprise in risksituations. To this end, we first formulate the risk protection criteria of enterprises, which may be represented by indicators: financial sustainability; volume of activity; profitability; availability and structure of own working capital; description of risk exposure management.

According to the author, prior to developing the risk management program, the senior management of enterprises is obliged to form a risk management system. The formation of this system within the company must be carried out in a clearly defined sequence.

We propose to use the scheme of the mechanism of formation and integration of risk management in the existing management system of enterprises (Figure 1).

As we can see from Fig. 1, the mechanism for forming a risk management system of enterprises will consist of three blocks (economic, organizational and information), each of which has a purpose. If this mechanism is formed, the top management of the company will be able to determine the main directions of improving the risk management system (in the field of qualitative and quantitative analysis of economic risk and the choice of methods of reducing its degree). Then, risk management will be integrated into the company's management system and the economic status and prospects of its management system will be evaluated.

In order to increase the risk protection of enterprises, it is necessary to improve and formalize the risk management process. We propose to implement it with the following steps: risk analysis; choice of methods of influence on risk; decision-making. We offer a step-by-step algorithm for implementing the risk management process (Figure 2).



**Figure 1. Recommended mechanism of formation of the enterprises risk management system**

*Source: developed by the author*

According to Figure 2, the risk management process of enterprises should be focused on purposeful search and organization of work to reduce the risk, obtain and increase the return in uncertain economic situation in order to ensure an acceptable ratio between the level of profit and the risk incurred.

In our opinion, the risk management system of enterprises will be effective if senior management can use the following risk management methods:

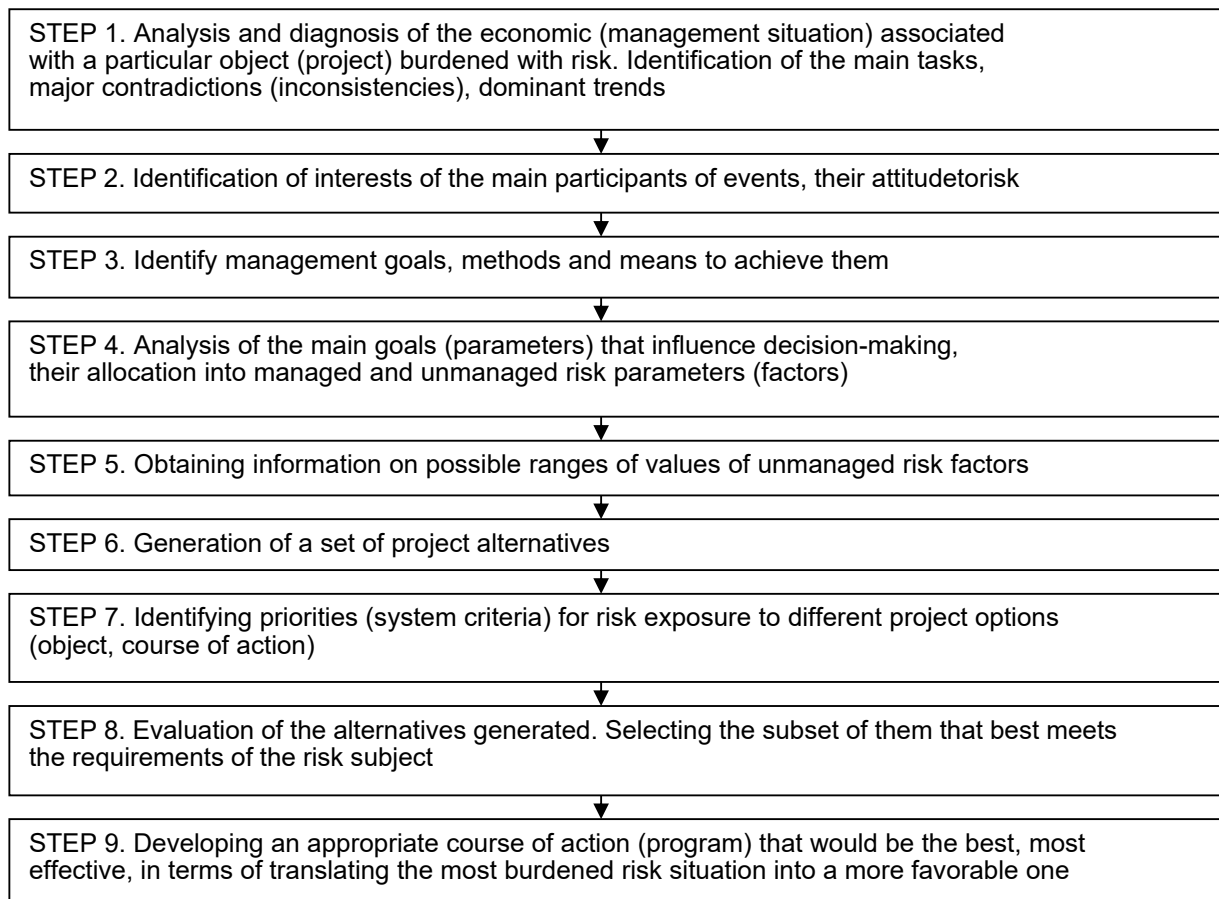
1. Avoiding Risk – means simply evading risk-taking measures.

2. Holding (absorbing) risk – means that the risk remains with the subject of risk management.

3. Risk transfer – means that the risk subject (for example, the investor) transfers responsibility for the risk to someone else (eg, the insurance company).

4. Reduction (prevention) of risk is a reduction of the degree of risk, that is, the reduction of probability of risk and object of loss.

To reduce the degree of risk in the activity of enterprises, it is advisable to use the following methods:



**Figure 2. Recommended step-by-step algorithm for implementing risk management process of enterprises**

*Source: developed by the author*

1) external methods of optimization (risk mitigation), which include: risk sharing and external risk insurance;

2) internal methods of optimization (risk reduction), which include: limits; diversification; creation of reserves (reserves); obtaining additional information.

We are convinced that due to the significant impact of risks on the financial status of enterprises, the following issues are urgent: the development and priority implementation of measures aimed at neutralizing the most dangerous risk manifestations in the chains of economic phenomena that lead to a crisis state, measures aimed at the crisis restoration of solvency and restoration of a sufficient level of financial stability of an entity to ensure its effective functioning.

However, without well-developed risk management procedures, an effective risk management system cannot be formed. This may be facilitated by the company's proposed a risk management program.

It should be emphasized that the risk management program for enterprises is the most specific action program that will contain a description of the risks identified and the methods of their impact. The contents of the proposed enterprise risk management program are presented in Table 1.

For the development of risk management program of enterprises it is recommended to follow the proposed general scheme:

1. The general context of the company's activities is determined.

2. Risk factors and risk formulation are identified.

3. There are several stages of risk assessment (determining the probability of occurrence of risky events, their consequences, quality of risk management).

4. Risks are ranked and selected those for which the management of the company's will use active methods of risk management.

5. Methods of influence on risks are developed and efficiency of their application is determined.

Several steps must be taken in order to complete the risk management program of enterprises.

Let us dwell in detail on the identification of factors and risk assessment in the activity of enterprises. To do this, it is necessary to establish in each unit of the company the losses and the factors that led to their occurrence. Risk management specialists should record the results of loss analysis for the management of enterprises in special tables.

The next step should be to identify risk factors and formulate risks of enterprises.

It should be borne in mind that risk factors (accidental events that affect the purpose of the enterprise) are located in the external environment (macro and micro environment) and the internal environment of the company. For enterprises they are located on three levels. At the first level, there are

**Table 1 – Recommended structure of enterprises risk management program**

Sections	Volume (pages)
Summary for senior management	1
Description of business (directions of activity of the company's)	1-3
Risk context: mission, strategic and tactical goals of the company's, losses and more	1-2
Company risks	3-5
Risk assessment: consequences and likelihood	3-5
Risk map	1
Methods of influence on risks	3-5
Economic efficiency	1
Applications (organizational structure of risk management, financial ratios, etc.)	1-5

Source: developed by the author

risk factors that society has virtually no control over. They belong to different components of the macro environment: political, economic, natural, demographic, cultural and scientific and technical riskfactors.

At the second level are the risk factors, the occurrence of which is due to the activities of competitors, consumers, suppliers and other interested parties associated with enterprises these may be influenced by senior management in one way or another.

At the third level are the risk factors located within of enterprises – production, staff, financial, marketing, etc. They are the largest to the extent controlled by the management of the enterprise.

There are many methods, each of which helps to obtain information about the characteristics of particular risks inherent in certain activities. Therefore, it is advisable to use a set of methods to identify risks.

The following methods can be used to identify risk factors and formulate risks: SWOT analysis, workshops and interviews; method of «brainstorming»; questionnaire; graphically depicting value creation processes, including the definition and depiction of business processes and value chains, as well as external and internal factors

affecting them; comparison with other companies (benchmarking).

To identify the risk factors and formulate the content of the risks themselves, it is advisable to use a special matrix of risk analysis in the company's activities (Table 2).

At the same time, we suggest that the risk manager of enterprises adhere to the following logic:

1. Expertise should identify the risk factors that affect the achievement of the enterprise goals in different functional areas of their business: strategic, industrial, financial, marketing, etc. Practically for enterprises this can be done in the following way: the expert consistently moves the rows of the Table4, systematically exploring how likely events in the macro, micro, and internal environment can influence the achievement of the company's goals in the strategic and functional spheres (production, finance, marketing, staff, etc.). Among the risk factors may be, for example, the adoption of a new regulation (political risk factor), inflation exceeding the planned value (economic), unexpected changes in weather conditions, which leads to atypical climatic events (natural), etc.

2. The risks must be clearly defined. For example, the risk of credit appreciation as a result of a possible increase

**Table 2 – Recommended matrix of risk analysis in the company's activities**

Sources of risk / Divisions	Macro environment environment						Micro-environment			Internal				
	political	economic	natural	cultural	demographic	scientific and technical	competition	consumers	suppliers	management	marketing	production	staff	finances
Management														
Production														
Finances														
Marketing														
Staff														
Supply														
Sales														
Etc.														

Source: developed by the author

in the annual inflation rate above 10% per annum (finances) or the risk of a decline in sales as a result of the emergence of a new competitor (sales).

Given the limited space of the table and the high number of risks (it is advisable to focus on 80–120 risks, as experts, as a rule, must identify 10–15 risks for each area of activity of the enterprise): in cells you can simply write the reduction of the name of the risk.

3. In the third stage, it is advisable to conduct a risk assessment. As soon as the risk factors have been expertly identified, the possible consequences of these events for enterprises should be evaluated; the likelihood that they will occur and the quality of managing these types of risks.

The enterprise risk manager must also decide on which scale to evaluate the impact of the event, its likelihood, and the quality of management. In our opinion, the most appropriate for enterprises is the use of a three-stage nine-point scale:

1) for consequences: low-grade (1–3); moderate (4–6); serious (7–9 points);

2) for event probability: low probability (1–3); mean probability (4–6); high probability (7–9);

3) for quality of management: poor quality (7–9); average quality (4–6); high quality (7–9).

In terms of probability, the frequency with which an enterprise faces a particular risk factor can be used as a criterion for enterprises. If, for example, floods have never been affected by his business during the entire period of the company's activity, and scientists do not predict them in the future, then the probability of such an event is very low, and its estimate will be in the range of 1–3 points.

Regarding the quality of management, if enterprises have complex effective methods of influence on one or another type of risk, it can be considered that the quality of risk management is high (1–3 points).

If the specialists of enterprises are aware of the risk and apply separate methods of managing it – the quality of risk management is rated as average (4–6 points). If management is still unaware of and unaffected by risk – we are dealing with poor quality of risk management (7–9 points). In the case of the quality of risk management, we use an inverted scale, praising poor quality and vice versa. This is done for the comparability of all three scales, the application of which should ultimately lead to the identification of the risks most threatening to the enterprise activity.

4. The fourth stage is the ranking of risks, their selection and risk mapping. To rank the risks, they should be entered in a special table. To carry out the final risk assessment in

the activity of enterprises, its integrated assessment must be multiplied by the coefficient significance of factors.

Experts (from the senior management of enterprises) should summarize all losses from the fields of activity for the previous years. They will then determine, respectively, the magnitude of the losses caused by the action of macroeconomic, microeconomic, and internal organizational factors. The ratio of each loss group to the total amount of losses will be the value of the respective coefficients.

5. During the last, fifth stage of development of the risk management program, the risk manager of enterprises will consider the real possibilities of using different methods of risk management (methods of influence on risk) for their main different types, and will evaluate the effectiveness of the risk management system.

The choice of risk management methods (risk exposure methods) is determined by the overall risk strategy of the company's, which in turn depends on the total amount of potential losses on the one hand and its financial capacity on the other.

To calculate the effectiveness of risk management methods to be used in enterprises, it is necessary to calculate the integral and partial coefficients of effectiveness of the risk management system.

To calculate partial coefficients of effectiveness of the risk management system, the magnitude of possible losses is divided by the amount of funds needed to apply a particular risk management method.

The integral coefficient of effectiveness of the risk management system for enterprises can be calculated by dividing the sums of all potential losses by the amount of money spent for the application of all methods of risk management.

**Conclusions.** Thus, the implementation of the proposed methodology for developing a risk management program and its practical implementation will increase the risk protection of enterprises from adverse risk factors and, as a consequence, the effectiveness of the development management system as a whole. The proposed sequence of implementation of the risk management process will contribute to the formation of risk management program as a tool of enterprises development management system, strengthening its competitive advantages and enter a new trajectory of social and economic growth.

Promising directions of further scientific research are the introduction of the basic program of enterprise management of certain types of risks based on a systematic approach. The study of key elements of the mechanism of formation of the enterprises risk management system involves conducting further research in this area.

#### References:

1. Artyschuk I.V. (2011) Upravlinnya ryzykozakhyshchenistyu pidpryemstva [Management of risk protection of the enterprise]. *Naukovyy visnyk NLTU Ukrayiny. Zbirnyk nauково-tekhnichnykh prats': Seriya: Ekonomika, planuvannya i upravlinnya haluzi*. Vypusk 21.5. L'viv : NLTU, pp. 153–159.
2. Denysenko M.P. (2017) Innovatsiyni zasady v upravlinni ryzykamy [Innovative principles in risk management]. *Problemy nauky*, no. 10, pp. 7–13.
3. Ivashchenko O.A. (2011) Finansovi instrumenty upravlinnya ekonomichnymy ryzykamy [Financial instruments of economic risk management]. *Zovnishnya torhivlya: pravo ta ekonomika*, no. 2, pp. 141–147.
4. Kalinichenko Z.D. (2021) Ryzyk-menedzhment : navchal'nyy posibnyk [Risk management: Textbook]. Dnipro : Dnipropetrovs'kyy derzhavnyy universytet vnutrishnikh sprav. (in Ukrainian)

5. Kravchenko V.A. (2007) Suchasni standarty ryzyk-menedzhmentu : osnova diyevoyi systemy upravlinnya marketynhovymy ryzykamy kompaniyi [Modern standards of risk management: the basis of an effective system of marketing risk management of the company]. *Marketynh v Ukraini*, no. 5, pp. 36–41.
6. Podol'chak N.Yu. (2015) Rozvytok systemy upravlinnya orhanizatsiyi na zasadakh kil'kisnoho analizu ekonomichnoho ryzyku [Development of the management system of the organization on the basis of quantitative analysis of economic risk]. *Aktual'ni problemy ekonomiky*, no. 7, pp. 177–184.
7. Solomka S.V. (2008) Innovatsiyni propozytsiyi shchodo upravlinnya ryzykamy na vitchyznyanomomu rynku [Innovative proposals for risk management in the domestic market]. *Naukovyy visnyk Poltav'skoho universytetu spozhyvchoyi kooperatsiyi Ukrainy. Seriya: Ekonomichni nauky*, no. 1 (26), pp. 131–134.
8. Starostina A.O., Kravchenko V.A. (2014) Ryzyk-menedzhment : teoriya i praktyka: navchal'nyy posibnyk [Risk management: theory and practice: Textbook]. 2-he vydannya, pereroblene. Kyiv : Informatsiyno-vydavnychyy tsentr «Vydavnytstvo «Politekhnikha». (in Ukrainian)
9. Strand R. (2014) StrategicLeadershipofCorporateSustainability. *Journal of Business Ethics*, no. 123 (4), pp. 687–706.
10. Shegda A.V., Golovanenko M.V. (2012) Ryzyky v pidpryyemnytstvi: otsynyuvannya ta upravlinnya : navchal'nyy posibnyk [Risks in entrepreneurship: evaluation and management: Textbook]. Kyiv: Znannya. (in Ukrainian)

#### **Список використаної літератури:**

1. Артищук І.В. Управління ризикозахисністю підприємства. *Науковий вісник НЛТУ України. Серія «Економіка, планування і управління галузі»*. 2011. Вип. 21.5. С. 153–159.
2. Денисенко М.П. Інноваційні засади в управлінні ризиками. *Проблеми науки*. 2017. Вип. 10. С. 7–13.
3. Іващенко О.А. Фінансові інструменти управління економічними ризиками. *Зовнішня торгівля: право та економіка*. 2011. № 2. С. 141–147.
4. Калініченко З.Д. Ризик-менеджмент : навчальний посібник. Дніпро : ДДУВС, 2021. 224 с.
5. Кравченко В.А. Сучасні стандарти ризик-менеджменту: основа дієвої системи управління маркетинговими ризиками компанії. *Маркетинг в Україні*. 2007. № 5. С. 36–41.
6. Подольчак Н.Ю. Розвиток системи управління організації на засадах кількісного аналізу економічного ризику. *Актуальні проблеми економіки*. 2015. № 7. С. 177–184.
7. Соломка С.В. Інноваційні пропозиції щодо управління ризиками на вітчизняному ринку. *Науковий вісник Полтавського університету споживчої кооперації України. Серія «Економічні науки»*. 2008. Вип. 1(26). С. 131–134.
8. Старостіна А.О., Кравченко В.А. Ризик-менеджмент: теорія і практика : навчальний посібник ; 2-е вид., перероб. Київ : Політехніка, 2014. 268 с.
9. Strand R. StrategicLeadershipofCorporateSustainability. *Journal of Business Ethics*. 2014. Vol. 123(4). P. 687–706.
10. Шегда А.В., Голованенко М.В. Ризики в підприємстві: оцінювання та управління : навчальний посібник. Київ : Знання, 2012. 271 с.

**Власенко Валентин Анатолійович**, кандидат економічних наук, доцент, Вищий навчальний заклад Коопспілки «Полтавський університет економіки і торгівлі» (м. Полтава, Україна)

#### **ОСОБЛИВОСТІ РЕАЛІЗАЦІЇ ПРОГРАМИ РИЗИК-МЕНЕДЖМЕНТУ ЯК ІНСТРУМЕНТУ СИСТЕМИ УПРАВЛІННЯ РОЗВИТКОМ ПІДПРИЄМСТВ У НОВІЙ ЕКОНОМІЦІ**

У статті запропоновано авторський підхід до розроблення та впровадження програми управління ризиками як інструменту системи управління розвитком підприємства. Розглянуто характерні особливості та напрями формування системи ризик-менеджменту на підприємстві. Для формування цієї системи пропонується реалізувати: критерії захисту від ризику (фінансова стійкість, обсяг діяльності, рентабельність, наявність та структура власних оборотних коштів, характеристика схильності до ризику системи управління); схему механізму формування та інтеграції ризик-менеджменту в існуючу систему управління корпорацією; формалізований процес управління ризиками за покроковим алгоритмом та основними етапами (аналіз ризиків, вибір методів впливу на ризик, прийняття рішень). Запроваджено методіку розроблення програми управління ризиками на підприємствах. У межах запропонованої методіки рекомендовано: 1) структуру програми управління ризиками та етапи її реалізації (визначається загальний контекст діяльності компанії, проводиться виявлення чинників ризику та формулювання ризиків, здійснюється оцінка ризиків, що включає кілька етапів оцінки ризику (визначення ймовірності настання ризикових подій, їх наслідків, якості управління ризиками), ранжуються та відбираються ризики, щодо яких керівництво підприємства використовуватиме активні методи управління ризиками, розробляються методи впливу на ризики та визначається ефективність їх застосування); 2) матрицю аналізу ризиків у діяльності компанії (з розподілом чинників на макросередовище, мікросередовище та внутрішнє середовище); 3) методи управління ризиками (методи впливу на ризик) та розрахунок їх ефективності за інтегральним коефіцієнтом. Визначено перспективні напрями ідентифікації та оцінювання впливу чинників ризику на діяльність підприємства за рахунок розроблення відповідних форм таблиць. Обґрунтовано, що реалізація рекомендованих пропозицій щодо розвитку ефективної системи ризик-менеджменту на підприємствах сприятиме зростанню його конкурентного потенціалу та формуванню дієвого механізму нейтралізації ризикових ситуацій у найближчому майбутньому.

**Ключові слова:** ризик-менеджмент, програма управління ризиками, процес управління ризиками на підприємстві, система управління розвитком, механізм формування системи управління ризиками підприємств, процес управління розвитком, нова економіка.

Дата надходження до редакції: 08.12.2021 р.